



International Migration, Remittances and Development

Hasan Mahmud (Corresponding Author)

Department of Sociology

Atish Dipankar University of Science and Technology

Faisal Tower, Gulshan-2, Dhaka, Bangladesh

Tel: 88-02-9891904 E-mail: mahmud.soc@gmail.com

Md. Abdus Sabur

Department of Science and Humanities

Military Institute of Science and Technology

Mirpur Cantonment, Dhaka-1216, Bangladesh

Tel: 88-02-8019950 E-mail: saburshajal@yahoo.com

Sharmin Tamanna

Department of Anthropology

University of Dhaka, Dhaka-1000, Bangladesh

Tel: 88-02-8615583 E-mail: stamanna86@yahoo.com

Abstract

The increasing remittance flows to the labor sending developing countries in recent years have generated huge optimism in the contemporary development discourse about the possibility of development at the grassroots levels which has been an overwhelming challenge for the development actors for decades. However, the realization of such potential proves difficult due to a lack of common understanding of the phenomenon of labor migration and its causes and consequences. This study focuses on the existing literature on international labor migration, its causes and consequences with a view to identify a common line of theorizing about the issue in question.

Keywords: International migration, Migration theories, Migration and development, Transnationalism

1. Introduction

“Today, the impact of remittances is recognized in all developing regions of the world, constituting an important flow of foreign currency to most countries and directly reaching millions of households, totaling approximately 10 per cent of the world’s population.... The driving force behind this phenomenon is an estimated 150 million migrants worldwide who sent more than US\$300 billion to their families in developing countries during 2006, typically US\$100, US\$200 or US\$300 at a time, through more than 1.5 billion separate financial transactions” (IFAD, 2007). These funds have generated startling optimism for development, particularly for effective grassroots economic development in the rural areas in the developing countries that present some of the greatest challenges to financial inclusion. However, we need to address all the complex dynamics of motives and usages of remittances to realizing the development potentials of remittances both in the host and home countries (Brown, 2006) which requires a review of our understanding of the reasons for, and impact of, migration in the developing countries. In the discourse of International Migration (or more precisely, International Labor Migration), various works are found where the researchers attempted to theorize about people’s movement and ensuing consequences over last few decades. The main focuses in these studies are measuring the extent of international labor migration, defining its dominant characteristics, and particularly evaluating its contribution to socio-economic development (Goss & Lindquist, 1995). Nevertheless, those researchers are thought of being distracted by the adoption of incompatible theoretical approaches and selecting diverse context and wide range of variables for empirical studies, and consequently, those studies resulted in further ambiguity. The situation in evaluating the consequences of international labor migration has become further complicated by the researchers’ preferential emphasis on national economies, communities, or households as unit of analysis (Kearney, 1986). This paper is an attempt to understand the causes behind individuals’ movement across national borders and their remittance practices,

and the developmental implications of these for the labor-sending Third World countries through a review of existing literature.

2. Theories of International Labor Migration

“It is argued that at present there is no single, articulate theory of international migration, but a muddle of models, analytical frameworks, conceptual approaches, empirical generalizations, simple notions, and only seldom pieces of real theory segmented by disciplinary boundaries”(Arango, 2000). However, a review of the literature on migration recognizes two distinct approaches to the study of international labor migration: Functional approach and Structural approach.

2.1 Functional Approach

The functional models of international migration derive from neoclassical development economics which defines migration as a process of transferring surplus labor from an agricultural economy to the urban industrial sector, providing for economic growth and a psychosocial reorientation of the migrant in the process. This is a micro-social perspective in that it views migration as an aggregation of individual decision making and moving abroad. The different models that fall within functional camp are following:

