VOL. 02 NO. 2,
DECEMBER, 2023
E-ISSN 3026-9679
P-ISSN 3026-9423

African Scholar Publications & Research International
www.africanscholarpub.com

Journal of Business Dev. and Management Res. (JBDMR)

Effect of Migration and Remittance on Economic and Social Development: A review of evidence and emerging issues

Usman Adamu Ibrahim
Department of Banking and Finance, Federal Polytechnic, Bauchii, Nigeria.
aiusman1973@gmail.com

Abstract

The research work provide a review of the literature on the development impact of migration and remittance precontrives and on destination countries in the South International migration is overgrowing phenomenon that has important development effect for the sending and receiving countries. For a sending country migration and the resulting recitation lead to increase incomes and poverty reduction, improved health and educational out come and, promote economic development. Yet these gains might come at substantial social costs to the migrant and their families. Since many developing countries are also large recipient of international migrants. Job competition between migrant and native workers and fiscal Costs associated with provision of social services to migrants. This paper also summarized incipient discussion on the effect of migration on climate change, democratic values, demographics, national identity and security. In conclusion, the paper highlights a few policy recommendations calling better integration of migration in development of policy in the developed and the developing countries, improving data collection on migration and remittances flows, leveraging remittance for improving access to finance of recipient households and countries, improving recruitment mechanisms, and facilitating international labour mobility through safe and legal channels.

Keywords: migration, effect, economic, remittances, social development.

Introduction

This paper provides a review of the literature on the development impact of migration and remittances on origin countries and on destination countries in the Western countries. International migration has development implications

for origin and destination countries in the developed and in the developing countries. Some 20 l5 millions people or 3 percent of the world's population are believed to live outside their countries of birth (United Nations 2009). While the focus in the literature has been on South-North migration, the number of migrants between developing countries is estimated to be as large as the number of migrants moving from South to North (Ratha and Shaw 2007). Thus. the development implications of migration and the need to manage in-migration are as relevant to the South as they are to the North. Although violent conflict, political persecution, and trafficking are important causes for international mobility, more than 9 out of l0 international migrants move for economic reasons. By and large, migration has positive economic impacts on the migrant household, the sending country as well as the receiving country.

The paper is organized as follows. Section 2 provides a discussion of the development implications, first economic and then social impacts, of immigration for origin countries. Section 3 discusses the available evidence on the impact of migration on destination countries in the South. Section 4 concludes with a brief discussion of selected emerging migration issues such as environment and climate change, fertility and demographic patterns, democratic processes, national security, and some policy recommendations for enhancing the impact of migration on economic and social development.

Development implications of migrations for the origin countries

Migration is a decision that impacts the welfare of the household, the home community, and in the end the economy in various ways (Azam and gubert 2016). The welfare implications of migration on the origin country are most often, though not always, sizable and positive. The main channels through which migration alleviates poverty are increased incomes from remittances, ability to smooth consumption, access to finance for starting a new business, as well as tapping on to the knowledge and resources provided by the international community of the migrant diaspora. Besides pure monetary gains, migration and remittances allow for higher investment in health care and education. Yet, not all impacts are positive: exploitation of migrants by unscrupulous recruiters or employers is reportedly widespread; separation from family can be stressful for migrants; and large scale immigration can pose serious challenges to a nation's identity and sovereignty at times it lead to death of the migrants.

Economic implications for the origin country

While migration has economic, social, and cultural implications for the sending and host societies, remittances the migrants send home are perhaps the most tangible and least controversial link between migration and development (Ratha 2017). According

to the official estimates, migrants from developing countries sent over $315 billion to their origin countries in 2009, three times the size of official development assistance (Ratha et al. 2010). The true size of remittances including unrecorded flows through formal and informal channels is likely to be even higher. While remittances to developing countries declined modestly in recent years because of the global financial crisis, these flows have remained resilient compared to private capital flows, and have become even more important as a source of external financing in many developing countries.

