

Chapter 27

The Political Economy of International Labor Migration

Helga Leitner

While migration has been part of human history from the beginning, both the sheer numbers of people on the move in different parts of the world and their real or alleged impact have induced scholars to characterize the contemporary period as “the age of migration” (Castles and Miller, 1993). According to a United Nations report, approximately 1 billion people migrated in the last half of the 1980s (United Nations, 1994). Millions of workers from less developed countries have come to the industrialized nations in search of work opportunities and better living conditions, as either temporary labor migrants or legal or illegal immigrants, affecting the demographic and cultural make-up and economic development in both sending and receiving areas. At the same time, tens of millions of refugees have fled political persecution, civil wars, ethnic strife, and ecological disasters across national boundaries; some coming to industrialized countries, but most to other poor developing countries, generally nearby. The magnitude of refugee flows is outstripping the capacity of the receiving countries to provide for them.

Besides population movements across national boundaries, migration within nation-states, at varying geographic scales, continues unabated. Large-scale population movements from rural to urban areas, especially in Asia and Latin America, have spurred massive urbanization at rates that dwarf the urbanization experience of the USA and Europe in the late nineteenth and early twentieth centuries (Parnwell, 1993; Fan, 1996). Retirement migration to the “sunbelt” in the southern United States has accelerated growth and changed the demographic make-up of sunbelt cities (McHugh and Mings, 1996). Lack of employment opportunities in economically declining regions in the advanced industrialized countries of the West has engendered large-scale inter-regional migration to economically growing regions (Champion, 1995). Finally, the migration of families from central cities to the suburban fringe, in search of larger houses and greenfield environments, continues, particularly in the United States. Since most of the families moving to suburbs are white and better off, this has resulted in increasing social polarization within US metropolitan areas (O’Loughlin and Friedrichs, 1996).

Empirical research on migration, whether internal or international, has demonstrated that migration does not simply imply a unidirectional, permanent flow

between origin and destination, but rather often consists of complex temporal and spatial patterns of moves. Migration may occur in *stages*, involving several intermediate destinations over an extended period of time, as migrants move, for example, from a village to a medium-sized city to a capital city. It may be *cyclical* (or circular), with migrants moving in relatively regular intervals in both directions between areas of destination and origin. This is frequently the case with rural to urban migration in less developed countries, where movements may be synchronized with the agricultural cycle (Parnwell, 1993). Migration may also change from being temporary into permanent migration, as has happened in the case of the migration of many foreign guestworkers from the Mediterranean basin to Western Europe in the second part of the twentieth century. Beginning in the late 1950s, as a temporary migration of single people recruited by the receiving countries to fill job vacancies on their labor markets, by the 1970s the guestworker program had turned into a quasi-permanent migration of families; employers wanted the foreign workers to stay, and workers brought their families to join them (Leitner, 1995). Finally, migration may involve *return* migration to the origin after a short or long sojourn. The extent of return international migration is often overlooked. In the United States, for example, roughly 200,000 former immigrants were leaving each year in the 1980s (reducing the net inflow by about one-fifth), the largest proportion being recent entrants.

These examples illustrate how migration escapes easy categorization and classification into such categories as permanent or temporary or short or long-distance migration often found in the literature. Rather, the spatial and temporal dimensions of migration are complex and the boundaries are fuzzy.

In the recent past the distinction between international and internal migration also has become blurred as a result of changes in the territorial structure of governance. For example, the integration of European nation-states in the European Union and the associated freedom of movement among member states have changed the migration of EU citizens from an international to an internal migration. Generally, however, the distinction between international and internal migration continues to be significant, since the two types of migration are governed by different principles. In most countries of the world there exists a legal right to freedom of movement within the state territory. In contrast, freedom of entry into another state territory is universally denied as a legal right (Hull, 1987; Leitner, 1995). The entry of foreign migrants into the territory of a nation-state is governed by immigration laws and policies, which regulate how many and who gets admitted into the national territory, thus influencing the volume and nature of migration flows across national borders (Leitner, 1995).

Nevertheless, there are commonalities in both the origins and selectivity of international and national population movements, although that is generally not born out in the literature. Instead, scholarly research on international and internal migration has been evolving separately as two different bodies of literature, with little to no dialogue occurring between the two, with the notable exceptions of Parnwell (1993) and Skeldon (1997). This has been most obvious in the area of migration theory, characterized by the absence of mutual references, despite the fact that both bodies of literature draw on similar economic and social theories as explanatory frameworks.