2.1.1 Neoclassical Macroeconomics

This is considered to be the oldest and best-known theory of international migration which has been developed originally to explain labor migration with regard to economic development (Lewis, 1954; Ranis & Fei, 1961). However, this approach makes methodological individualism in that “individuals make rational decisions to maximize their utility on the basis of available knowledge of objective conditions, or in the case of migration that they migrate in response to the wage differences that result from uneven distribution of returns to the factors of production” (Goss & Lindquist, 1995:320). According to this approach, international migration is stimulated by geographical differences in the supply of and demand for labor. It conceptualizes countries with large endowment of labor relative to capital as having low equilibrium market wage, whereas countries with a limited endowment of labor relative to capital as having high equilibrium market wage. This differential influences workers to move from low-wage countries in the third world to the high-wage countries in the developed world, and from rural to urban areas within a particular country. This theory predicts that the continuous movement of workers over a certain period will result in an increase in the supply of labor and decrease in the wage in capital-rich countries and regions, while economic growth in the source regions, attained by remittance together with the return of skilled migrants, will gradually eliminate the spatial inequalities and difference in wages. Thus, equilibrium is reached at one point. However, Massey *et. al.* (1993) find it too restricted to reflect only on the cost of international movement, pecuniary and psychic. There are instances that rural-urban and international migration has increased in many contexts, despite the high levels of unemployment and underemployment in the urban-industrial economies. Also the predicted economic development is unseen in the source regions.

2.1.2 Neoclassical Microeconomics

To overcome the limitations of the neoclassical macroeconomic model, Harris & Todaro (1970) hypothesize that individuals take action rationally to the perceived differentials in wages and the expected probability of securing employment, instead of actual opportunities, and hence they travel despite the fact that opportunities for wage labor are more constrained. This behavioral modification is a sensible move in that this recognizes individual agency; yet this model suffers from “lack of distinctiveness and explanatory value due to its recognition of nonequilibrating tendencies in migration and inclusion of imperfect information and supra-individual decision making” (Kearney, 1986:335). Further, Cadwallader (1992) argues that this model reduces migrants- a social category that is structured by gender, ethnicity and social class- to mere embodiment of labor power, and thus fails to adequately address the political and other structural barriers to mobility.

Massey *et. al.* (1993) argue that, through the simple and compelling explanation of international labor migration, neoclassical economics has turned out to be prominent in shaping public discourse on migration and providing the intellectual foundation for immigration policy. Goss & Lindquist (1995) criticize the functional approach becoming policy-making orthodoxy for international migration in a time when developing countries are trying to reduce or redirect the flow of rural-urban migration due to its apparent disequilibrating tendencies and inefficiencies. This fact is reflected in the migration policy of many Asian countries that encourage their citizens to seek income opportunities overseas with the belief that the host country is provided with a supply of cheap labor while the sending country gains foreign exchanges in the form of remittance. This also gives a relief from domestic unemployment and acts as a political safety valve, though temporarily (Ellerman, 2005). It is anticipated, however, that the increased rates of domestic savings and the deployment of new skills by the returning migrants will convert into productive investment and creation of new job opportunities in the long run.

The reality in most of the labor sending countries in the third world does not conform to the predictions of neoclassical model that views migration as a temporary phenomenon likely to decline with the equilibrating effects through

development in the sending countries. From a review of empirical studies on Philippines and some other developing countries, Goss & Lindquist (1995) have identified three inconsistencies with this model: *first*, overseas earnings are invested less in productive enterprises than expended to repay debts, purchase land and housing or daily subsistence needs, and finance conspicuous consumption reflecting the better off status of the migrants and their families in the home country. Such patterns of spending remittance do not generate economic development and new job opportunities, but rather often create inflation. *Secondly*, the ironical fact is that most of the migrants have already been employed in their home country before moving out. Thus, migration seems to have little impact on domestic unemployment reduction, or sometimes even exacerbating the situation. *Thirdly*, the wages in the Philippines have not increased as a result of huge overseas migration, nor has employment abroad led to the acquisition of new skills since most migrant take-up low-paying, unskilled jobs shunned by the workforce of the host country.