Migration and remittances have both direct and indirect effects on the welfare of the population in the migrant sending countries."' A cross-country study of 71 developing countries found that a two percent increase in precipitate official international remittances will lead to 3.5 percent decline in the share of people living in poverty (Adams & Page 2005). Evidence from Latin America, Africa, South Asia and other regions suggests that remittances reduce the depth and severity of poverty, as well as indirectly stimulate economic activity (Adams 1991, Lashaun 1999, Tanzler & Lopez 2007 Adams 2006b, Gupta el al. 2007, Anangu and Eriacho 2010, Ajayi et al. 2009). The dramatic increase in remittances was responsible for one third to one half of the overall reduction in headcount poverty rate in Nepal from 42 percent in 1995-96 to 31 percent in 2003-04 (World Bank 2006a). Remittances have been found to have an income stabilizing effect at both the macroeconomic level (World Bank 2006b), Chaim et al. 2009) and at the household level. Historically, remittances have tended to rise in times of economic downturns, financial crises, and natural disasters because migrants living abroad send more money to help their families back home (World Bank 2006b, Yang 2006, Yang and Choi 2007, Mohapatra err al. 2010). In Ghana, remittances were found to help households to minimize the effects of economic shocks on household welfare (Quantity 2006). Remittance receiving households in Ethiopia used their cash reserves and thus avoided having to sell their livestock to cope with drought (Mohapatra et al. 2009). Recent evidence from Mali confirms that a substantial part of remittances is saved for unexpected events and the migrant thus serves as an insurer for the whole household (Pensoft & Obegi 2010). Cross-country analysis indicates that remittances are related to greater income inequality in Africa (Anyanwu & Erhijakpor 2010) and Latin America (Barham & Boucher 1998). However, other studies suggest that migration enhances the welfare of the rural poor disproportionally, for example, in Mexico (Stark. and Taylor 1980), in rural Egypt (Adams 1991) and in other regions.

(Ports 2009). Migration may also raise inequality initially, as only the relatively well-off have the resources to send workers abroad and therefore receive remittances (Lipton l980). However, as migrant networks are established in the destination

countries, the cost of migration falls so that the less well-off can afford to migrate (Taylor et la 2005, Koechlin & Leon 2007, Docquierr et al. 2010a).

Migrant remittances increase domestic savings as well as improve financial intermediation

(Aggrawal et al. 2006, Toxopeus and Lensink 2007), which can improve growth prospects (Giuliano and Ruiz-Ananz 2005). Evidence from Philippines, Mexico and other countries suggests that remittances increase the accumulation of assets in farm equipment, promote self-employment and increase small business investments in migrant-sending areas (Taylor 1992 Taylor, Wyatt 1996, Lucas [987, Adams 2006a, Woodruff & Zentepo 2001, and Yang 2008). Factoring the remittance inflows correctly into macroeconomic analysis is also likely to improve the credit rating and external debt-sustainability of the remittance-receiving country (Abdi et at. 2009, Avendano er al. 2009, IMF 2010, Ratha et al. 2010). Because they are a large and stable source of foreign currency, remittances are likely to curtail investor panic and prevent sudden current account reversals during a crisis (Bugamelli & Patemo 2006, Gupta et al, 2007). Furthermore, future flows of remittances can be used as collateral by governments and private sector entities in developing countries to raise financing in international capital market (Ketkar and Ratha 2005, 2009). These innovative financing mechanisms can be used to raise funds for' development projects such as low-income housing, or water supply.

The diaspora serves as a link between the sending and receiving countries. The diaspora expands the ' opportunities to access international financing, and facilitates networking. The diaspora also contributes through philanthropic remittances (Goldring 2004), and the development of their former communities through hometown associations and collective financing of development projects such as schools, health facilities and community infrastructure such as the Tres Por Uno" program in Mexico (Ghosh 2006, Orozco 2009, World Bank 2006b, UNDP 2009). Access to information through the diaspora and the skills learned by returning migrants can improve technology, management and institutions in the sending country, and lower the fixed costs and knowledge requirements for setting up an international business (Carling 2005). Emigrants may also be an important supply of foreign investment, as their knowledge of their home country institutions (and perhaps a greater ability to maneuver within the home country regulatory framework) may mean that they incur lower investment costs and/or higher returns, compared to other international investors.

In the current environment of a credit crunch after the financial crisis several countries have started looking at the diaspora abroad as potential sources of capital (Ketkar and Ratha 2010). In the past, Israel and lndia have raised over $35 billion of development

financing by issuing diaspora bonds (Kelkar and Ratha 2009). For the countries, diaspora bonds represent a stable and cheap source of external finance, especially in times of financial stress. Diaspora bonds have several advantages, both for the issuer and for the emigrant who buys the bond: Through retailing at small denominations, issuers can tap into the wealth of relatively poor migrants, although diaspora bonds are not necessarily limited to migrants. Migrants are expected to be more loyal than the average investors in times of distress. And they might be especially interested in financing infrastructure, housing, health and education projects.