While I feel that transgressing the boundaries between the two bodies of literature is desirable and could stimulate progress in the field, this chapter is also guilty of

perpetuating the division by engaging primarily in a discussion of the international labor migration literature. This reflects my own expertise in international labor migration to the advanced industrialized countries of Europe. Within the literature on international migration, this chapter does attempt to overcome another common division, however, between studies focusing either on the developing and/or the developed world. This is particularly important in the light of an increasingly global economy, which has heightened not only the interchange of goods and capital, but also the transfer of population across the globe, in the process reshaping societies, politics, and livelihoods in different countries and regions of the world.

The purpose of this chapter is to critically examine competing explanations for both the origins and the impacts of international migration, and their relevance in helping us understand the new realities of international migration, specifically labor migration. The chapter begins with an account of some new realities characterizing the past 40 years of international migration. This is followed by a discussion of competing theoretical perspectives on international migration and their relative explanatory power. I argue that some of these theories are too simplistic, reducing the origins of international migration to either individual choice or the structure of the capitalist world economy, and ignoring the complex combination of individual actions and social structures that engender international migration; that some are too economic, ignoring for example the role of states in inducing and facilitating international migration; and that others are not contextual, ignoring the specific spatial and historical context within which international migration takes place.

The final two sections review empirical studies on the impacts of international migration on receiving and sending areas, critically examining competing claims about the relationship between international migration, development, and inequality, and the implications of these for policy measures. These sections make clear that in an increasingly interdependent world, impacts on receiving and sending regions cannot and should not be viewed in isolation, and that we need to recognize the complex ways in which economic, political, and cultural developments in these areas depend on one another.

New Realities in International Migration

Examining the nature of international migration during the past 40 years, scholars have identified the following new realities: acceleration, globalization, and feminization (Castles and Miller, 1993). I would add to this another tendency – an increasing institutionalization of international population movements.

Acceleration refers to a significant growth in the volume of international migration. The United Nations Population Fund (UNPF) has estimated that at least 100 million international migrants live outside the countries where they were born (without counting immigrants who have already become citizens in their country of destination). Of these, approximately two-thirds are economic migrants, 20 million are fleeing violence or environmental deterioration, and about 17 million are political refugees (*Asian Migrant*, 1993, cited in Ball, 1997, p. 1611).

Globalization refers to how more and more countries of the world are sending and/or receiving international migrants (Castles and Miller, 1993). Associated with this trend has been a remarkable increase in the national diversity of immigrants to

the major destination areas. For example, Western European countries have seen increasing immigration from Africa and the Caribbean, and more migrants to North America come from different parts of Asia. This means that the advanced industrialized countries of Europe and North America, in particular, receive immigrants with increasingly diverse national origins and cultural backgrounds.

Notwithstanding such trends, there continues to be a clear *regional dimension*, with particular sending countries tending to dominate flows to the major destination areas – the global centers of economic wealth. These destinations include the highly advanced countries of Western Europe and North America, Australia, and New Zealand, the oil-rich states of the Middle East, and most recently Japan, Singapore, Hong Kong, South Korea, and Taiwan (Salt, 1989). The majority of immigrants to France, for example, still come from North Africa (Morocco, Algeria, and Tunisia), those entering the USA come from Mexico and Asia, and the oil-rich states of the Middle East largely receive foreign labor from South and Southeast Asia. Within Asia, patterns of flows are from the relatively less developed, labor-exporting countries (the Philippines, India, Bangladesh, Pakistan, and Indonesia) towards those with higher per capita incomes, low rates of natural increase, and declining labor force growth rates (Japan, Singapore, Hong Kong, South Korea, and Taiwan) (Tyner, 1998).

The *feminization* of international labor migration refers to the increasing role of women in international migration, particularly the growing number of female-dominated international labor flows. For example, of the 500,000 Filipino migrant workers deployed abroad annually, about 40 percent are women, employed primarily in service sector jobs, from domestic workers to nurses and waitresses (Tyner, 1996). This development has necessitated a revision of the generalizations that males are more likely to migrate internationally than females, and that males usually dominate the early stages of international migration, to be followed later by their dependents – women and children. Research has shown that patterns of female migration do not simply mirror those of male migration, with men as the initiators of migration and women as mere followers (Simon and Brettel, 1986). Gendered patterns of international labor migration reveal not only the gendered nature of labor markets, but also the worldwide existence of sexist stereotypes among both importers and exporters of foreign labor (Tyner, 1996, p. 408). Tyner (1996) discloses how, within the highly institutionalized Filipino labor-export system, individuals and institutions employ specific stereotypical representations of men and women to selectively market and recruit workers. For example, promotional materials designed to attract potential employees depict men in professional and construction occupations, while women are portrayed as nurses and domestic workers, thus defining the type of work for which women and men are suited. Fincher et al. (1994) reveal that the selection of immigrant settlers in Australia has been based on different expectations about men and women, and about masculinity and femininity, which in turn had differential effects on the admission and settlement of men and women.