2.2 Structural Approach

The structural approach focuses on the macroeconomic processes that produce socio-spatial inequalities and constrain the life chances of individuals as members of specific social classes in particular place. It explains migration in terms of the exploitative political and economic relationship between sending and receiving countries. This macro-social approach does not conceptualize migration as merely the result of the aggregation of individual decisions and actions, but rather the product of objective social and spatial structures that produce the necessary conditions for labor migration. A review of literature generally identifies three closely related but distinct structural models of international labor migration. These are: neo-Marxist dependency theory, world system theory, and modes of production theory.

2.2.1 Neo-Marxist Dependency Theory

Emanating primarily from the Latin American scholars, this theory argues that labor migration is stimulated by the uneven spatial development resulting from colonial and neocolonial political and economic relationships between the developed capitalist economies and their underdeveloped peripheries. As such, migration is viewed not only as a response to the existing imbalanced situation, but also a social process that reinforces it. Migration, as Amin (1974) argues, represents a spatial transfer of value greater than the return to the individual in remitted wages, because it selectively captures only the most productive and educated workers from the underdeveloped countries or regions. This view is best represented by the dual labor market theory (Piore, 1979) which argues that international labor migration is caused by a permanent demand for immigrant labor inherent in the economic structure of developed nations. Structural inflation, declining status associated with lower-level jobs, economic dualism and shifting demographic trends have generated a gap in the lowest strata in the labor market in developed countries. Being guests in these societies, the migrant workers from the underdeveloped countries are attracted to those jobs comparing the absolute value of their wages in developed countries with that in their home country where it improves the migrants' status and economic condition. However, scholars in this approach are criticized for their focus on the historical processes and exploitation through unequal exchanges rather than the existing social relations of production in the home country (Kearney, 1986). They are also seen to be reluctant to the differences among the source countries as well as the contradiction between different social classes within them (Wood, 1982).

2.2.2 World System Theory

The world system theory addresses, at least partially, the first problem with the dependency model in explaining the existing social relations in the source countries. Building on Wallerstein (1974), this model posits that "the penetration of capitalist economic relations into peripheral, noncapitalist societies creates a mobile population that is prone to migrate abroad" (Massey *et al.*, 1993: 444). According to this theory, migration is a natural outgrowth of the dislocations and disruptions caused by capitalist development. With the expansion of capitalism over larger parts of the world, the influence and control of market is also extended over land, raw materials and labor within the peripheral regions, creating a vast mobile population. The material and ideological links along with the investment capital usher these dispossessed masses from the underdeveloped countries to the global cities in developed countries to take up low-paying jobs at the bottom of the occupational hierarchy (Sussen 2001). However, this approach fails to take into account how distinct noncapitalist social relations in the periphery affect the transfer of value incorporated in the migrant workers' labor power (Goss & Lindquist, 1995).

2.2.3 The Modes of Production Theory

With an acknowledgement of the historical significance of colonialism, this approach argues that precapitalist forms of productions often coexist with capitalism under conditions of uneven development in the peripheral regions. As a result, individuals and households are caught up in various forms of production relations and may be found in motion between them, and hence necessitating migration. In such situations, value is channeled through 'super-exploitation', where individuals work in sectors of capitalist market but part of the reproduction of their labor is provided by noncapitalist sectors (i.e. extended family, or government subsidized education and healthcare services). Shrestha (1988) shows how the penetration of capitalist social relations in rural Nepal dislocates the farmers from agricultural land, forces them to

turn into wage laborers depending on the sale of their labor power. The scarcity of capital and underdeveloped nonfarm sectors result in extremely limited alternative employment opportunities, and consequently, many migrate- particularly in the face of rapid population growth- to the urban regions or if affordable, to developed countries.. However, members of the local elite are seen to choose migration as a means to attain more political and market authority and to diversify risk. In a study of Filipino construction workers in the Middle East, Gibson and Graham (1986) identify the emergence of the New International Division of Labor that attempts to reduce production costs by espousing favorable conditions of production, particularly cheap, unorganized labor. Given the inability in certain production system to relocate capital from its specific sites of production, i.e. agriculture, construction, retail and social services, multinational capital draws workers from underdeveloped countries like Philippines. Hence, they argue, the migration of Filipino workers to Middle East (construction and service), Europe (domestic and other services), Japan (entertainment and cultural works) and East Asian NIEs (domestic services).