Migration contributes to human capital formation. There is a growing body of evidence suggesting that the income from remittances is disproportionally spent on education and health rather than everyday consumption (Adams 2005, Adams et al. 2008, World Bank 2006b, p. 126, Valero-Gi12008; Nagarajan 2009 for South Africa). Once in school, the children of migrants may be more likely to finish their education, as the increased income from remittances provide additional financial resources and better prospects associated with migration influence social norms and incentives towards gaining more education (Cox-Edwards and Ureta 2003 for El Salvador, Yang 2008 for Philippines, UNDP 2009). Evidence from rural Pakistan suggests that temporary migration is associated with higher school enrollment, especially for girls (Mansuri 2006). Furthermore, migration has been observed to increase health knowledge in addition to the direct effect on wealth, which has led to lower rates of infant mortality and higher birth weights in Mexico (Hildebrandt & McKenzie 2005). Visiting and returning migrants may also bring back health-improving practices such as drinking safe water and better sanitation (UNDP 2009, p. 79). On the other hand, migration as such might also present a threat to migrant health as certain jobs expose migrants to occupational hazards, such as tuberculosis, pneumoconiosis and workplace injury by mine workers (Kahn et al 2003). Increased mobility of workers has also contributed to a rapid spread of communicable diseases such as HIV (Decosas et al. 1995; Lurie 2000; Lurie at al. 2000; Brummer 2002). For instance, Kane eta l993), find that 27 percent of the male Senegalese migrants were HlV positive compared to I percent for non-migrants males from the same area. Sexually transmitted infections are also more likely to spread among migrants themselves as well as their permanent partners residing in the sending communities (Kahn el al. 2003).

High-skilled emigration or the so-called Brain-Drain,

The Brain Drain can imply a loss of public resources invested in their education, can reduce the sending country's productive capacity, and can worsen the business environment, especially in small economy. The emigration of the high skilled can be particularly important in the education and health sectors in small countries that face

severe shortages of health workers (Docquier et al. 20l0b)." Moreover, the departure of doctors may result in underemployment of nurses and other auxiliary staff (Commander et al. 2004). However, as argued by Dustmann el al. (20l0), return migration can lead to mitigation of the brain drain, if not a net "brain gain". When the migrants return, they have usually acquired skills that are needed in the sending community as manifested by a sizable wage-premium paid to the returned migrants (Wahba 2007). Furthermore, Mountford (l997) and Stark (2004) suggest that the possibility of emigrating abroad increases the interest in and returns to higher education, which can increase the total number of highly skilled also in the home country (World Bank 2006b, p. 68). Despite concerns about the detrimental effects of brain drain on health, the shortage of health professionals in Africa is likely to stem from causes entirely unrelated to international migration (Clemens 2007) such as fragmented labor markets and insufficient public financing (Lucas 2006).

Evidence on the relationship between remittance inflows and economic growth in migrants-sending countries remains inconclusive. Empirical studies have found little evidence in support of a positive impact of remittances on economic growth (IMF 2005, World Bank 2006b; Spatafora 2005; Barajas et al. 2009; Singh et al. 2009). in general, studies focusing on the labor supply response of the remittance-recipient households tend to find that remittances lower work efforts and hence reduce long-term growth (Azam & Guben 2006; Chami et al. 2003). Other studies find that remittances improve financial access and financial development and therefore stimulate growth (Toxopeus & Lensik 2007, Giuliano & Ruiz Arranz 2005, Gupta et al. 2007). Furthermore, the merit of remittance flows might lie more on increasing the level of income for the poor rather than the growth of the economy as a whole (Jongwanich 2007). Empirical evidence from Latin America and Cape Verde suggests that remittances can lead to exchange rate appreciation. which can reduce the competitiveness of the tradable sector, the so called Dutch Disease (Bourdet & Falck 2006, Fajnzylber & Lopez 2007, Gupta el al. 2007). However, remittances are less likely than natural resource wind falls to result in persistent exchange rate misalignment, while the exchange rate implications of relatively stable remittance flows are likely to be easier to manage than a comparatively abrupt shock due to a natural resource windfall (Ratha 2003, Rajan and Subramanian 2005, IMF 2005). In general, the inconclusive results on the impact- of remittances and growth are largely due to the difficulty of separating the cause from the effect: if remittances react counter-cyclically to growth, then the negative relationship between the two is a result of reverse causality running from growth to remittances, not vice versa.