The *institutionalization* of international migration can be considered a fourth important tendency in international labor migration. Both public and private sector institutions have been playing a heightened role in influencing who and how many will migrate across national borders, and from which origins to which destinations.

Nation-states have increased their role through more elaborate immigration control policies and through state-sponsored import and export policies (Cornelius et al., 1994; Goss and Lindquist, 1995). During the past ten years, major receiving states in Europe and North America have overhauled and extended their institutional frameworks for immigration control, immigration laws, and policies. The outcome of this legal and institutional reform has been a tightening of national controls on entry and over immigrant rights. Most recently we have seen attempts to coordinate immigration control policies at the supra-national scale, as evidenced in the newly emerging supra-national framework for immigration control for the European Union (Leitner, 1997).

At the same time major sending states, again in cooperation with private capital, are today engaged in the global marketing of workers, creating what some have called an international labor migration industry – managing, regulating and organizing the global flow of migrants (Tyner, 1998). In addition, the illegal transfer of people across national borders has become a highly organized and flourishing business activity (Salt and Stein, 1997). European and North American states in particular have become increasingly concerned about people-smuggling by highly organized criminal rings. According to an article in *The Economist* (1999), the smuggling of people into the European Union, run by Mafia rings based in such places as Istanbul, Tirana, and other cities in eastern Europe, has grown into a lucrative business in recent years, possibly worth \$3–4 billion a year in Europe alone.

Theoretical Perspectives on International Migration

Much conventional theorizing on international migration has concentrated on the economic factors that determine “voluntary” international migration, on the economic impacts on both sending and receiving areas, and on immigrant incorporation into the receiving society. The last topic will not be addressed here, but see Mitchell (this volume).

The most pervasive framework employed by scholars, either explicitly or implicitly, views migration as the outcome of rational economic decisions by individual actors. According to neoclassical economic theory, labor markets are the primary mechanisms by which international flows of labor are induced. Individual rational actors decide to migrate when a cost–benefit calculation leads them to expect a positive net return in terms of higher income. At the macro-scale, international migration only occurs if there are differences in wage rates between countries. Neoclassical theory also predicts that the ensuing migration, from low-wage to high-wage countries, will progressively eliminate wage differentials, thereby eventually ending labor movements (Massey et al., 1993, 1994).

Although neoclassical theories have strongly influenced intellectual and political discourse on the origins and impacts of international migration, the theoretical reasoning as well as the empirical accuracy of these theories have become increasingly challenged. I argue that these theories have shaped the intellectual discourse on international migration primarily because of their theoretical simplicity, not because of their empirical accuracy in explaining the volume of international migration flows or migration decisions. (For an attempt to evaluate these theories in the light of empirical evidence see Massey et al., 1994.)

The “new economics of migration” framework, while still assuming rational actors, views migration as a rational economic decision taken by households rather than individuals. Through international migration, households attempt to reduce risks to family income and well-being and to ameliorate their sense of relative deprivation, rather than seeking to maximize income (Stark and Taylor, 1991). In this view, wage differentials between countries are not a prerequisite for international migration, because other conditions in the sending areas, such as the absence of a social safety net or a household’s position in the local income distribution, are important in the household migration decision. This approach also goes beyond the neoclassical model in its conceptualizations of the impact of migration on the sending areas, by considering the effects of remittances, money sent back home by migrants, on the accumulation of income-producing assets, such as livestock and equipment, in sending areas. It is anticipated that remittances will allow poor families in the sending areas to gain access to scarce capital, which will translate into productive investment (Massey et al., 1994; Taylor, 1992).

Although this approach is less simplistic than neoclassical economic theories in its assumptions about the functioning of markets and migration decisions, and incorporates the effects of income transfers, it still conceptualizes the migration decision as a rational choice, following a considered evaluation of options available in terms of economic benefits. This approach has also been criticized for its assumption that households have homogenous interests, thus ignoring gendered power relations within households and how household members often pursue their own individual interests rather than that of the collectivity (Goss and Lindquist, 1995).

Since the late 1970s, new approaches have challenged the theoretical reasoning of both these theories. In contrast to their largely micro focus, the new approaches are largely macro in focus. They emphasize the role of economic structures – particularly the workings of the capitalist economy – in inducing population movements. These theorists acknowledge the importance of disparities in income, life changes, and employment opportunities, but feel it is necessary to proceed further in the chain of causation to theorize and investigate how these conditions have been generated.