It is argued that the mode of production approach explains the role of migration in the historical process of articulation of the domestic economy with the capitalist economy (Kearney, 1986). Although the penetration of capitalist social relations undermine domestic economy, the reproductive sphere remains at least partly integral within the domestic economy which bears the responsibility for the long-term reproduction of migrant labor. Thus, the tie of exploitation shifts from the wage laborer to the households and community and a concern with the microeconomics of kinship relations that ensures the reproduction of labor under conditions of articulation. It is also argued, given the sensitivity of this approach to local processes and the productive and reproductive strategies of households and communities, that “this provides some bridges for spanning the gulfs in levels of analysis by theorizing migration, production and reproduction at the local level, shaped by and as a response to, global economic conditions” (Kearney, 1986:352). In spite of its attention to the local agency and some other valuable theoretical and empirical contributions, this approach fails to articulate the concepts of household and community that play the vital of reproduction of migrant workers (Goss & Lindquist, 1995).

In sum, it can be argued from the discussion above that both the functional and structural approaches reduce migration to mere responses of individuals to the wage differential determined by the market forces, or inequality between the home and host countries stimulated by a difference in the level of socio-economic development. As such, migration connotes the circulation of labor power embodied in the individuals and thus the social, cultural, political and institutional dimensions of the phenomenon are subordinated to an economic logic (Schiller *et. al.*, 1992). The situation exacerbates with regard the conflicting and contradictory conclusions that these two approaches draw. While functional approach conceives of migration as a temporal process and a way towards equilibrium with the economic development of the source regions by means of remitted wages and new skills embodied in returnees, thus making migration a ‘*win win game*’, structural approach considers migration as a somewhat more permanent phenomenon and a ‘*zero sum game*’ (Tanner, 2005) that propels underdevelopment in the source regions and reinforce it, and hence the widening of the existing inequality between the developed and underdeveloped regions.

2.3 Integrative Approaches to International Migration

The theoretically fragmented literature and the conflicting conclusions that conceptualize migration as either the cumulative result of individual decision or a manifestation of a social structure imposing behavioral constraints on individuals provoke the need for a comprehensive view of the migration process and its role in development examining concurrently the origin and destinations, and reflecting on both historical and contemporary processes. Examples are the new economic approach, the system approach and the network approach.

2.3.1 The New Economic Approach

By incorporating the larger social unites, typically households and communities, that are interested in risk minimization rather than in profit maximization, the new economic approach elaborates the decision making role of microeconomic functional models (Stark, 1991). This approach conceptualizes migration as a household strategy focused not so much to maximize income as to diversify sources of income, in order to minimize risks- i.e. unemployment, loses of income, crop failure, etc. and slacken constraints, given the imperfections that plague credit and insurance market in sending country (Stark and Tylor, 1989). The strength of this approach lies in the fact of its integration of migration decision making with migrants’ remittance behavior and households’ remittance use. Since the primary motivation for migration is to overcome risk and credit constraints on local production from market failures, migration and remittance should positively influence local income-generating activities. This approach also broadens the analysis of migration by placing it in broader community context, especially associating household’s migration decision to its relative position within the income distribution of the community. However, the premises of this model depend on the fact that other things- i.e. market imperfections- remain equal and unchanged. Unfortunately, such other things are not equal or static and thus the predictive power of this approach suffers failure to certain extent, especially in explaining the patterns of remittance expenditure as observed- for instance, in Bangladesh where the remittances receiving families are found spending on activities other than income generation (Rahman, 2000). It is also difficult to figure out the influence of

market imperfection and risk on international migration from the role of other income and employment variables (Massey *et al.*, 1993) and thus rendering empirical investigation difficult, if not impossible.