Social Impacts on the Origin Country

At its best, migration can be a rewarding experience that is made in the interest of the household welfare, but in most cases moving to another country and being separated from ones immediate family takes place at considerable emotional cost (Demilio et al.

2007). Especially temporary circular migration increases the risk for family breakdown, fragmentation of social networks and psychosocial stress (Kahn et al. 2003). The emotional impact is not just limited to the migrants themselves, but also to the family left behind. Especially in poorer households where the whole family cannot afford to emigrate together, they emigrate one member at a time resulting in eroded family Structures and relationship. As described by Demilio et al. (2007), the longer the separation between the migrating parents and their children, the more children lose parents' reference in the management of the household, their authority and their role as providers of love and material care. Parents are gradually replaced by other family members, or the children take upon themselves the task of parenting. The feelings oft-ejection, abandonment and loss follow the children left behind, and cannot be compensated by the material gifts and remittances sent from abroad. To some extent the recent technological advances in terms of e-mail and affordable telephone calls might allow the transnational families to form and foster social ties even at a distance (UNDP 2009, p. 76).

Separation from the parents has also long-term consequences in all aspects of the children s lives. Evidence from Mexico points to the fact that the offspring from migrant families have lower educational attainment than other children, as the boys of the migrants are more likely to opt for migration themselves (implying decreasing returns to education) while the domestic workload of the daughters increase (McKenzie & Rapoport 2006). Adolescents left behind are also commonly overrepresented in adapting risky behavior, and absence of mothers has been found to be associated with the involvement of children with violence: 80 percent of children in conflict with the law in Jamaica had their mothers absent, while this was the case for only 30 percent of other children (D'Emilio et al. 2007). Also the abuse of drugs and alcohol as well as reduced school attendance has been observed among children left behind by migrants, On the other hand, recent evidence from Mozambique suggests that migration could also strengthen social networks as the higher income from remittances reduces the cost for the migrant-sending household to participate in these networks (Gallego & Mendola 2010). This closer inter-family collaboration can, to some extent, remedy the absence of within-family cohesion and safety nets.

Even though migration is usually a voluntary and planned choice of the individual, the reality might turn out to be very different from the original expectations. Too often the intended aspirations of the migrants do not materialize but many are trapped in trafficking. Young women are exploited as sex workers abroad, and in many cases they have been promised legitimate work at the destination but then forced into prostitution upon arrival (sec e.g. Kebede 200). Also children are commonly victims of trafficking that can lead to life-long trauma. The abuse of migrants by the middle men or the recruitment agencies is a problem that is growing in magnitude as the

migration flows increase and the phenomenon becomes more commercialized. The problem expands from pure trafficking into working in slave like conditions as the international market for labor allows for trading with workers contracts leading to abuse of individual migrants." The abuse of the migrant workers has lead to calls for further regulation of the recruitment agencies across migration corridors (see e.g. Agunias 20l0).

Impact of Migration on Destination Countries in the South

Unlike commonly believed, around half of the official international migration from the South is to other developing countries rather than wealthier countries in the North (Ratha & Shaw 2007). And official statistics likely underreport South-South migration, especially between contiguous countries because of lack of border controls; almost 80 percent of the South-South migration is estimated to take place between countries with contiguous borders.

Economic Implications In The Destination Country Even though the channels transmitting welfare impacts of migration on the destination countries are well known in the literature, there is very limited amount of empirical evidence from the South quantifying the impacts. Thus, a brief overview of the evidence from the North is presented in box 1. Migration of people, just as international trade, benefits both the sending country and the receiving country (van der Mensbrugghe & Roland Holst 2009). The welfare gain for the destination country is due to the fact that immigration increases the supply of labor, which increases employment, production and thus GDP (Ortega and Peri 2009). Immigration has also been found to increase the productivity 'of the receiving economies through the contribution of migrants to innovation (see box l). Another way in which immigration increases productivity is that immigrants free up the local workforce to move to higher productivity occupations. Despite the benefits of immigration, public and the policymakers at the destination country usually believe that immigration can become an economic burden, as immigration is feared to lead to loss of jobs, heavy burden on public services, social tension and increased criminality (UNDP 2009, p. 70) despite the evidence to the contrary. The main channels or negative economic outcome for the destination countries are increased job competition that allegedly brings down the wages for the locals, and the increased fiscal burden for caring for a growing population of immigrants. Incoming migrants need to be integrated into the labor force, which intensities the competition for existing jobs. Especially in times of economic downturn, the general public and the policymakers tend to become more worried about the potential adverse impact of immigration on natives opportunities, and immigrants can be used as scapegoats to blame for rising unemployment even though no strong evidence exists to show that immigrants take natives jobs (Papademetricu et at. 2009);" A common worry is also a