Dual labor market theory argues that international migration is largely caused by a permanent demand for immigrant labor that is inherent to the economic structure of advanced industrial economies, which have segmented labor markets (Piore, 1979). Segmented labor markets are characterized by a capital-intensive primary sector, providing skilled, secure, high-paying jobs with good benefits and working conditions; and by a labor-intensive secondary sector, where workers hold unskilled, insecure, and low-paying jobs with few benefits and poor working conditions. Since conditions in the secondary sector make it unattractive to native workers, employers turn to foreign labor to fill shortfalls in demand. There exists significant empirical evidence that labor markets in some major receiving areas, notably the USA, are indeed segmented as suggested by Piore, and that many labor migration movements arise as a result of labor recruitment by the receiving countries. Yet, as Massey et al. (1994) maintain, some urban labor markets in receiving areas may be further segmented into an immigrant enclave, and recruitment represents only one of several inducements to migrate. This leads them to conclude that “it is not clear that labor market segmentation explains all or even most of the demand for immigrants” (Massey et al., 1994, p. 721). Another problem with this theory is that it assigns

primary explanatory power to the labor demand conditions in receiving areas, at the expense of a fuller consideration of the processes linking sending and receiving countries.

Building on Immanuel Wallerstein's "world systems theory" (Wallerstein, 1974), a variety of theorists link the origin of international migration to the structure of the global economy rather than the bifurcation of the labor market within advanced industrial economies. They see international migration as a consequence of economic globalization and capitalist market penetration into ever larger proportions of the globe (Portes and Walton, 1981; Sassen, 1988; Zolberg, 1989). In this view, it is the penetration of capitalist economic relations into peripheral societies that creates a mobile population prone to migrate abroad. For example, "traditional" economies, such as peasant farming in the periphery, are disrupted as land, production, and labor come under the influence and control of, for example, Western agribusinesses. The outgrowth is the displacement of large numbers of people from such traditional livelihoods as peasant farming.

Disruptions resulting from capitalist market penetration do not generate emigration by themselves, however. According to Sassen (1988, p. 20), who examines the impact of foreign direct investment in peripheral regions as a leading indicator of capitalist market penetration, "foreign direct investment is not a cause but a structure that creates certain conditions for emigration to emerge as an option." In order to explain how the pool of potential migrants created by capitalist market penetration will result in large-scale emigration, she contends that we need to theorize and investigate the variety of different economic, political, and cultural processes that link sending and receiving countries in complex ways.

Linkages between sending and receiving areas at different scales (i.e. migrant networks linking individuals or groups; political and economic relations between countries; and transnational linkages between institutions) have received much attention in empirical studies of migration flows. Numerous case studies demonstrate that the existence of migrant networks – sets of interpersonal relations that connect migrants, former migrants, and non-migrants in the origin and destination areas through ties of kinship, friendship, and other communal ties – is crucial in influencing the probability of migration and in creating a self-sustaining stream of migrants between areas of origin and destination (Findley, 1987; Massey et al., 1990; Gurak and Caces, 1992). Goss and Lindquist (1995), however, contend that the role of migrant networks in promoting international migration is inadequately theorized. "It is still not clear how these networks operate as social entities beyond the sum of the individual relationships of which they are constituted" (Goss and Lindquist, 1995, p. 331). Employing structuration theory, which stresses the interdependencies between individual behavior and societal structures, they suggest that migrant networks be "conceived as migrant institutions that articulate the individual migrant and the global economy, 'stretching' social relations across time and space to bring together the potential migrant and the overseas employer" (1995, p. 335).

Besides the informal institution of migrant networks, contemporary large-scale international migration also has been increasingly structured by formal national and international, public and private institutions, which are at least as important in influencing the nature of international migration according to some observers. Most attempts to theorize the role of institutional structures and relations in

influencing international migration flows recognize that these are themselves embedded in global economic and political structures and transformations (Richmond, 1994; Goss and Lindquist, 1995). For example, Findlay et al. (1996) demonstrate how skilled international migration into Hong Kong is related to the organization and culture of large corporations, within a global context of changing forms of production and accumulation.