2.3.2 The Migration Systems Approach

The systems approach focuses on the stable international migration systems that comprise both the macro and micro linkages between different places. These systems are characterized by relatively intense exchange of goods, capital and people between certain countries and less intense exchanges between others (Massey *et al.*, 1993). While the macro-level relations include political systems, economic dominance/dependency, immigration policy and cultural/linguistic associations, the micro-level relations include friendship and kinship resulting from the geographic dispersion of populations. Accordingly, migration is conceptualized as sequential process of decision making, transition and adaptation by the individual made within the context of general political-economic and specific social relationships at each stage (Fawcett & Arnold, 1987).

Both the aforesaid models emphasis 'household' as the unite of analysis which falls somewhere between the individual and society, thus exposing potential as "a means to account for both the aggregation of the actions of individual decision makers and the structuring of constraints upon behavior by the global or national economy" (Goss & Lindquist, 1995:326). According to these approaches, the household unite is conceived as it is in the conventional economics and sociology of developing countries, that is, the primary unit of production and reproduction characterized by single utility function and acting in the pursuit of collective goal. As Boyd argues, "migration of individual members or the entire household unit represents a strategy at the household level to achieve a fit between resources such as land or capital, the consumption needs of its members and the alternatives for generating monetary and non-monetary income" (Boyd, 1989:645). Thus migration results from the 'very precise calculation' of utility and collective decision making by the household unit in order to respond to the contingencies emerging from external environment and/or international configuration of the household unit so as to diversify income and minimize risk, and to enhance capital accumulation.

However, Goss and Lindquist (1995) have identified some problems with such a conceptualization of household unit. *First*, poor households often fail to reflect the strategic notion of household envisioned by the literature and are also least able to draw out members' cooperation due to their limited power to apply sanctions on those turn aside. *Secondly*, the substitution of the notion of the rational, calculating individual by the rational, calculating household obscures the social processes behind decision making and individual interests within the household, and thus repeats the errors of voluntarism (or altruism) in neoclassical approaches to social explanation. *Thirdly*, from a feminist point of view, such a unified notion of the household mystifies the intra-household stratification by gender and generation, and chokes out the voices of the underpowered- usually the female and young. *Finally*, the meaning and determination of primary loyalty makes it difficult to precisely identify the household as 'decision-making unit' since distant kin or non kin members are sometimes found sharing the daily budget. They further argue that while such an isomorphic conception of household unit is applicable in the Western societies, it does not fit in more traditional societies in the third world. Thus ethnographic studies observe individuals pursuing their own individual interests, sometimes compromising the collective interest, and sometimes overtly confronting it (Phillips, 1989). Others have also noted that the prospects of adventure are particularly important for young members- both male and female (Rigg, 1989), and that individual perceptions of relative deprivation rather than household consumption may stimulate migration (Stark, 1984).

2.3.3 Migrant Network Theory

Massey, *et al.* (1993) attempts an extensive review of the diverse approaches that have been used in the study of international migration and builds up a new approach called 'migrant network theory'. This network concept has not come out from network analysis, but rather from the studies of social adaptation that examine the effect of massive population shifts within Third World nations after World War-II (Gurak & Caces, 1992). According to this theory, "migrant networks are sets of interpersonal ties that connect migrants, former migrants, and nonmigrants in origin and destination areas through ties of kinship, friendship, shared community origin. They increase the likelihood of international movement, because they lower the costs and risks of movement and increase the net returns to migration" (Massey *et al.*, 1993:448).

The migrant networks embody a kind of social capital that individuals can draw on to lower the cost and the extent of uncertainty involved in the process of international migration. As networks establish links between individuals in both the origin and destination areas, migrants are able to benefit from these connections in both areas. Researchers observe that networks provide would-be migrants information about available destinations, contacts with the gatekeepers, and sometimes with funds for travel and other fees. At the areas of destination, networks provide assistance in securing housing and employment, a means of cultural continuity and communication with the community of origin.