downward pressure on salaries caused by an influx of migrant workers. Still, in the OECD countries the aggregate effect of immigration on wages has been found to be very small both in the short run and in the long run (Longhi et ul. g005), and similar findings in the context of South-South migration has been confirmed by Ratha and Shaw (2007). Simulations from a general equilibrium model by van der Mansbruggshe and Roland-Holst (2009) suggest that reducing migration will not necessarily result in higher wages for native workers in receiving countries, since lower levels of migration will also lower the relative return to capital, which in tum will put downward pressure on, wages.

The fiscal impact of immigration depends on the costs and contributions of the immigrant population to the welfare system of the host country. How extensive the social safety nets and welfare services are and to what extent migrants are allowed to access the domestic welfare system determines the cost on the host society, while their role as taxpayers determine their contributions to the system. The US Congressional Budget Office estimated that comprehensive immigration reform including legalization of undocumented immigrants, if undertaken. would increase federal revenues to a similar extent as the increase in federal spending on social security, healthcare and other benefits for the immigrants (CBO 2006). In the UK, already the first generation migrants were found to do well economically and to make a net fiscal contribution (Gott & Johnston 2002). However, the limited fiscal implication of immigrants may also be due to the fact that many of them are not eligible for most benefits, and will thus need to turn to family networks instead (Papadimitriou et al. 2009). in the developing countries the welfare benefits might not be as numerous, and neither is the tax contribution of mostly undocumented immigrants likely to be substantial, but the migrants value added to the production and economic growth Is Still a net gain for the country. Whether positive or negative the net fiscal impacts of immigration are not likely to be large (UNDP 2009, p 89). When it comes to the provision of health care, however, the destination countries in South might face an increased burden. irregular migrants in the South may have health needs that often remain unaddressed (UNDP 2009, p. 55).

Social Impacts on the Destination Countries In The South

Apart from the increased competition at the labor markets, increasing inflows of migrants impose an integration challenge in all areas of social life. In many of the developing countries, however, policies to manage immigration are lacking while control of the same is failing to curtain the inflow of migrants due to scarce resources, weak administrative capacity, and porous borders. Some of the cross-border migration is often widely accepted (Adepoju 2005), but sometimes immigrants even from neighboring countries are treated as unwanted foreigners (Crush 2000). This inability

to control migration and to integrate the new comers has at times led to dramatic actions and great human suffering. When the economy is already under pressure, failure of integration has sometimes led to massive expulsions of migrants mostly in the South. The Nigerian Government, for instance, expelled over 2 million immigrants mainly from Ghana .in I983 due to a domestic economic crisis, for which the aliens became scapegoats (Lassailly -Jacob et al. 2006). More recent examples of forced repatriation can be found both in the North as well as in the South: the United States deported more than 350,000 immigrants and South Africa 300,000 in 2008 alone (UNDP 2009,'p. 99). The case of Cote d Loire, where striping of immigrants of some of their rights sparked a chaos that has led the once stable country to the verge of an internal conflict, illustrates the growing intolerance to foreigners in the South (Adepoju 2003, UNDP 2009). These instances highlight the importance of strengthening, migration and integration policies in developing countries as they host large numbers of immigrants.

The challenge of integration is most prominent in urban areas.

Most internal as well as international migrants end up in the cities of developing countries because of employment opportunities, with many working in the informal sector of business, transport, crafts and services. For example, a quarter of the population of Libreville in Gabon is from another country from Central Africa and West Africa (Lassailly-Jacob et al. 2006). Sometime the movement is driven by the falling living standards and weak support services in the source community (World Bank 2009). lf the excess supply of labor is combined with poor ability of the local authorities to manage immigration, the result is commonly increased disparities and expansion of slum areas in the cities (UNDP 2009, p. 87). Forced migration can also contribute to urbanization, War, environmental degradation, and economic crisis lead to large population movements from rural areas into cities where people take refuge. There are allegedly 2 million Somalis in Mogadishu, mostly refugees escaping the fighting in their villages and seeking protection of the NGOS or the warlords (Lassailly-Jaeob et al. 2006). The rapid expansion of cities combined with weak local administration or lack of migration policies have led to desperate actions by the host countries officials. In Dhaka, Bangladesh, 60,000 people were forcibly cleared from the slums in early 2007; in Jakarta, Indonesia; migrants are required to show proof of employment and housing to enter the city; and in Zimbabwe (internal) migrants were evicted from shanty towns around Harare in 2005 (UNDP 2009, p. 87). Migration is only a part of the urbanization challenge, but the interaction between migration and rapid urbanization is likely to be important for policy in the destination countries in the South.

Conclusion

Before presenting the policy recommendations, it would be useful to point out a few emerging themes in the literature and public debates on the impact of migration on climate change, political institutions, fertility and national security. The Intergovernmental Panel Climate Chang (IPCC) noted already in l990 that the greatest single impact of climate change could be on migration (lOM 2008). it predicted that as many as 200 million people may be forced to migrate by 2050 because of climate change (Myers " ' 2005)."""" Dasgupta and others (2007, 2010) estimate that rising sea levels, tidal waves and storm surges could displace millions of people in Bangladesh, some of whom might seek refuge in neighboring countries. he effects of migration on climate change, on the other land, are less understood. it is generally assumed, that short term and circular migrants make little investment in maintaining the ecological stability of their destination while long term immigrants have an incentive to invest in environmental management. " When migration is induced by a conflict er a natural disaster leading to a sudden inflow of migrants, the displaced people may resort to unsustainable activities in absence of other means of survival exacerbating existing environmental problems and creating new ones (Hugo 2008). Large refugee camps have especially been observed to put pressure 0n the ecosystem. “McNally el al,2002), argue that even long-term migration can affect the environment through increased competition for limited resources. On the other hand, migration can work as a channel for adoption of new techniques and raw materials, leading to more environmentally friendly production and consumption practices. Migration can have important implications for domestic institutions and politics. The emigration of capable people may cause loss of governance capacity in countries where institutions are already weak. Also, emigration can serve as a way to release political pressure, ' which diminishes the incentives of the established political elite to reform, increases corruption, and reduces overall government effectiveness (Castles & Delgado Wise 2008, Chaim 2008). Some observers have suggested that dependence on migration can create a remittance-based development model where remittances become increasingly critical for maintaining socioeconomic stability in the migrant-sending country (Delgado-Wise and Marquez 2006, Delgado-Wise and Guarnizo 2007). Migrants may also serve as a channel for democratic attitudes and behaviors absorbed in host countries to Spread in their countries of origin, via visits. migrant returns, and cross-border communication, which can improve accountability (Levitt 1998, Perez-Armendariz & Crow 2010, Cordova & His key 2009). Migration also shapes values and attitudes towards gender roles within the household (Ghosh 2009). When women move their role as caregivers changes, and men have been found to be more likely to engage in reproductive activities such as caring for the children and the elderly (King & Vulnerary 2006). When the men emigrate, women are empowered to take more

prominent part of the community decision making, control their own income, and expand their role in the domestic sphere (Diesinker & Grimm 2005, p. 39). Even other domestic norms, such as greater emphasis on girls schooling, higher age of marriage, can filter from the destination country to the sending society (Argues 2007)"""". Migration decision is also an integral part of family planning decisions and lead to differences in fertility rates among migrants and non-migrants (Single & Landale l998, Fargues 2007)[xxiii] . Studies find migrants fertility to resemble more closely that of natives at destination, either due to social adaptation or self5election of migrants by fertility preferences (Kulu 2005, Chattopadhyay el al. 2006), although there can be regional variations. forced migration due to conflicts, persecution, or sudden impoverishment may lead to international migration across borders even while large migrant groups end up being internally displaced refugees in their own country (Newland et al. 2003, Martin 200]). For internally displaced population, the hostility across the different groupings in the country causes tension for regions hosting refugees, while the international refugee camps involve the possibility of international conflict. When the size of a refugee population increases over time, which is not uncommon as conflicts escalate, host communities-are often overwhelmed and feel that their resources are threatened (Ek & Karadawi l99l). If, on the other hand, the refugees are allowed to and are able to find jobs and send home remittances, these could also be a valuable resource for reconstruction (Castles & Miller 2009, p. 6l). There are also wider security concerns suggesting that migrants would be disproportionately involved in criminal activity than natives (Mattes e a. 2000, Danson & McDonald 2001, Quirk 2008), even though data to support such a claim is lacking (Crush & Williams 2002) "". Providing support mechanisms for youth at risk and ensuring proper integration of the migrants will be ways to diminish the risk of violence and manage the development impact of migration. Although most remittances sent by migrants are legitimate transfers, the continued existence and use of informal channels has raised concerns of money laundering, terrorist financing and financial crimes leading to heavy regulation of providers of remittance services. The need for such alternative channels arise from the sustained high cost of remitting through formal financial institutions, cumbersome legislation related to money transfers, and mistrust of the migrants towards the financial institutions (Shehu 2004, Lucas 2004, Maimbo 2004, Ratha and Rydberg 2005, Irving et al]. 20l0). informality is particularly prevalent in the South-South remittance corridors (Ratha and Shaw 2007, Bricking and Sachiko Nye 2008). Migration does not only imply movement of people, but also movement of cultures (Castles & Miller 2009, p. 41). Successful assimilation to the destination country requires the migrants to interact with the new society, while keeping the culture of the origin country alive creates a positive environment for the multicultural identity to form (Guarnizo el al. 2003, Foist & Geis's