Much of the scholarship on international migration recognizes the existence and functioning of strong ties among the migrants that constitute migrant networks. Under the auspices of improved transportation and communication technologies, migrants are now capable of maintaining continued relations with their community members back in

home country (Glick-Schiller, *et al.*, 1992). As such, most of the migrant communities now construct and maintain connections beyond nation-states that contain flow of money, information, and other resources along with people across borders and entail one-time return migration, repeat migration, and circular migration, as well as migration of settlements (Waldinger and Fitzgerald, 2004).

The network approach posits that the connections are essentially based on the membership within a particular kin-group, community or locality. However, migration networks do not include every individual in a certain community or locality. Goss and Lindquist (1995) observe in Philippines that migration networks function selectively in granting access to the members in the community. Krissman (2005) criticizes the restrictive nature of composition and function of networks and observes participation of 'exogenous actors' in the migrant networks both in the home and host countries which Massey-model overlooks by designating as 'nonmigrants' or 'friends of migrants'. He divides these 'outsiders' or non-hometown participants in two groups: one group of actors consists of individuals working for any of a number of government agencies engaged in formal recruitment; the other group includes promoters and beneficiaries of informal recruitment, i.e. employers and their supervisory staff, various types of intermediaries and other agents who receive pay and/or sinecures. He also criticizes the notion of symmetrical relations among network participants in this approach and argues that much of these relations are asymmetrical that facilitate functioning of the whole network. Collyer (2005) in his study of the Algerian Asylum-Seekers observes that the pre-entry and post-entry controls imposed by the state of France have restricted the functioning of the existing networks for new migrants, and these individuals, as a consequence, creatively seek recourse to weak ties- i.e. smugglers, or Muslim communities from other countries- to manage relocation to the UK. Aguilera (2005) finds while the patriarchal family structure keeps Puerto-Rican women from actively engaging in the networks, the weak ties with individuals out side of the network helped them get better jobs.

3. Migration and Development

By now, it has been recognized by scholars that international migration has profound impact on development in the receiving countries through remittances. Taylor *et al.* (1996) argue that the direct effect of remittances is the contribution to national income, while the indirect effects include the shift in production stemming from the withdrawal of labor, easing foreign exchange constraints, and enhancing domestic savings and investments. Jennings & Clarke (2005), emphasizing on the 'multiplier impact' of remittances in Nicaragua, observe that a significant portion of remittances are saved, invested in family-business and agricultural inputs, and education and health all of which have profound influence on national development. De Haas (2005) also agrees that remittances contribute significantly to development and living conditions in sending countries. However, he comments that the recent 'remittances euphoria' is an exaggeration, because unattractive investment environment and restrictive immigration policies which interrupt circular migration prevents the high development potentials of migration from being fully realized.

3.1 Migrants and Development

Going beyond the classic economic logic of greater income, Brown (2006) observes that migrants move abroad and remit money for various other reasons and these motives have considerable political implications, too. As such, realizing the development potentials of remittances need to address all these complex dynamics of motives and usages of remittances both in the host and home countries. In an attempt to identify the complexity of motives and usage involved in remittances practices, Goldring (2004) finds three different types of remittances with different motives: remittances as wage or salary that is sent by the circular migrants or sojourners to support relatives; remittances as investment that is sent during a trip or brought back upon return and spent on land purchase or building a home; and remittances as capital that is deliberately saved to invest in specific productive venture. She argues that development has to be defined more broadly to include social, community, and political dimensions and the influence that different types of remittances have on each of these dimensions. From a transnational perspective, Sana and Massey (2005) observe in their study of the patterns of remittances sending to the home communities in Mexico, Dominican Republic, Nicaragua, and Costa Rica that the rationale behind remitting involves kin solidarity, reciprocal obligations, yearning for social recognition, and profit seeking. As such, remittances may be used, not only for risk diversification or investment, but also for family subsistence, human capital investment, small- and middle-scale businesses, or land purchase, or other social intangible.