2008). On the other hand, some migrants may resort to the customs of the origin country more rigorously as they would have done back home. This highlights the importance of integration of the immigrants and supporting them in the creation and formation of their new multicultural identity.

Selected policy suggestions

There is a vast literature discussing policy recommendations that nurture the benefits and mitigate the negative effects of migration. Before concluding, we briefly summarize a few selected policy suggestions such as integrating migration and development policies (both in South and North), facilitating the flow on remittances, improving recruitment practices, and facilitating international labor mobility.

Migration should be incorporated both in the development cooperation strategies in the North, as Well as in the national poverty reduction strategies in the South (Clemens 20l0). Although as of yet rare in practice (UNDP 2009, p. 82), there is some case of successful strategies for cooperative efforts between the sending and the receiving countries to manage migration (Martin al. 2002). Areas of cooperation include the drivers of migration in the source country, networks that move people across borders and integrating the legal migrants into their destination countries.

While many developing countries have large stocks of immigrants, very few of them have explicit policies on how to deal with immigration or the capacity to manage their borders effectively. Similarly, to the destination countries in the North, there are calls in developing countries to focus on attracting the highly skilled migrants, discourage irregular migration, and reports of growing xenophobia (Lucas 2006). E powering the sending and wee king countries in the South to manage international mobility will benefit the migrants, the host societies and the country of origin. ~ Statistics on migration and remittances are often of poor quality, especially in developing countries. Few statistics measure migrations flow and data are even scarcer when it comes to transit, circular, or irregular migration (World Bank 2010b, p. 25-26). Official estimates of remittance flows are usually gross underestimates of the true volumes, since a large portion of remittances are sent through unofficial channels. MIX improving data collection can facilitate better policies to enhance migration for development.

The development community can further leverage remittance flows for development by making them cheaper, safer and more productive for both the sending and the receiving countries. An International Remittances Agenda would involve, monitoring, analysis and projections, improving retail payment systems through use of better technologies and appropriate regulatory changes, linking remittances to financial access at the household level and leveraging remittances for capital market access at the institutional or macro levels (Ratha 2007). As the labor market becomes

increasingly global, the educational policies in developing countries will need be revised to invest in skills that are needed within the country as well as in the global labor markets. On the other hand, the race for talent has led some destination country institutions to actively engage in recruitment of highly educated migrants, such as doctors. However, attempts to regulate skilled-worker mobility, or so-called ethical recruitment policies, does little to address the underlying causes of emigration decisions, and often leads to unintended adverse consequences (Clemens 2009). The freedom of mobility should thus be allowed for all skill-levels, while complementary measures and be developed to foster service provision and skill development in source country. Recruitment companies account often for the majority of the cost of migrating, especially when it comes to low-skilled migrants (Lucas 2005, p. 278) that can leave the migrant in debt, lower wages than promised, long hours and unsafe working conditions (see e.g. Chamonix 2005). Facilitating migration through safe and legal channels through better monitoring of recruitment processes and bilateral coordination will help to protect the rights of the migrants and fight exploitation and trafficking (UNDP 2009, p. 103). Providing knowledge about he migration process and language of the destination country will also enhance integration and quicker adjustment of migrants to then new labor market (UNDP 2009, p. l04). [xxxi]

Migrants, especially those in an undocumented or irregular situation, are likely to face discrimination, exclusion, exploitation and abuse at all stages of the migration process (GMG 2010). Female migrants and children often face greater risks, including of trafficking and being deprived of education and access to healthcare. Protecting the human rights of migrants is pan of the obligations of the State to respect the internationally guaranteed rights of all persons, to protect those rights against abuses and to fulfill the rights necessary for them to enjoy a life of dignity and security (GMQ 200).

Immigration and border control policies need to recognize that migration is primarily an economic phenomenon (Ratha 2009). Evidence from the US Mexico border suggests that increasing the number of border control agents increases smuggler s fees but is unlikely to curtail the number of migrants as intended (Hanson el al. l999, Durand and Massey 2002, Martin 2004, Passel and Sum 2005). Instead, providing legal channels for temporary migration when the labor is in high demand in the destination country is more likely to enhance the benefits of migration for all parties.

In conclusion; migration and remittances can be a valuable complement to broad-based development efforts. Yet, migration and remittances (collective or individual) should not be viewed as a substitute for official development aid as they are private money that should not be expected to fund public projects. Also, not all poor households receive remittances and official funds are needed to address the needs of these households. Harnessing the development potential of migration and remittances

by increasing the awareness of the decision makers and improving data on remittances and migration, facilitating labour mobility and recruitment across by leaders.While allowing for safe and affordable mechanisms for sending money back: and combating the increase of fear-based xenophobia and overregulation are some ingredients along the way towards a migration policy that benefits both migrant-sending and receiving countries.

References

Abdih. Y.. R. Chami. M. Gapcn. & A Mali 2009. Fiscal Sustainability in Remittance-Dependent Economies." IMF Working Paper WPI OW I90. International Monetary Fund.

Adam, R. H,(l991), the effects of international Remittances on Poverty, Inequality and development in Rural Egypt" Research Report 86, International food Policy Research Institute.

Adams. R. H., A. Cuecueccha. & J. Page. 2008. Remittances. Consumption and Investment in Ghana " Policy Research Working Paper, No. 4515, World Bank.

Adams. R.H., & .l. Page. 2003. International Migration. Remittances and Poverty in Developing Countries." World Bank Policy Research Working Paper. No. 3 l 79.

Adepoju, A. 2003. Migration in West Africa". Development, Vol. 46. No. 3.pp. 37-4I.

Agrawal. R. A. Demirduc-Kunt, & M. S. Martinez Peria. 2006. Do Remittances Promote financial Development? World Bank Policy Research working Paper Series, No. 3957.

Agunias, RD. ZOIO. Migration's middlemen, Regulating Recruitment Agencies in the Philippines-United Arab Emirates Corridor. Migration Policy Institute, Washington DC.

Ajayi, M.A., M.A. Ijaiya, G.T. Ijaiya, R.A. BeIIo, M.A Ijaiya, & S.L Adeyemi. 2009. Intenational Remittances and Well-Being in Sub-Saharan Africa." Journal of Economics and International Finance. Vol. I, No. 3. PP.078-084.

Anderson, K., & L.A.Winters. 2008. The Challenge of Reducing International Trade and Migration Barriers. CEPR Discussion Paper 6760.

Avendano, R., N. Gaillard and S. Nieto-Parra. 2009. Are Workers Remittances Relevant for Credit Rating Agencies?" OECD Development Centre Working Papers 282, OECD; Development Centre.

Anyanwu, J. C., & E.O. Erhijakpor. 2010. Do Remittances Affect Poverty in Africa? African Development Review. Vol. 22, No. 1, pp. 5I-9I.

Spatafora, (2005),Remittances, Household Expenditure and Investment in Guatemala."Policy Research Working Paper Series. No. 3532.

World Bank,(2006 a), International Remittances and the Household: Analysis and Review of Global Evidence." Journal of African Economics, Vol. I5. AERC Supplement 2. pp. 396-425. "

World Bank,(2006 b) , Remittances and Poverty in Ghana. World Bank Policy Research Working Paper. No.3838.

World Bank. 2005. Do International Migration and Remittances Reduce Poverty in Developing countries? "World Development, Vol. 33. No. I0, pp. I645-I669.

World Bank,(2005), Creating a Borderless West Africa: Constraints and Prospects for intro- Regional Migration. UNESCO.