3.2 Institutions and Development

The remittance practice does not only involve motives of the migrants who send money back but also other agencies concerned with development according to their own interests. As (Seddon, 2004) observes, the government aims to have a control over the flows of remittances because it wishes to fund its foreign exchange with the tax acquired from these flows, the multilateral development agencies (i.e. WB, IMF, ADB, etc) are interested because these flows outstrip FDI and foreign aid, and thus seem hold potential for constricting their role in development, while some other agencies- both political and nonpolitical- who suspect a considerable amount of remittances flows going to funding for terrorist and other illegal affairs want to hold back such infamous funding. Contrary to the much acclaimed idea of temporary

labor migration as a developmental path that many national governments espoused after WW-II, for example, Turkey-Ellerman (2005) identifies some adverse impacts of such migration on the development of the sending countries. He argues that migrants are not the poorest of the sending regions and they do have certain human and social capital, and also remove financial capital when they move out. This leads to a loss in absolute terms in the sending regions, and the selective nature of labor migration further exacerbates this loss. He also argues that the labor-sending countries in the developing south are fraught with multiple social problems and observe calls for reform frequently. The ruling elites in these countries use migration as an efficient tool to circumvent the pressure for reform with a view to perpetuate their domination. However, he also identifies some potential, though limited in scope, of the return migration in setting up non-agricultural rural development.

3.3 Transnationalism and Development

Although scholars are yet to agree on the developmental impact of migration in the labor sending countries, researchers in the field of transnationalism strongly advocate the belief in remittances, including both monetary and non-monetary forms of remittances, as a potent source of development. Defining transnationalism as the grassroots activities conducted across national borders by actors in civil society, independent of, and sometimes in opposition to official directives and rules, Portes, et al (2007) observe a novel element in the contemporary processes of migration- the frequent and durable participation of immigrants in the economic, political, and cultural life of their countries, which requires regular and frequent contacts across national borders. Contrary to the earlier notion, this study finds that transnational activities are more common among the better-established, better-educated, and wealthier migrants. They also argue for an impressive possibility of these transnational activities to aggregate into an important feature of the contemporary process of “counter-globalization” that runs opposite to the multinational logic of corporate capitalism. Hence these activities promise opportunities at least to slow down the partition of the world into the increasingly rich and the desperately poor.

Overall, the recent development discourse is inundated with studies that applaud the positive impacts of remittances on national development when the improvements in public goods i.e. health and education are considered. However, these improvements cannot be considered as positive contributions towards national development for these only leads the whole country to the trap of further dependent on international migration. From a perspective of “common good”, Deneulin (2006) suggests that a sound national policy that generates conditions for common goods to exist is a prerequisite to ensure the sustainable positive impacts of remittance on national development, which will allow the individuals not only to enjoy the goods to realize themselves, but also will empower them to create those goods for themselves as a part of their community life. Common goods do not lie in the sum of the social arrangements which allow individuals to be healthy or educated (like free primary education or basic services), but lies in the conditions of possibility for these arrangements to emerge (like the norm that dictates that everybody has the right to have education and health services). Therefore, favorable national policy that allows all individuals to participate in community life with sufficient power to generate common goods is crucial to ensure the positive impacts of remittances on national development.

4. Conclusion

International migration has been exhibiting remarkable potential for development for the labor sending countries in the third world because of the notable increase in the flows of remittances nowadays. However, this potential does not automatically translate into reality. What is required to grasp this possibility for development is to take into consideration all the dynamics of structures and functions, possibilities and limitations that the migrants are exposed to and act upon.

It has already been recognized by scholars that considerable development in our understanding of the perplexities of migration has been attained (Arango, 2000). Yet, the diversity of the forms and processes revealed by empirical studies and the dynamism manifested by the ever-changing context thwart theory building. Perhaps the greatest intricacy in migration study lies in its extreme multiplicity, in terms of forms, types, processes, actors, motivations, socio-economic and cultural contexts, and so on. In such a confounding state, a careful investigation into the whole issue of migration, remittances and development of the sending countries has become an imperative, especially for the scholars in the labor sending countries in the south which aspire to develop by prudent use of migration remittances.

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