Similarly, state and private institutions in parts of the less developed world, particularly in South and Southeast Asia, have shown to be actively involved in the recruiting and global marketing of their workers to developed or rapidly developing economies. A particularly well-studied example is the Philippines, which has been so successful in the global deployment of its labor that it is often considered to be a model for states wishing to develop a labor-export industry (Goss and Lindquist, 1995; Tyner, 1996; Ball, 1997, p. 1616). In the Philippines, the recruitment and marketing process is highly regulated by the state, which works together with private recruitment agencies acting as labor brokers bringing together workers wanting to work overseas with overseas employers seeking temporary workers. The state-run Philippine Overseas Employment Agency (POEA) not only controls individual access to overseas employment opportunities and selects migrants, but also requires Filipino migrants to funnel a portion of their overseas earnings through government-approved banks (Goss and Lindquist, 1995, pp. 339–40). Through this labor export system, the Filipino state and private recruitment agencies have a major influence on the nature and direction of international migration flows and the channeling of remittances. The increased engagement of developing countries in exporting labor is related to the heightened opportunities for international contract labor. This in turn is a “result of sustained socioeconomic development in the [Newly Industrializing Economies] and their demand for service sector labor, the construction boom and rapid economic development in the Middle Eastern oil-producing economies, together with continued underdevelopment of the non/oil-producing and non-industrializing Third World” (Goss and Lindquist, 1995, p. 336).

Thus, in contrast to the neoclassical economic and new economics of migration approaches, structural and structurationist approaches stress, to varying degrees, the role of the public and private institutions that link sending and receiving areas in complex ways, in generating and directing transnational population flows. More importantly, the constitution of these linkages is seen as located within global economic structures and processes and in the articulation of these with individual migrants. Finally, the structural and structurationist approaches do not assume that people across space and time behave the same way, but rather acknowledge the significance of the spatial and historical context for understanding origins and impacts of international migration.

All of the theoretical frameworks discussed up to this point have recently been criticized for being insufficiently attentive to the experience of migration, to differences in migration experiences among individuals and social groups, and to the constructed nature of such social categories as migration and migrants (Silvey and Lawson, 1999). Drawing on poststructural social and cultural theory (see Gibson-Graham, this volume), migrants are conceptualized as conscious, diverse human subjects, whose actions and identities are rooted in the experience of everyday life in a specific space and time context, rather than simply as rational economic

decisionmakers, or as victims of capitalist development, recruitment agencies, and the state. Focusing on the migrant experience also implies accentuating the histories and interpretations of migrants themselves, taking more seriously the voices of migrants and the diversity of their experiences (Halfacree and Boyle, 1993; Vandsemb, 1995). It is suggested that analysis of migrants' narratives of their migration history will expand our understanding of the complex economic, cultural, and political processes and transformations, which both induce and are set in motion by international migration. Concentration on migrants' narratives may also enable us to better capture the spatial and temporal complexities of the migration process mentioned above.

This re-conceptualization of the category "migrant" not only draws attention to differences among migrants along age, class, gender, and nationality lines – indeed the selectivity of migration along these axes of difference has long been recognized – but also focuses on how power relations, themselves constructed around differences of gender, age, race, and nation, shape migration decisions, processes, and experiences (Fincher et al., 1994; Kofman and England, 1997; England and Stiell, 1997; Fincher, 1997). For example, as noted above, Fincher et al.'s (1994) work on gender equity in Australian immigration policy illustrates how the selection of immigrant settlers in Australia has been based on different gendered expectations, with differential effects on admission and settlement by gender. Similarly, Tyner (1996) recounts how differential representations of men and women's work in the Filipino labor export system construct women and men in ways that influence who migrates where.

These new theoretical perspectives on international migration not only complicate the questions posed by traditional migration theories about who migrates where, but more importantly have challenged previously hegemonic epistemologies and have generated new questions and ideas. Particularly noteworthy, in my opinion, is the question of the role of discourses in constructing international migration and migrants, and the political, economic, and social implications that this involves (Walker, 2000). In the contemporary immigration debate in the USA, for example, the dominant political discourse constructs immigrants as a burden on the US economy and welfare state, and has been used to justify tighter immigration control and restricting the rights of immigrants. As will be discussed below, discourses about immigration as a burden have also drawn selectively on empirical research supporting such arguments, against the majority opinion in the academic community. This example illustrates that what we claim to understand and explain is infused with power relations, is actively contested, is changing over time, and is interpreted differently depending on the positionality and interests of those involved (White and Jackson, 1995). The same logic can be applied to understanding the changing influence of the various theoretical perspectives on international migration reviewed here.

Impacts of International Migration on Receiving and Sending Areas

Debating impacts on receiving areas

Much of the international and national political and public discourse on international migration has focused on the impact of immigration on the receiving

economies and societies. This topic has assumed such political and economic currency that it was even on the agenda of the 1991 annual "G-7" meeting, of the heads of state of the seven most powerful industrial countries. These discussions have been primarily motivated by concerns about the negative impacts of large-scale immigration of people from the less developed countries on the employment and wage prospects of native workers and on economic development. "The presumption that immigrants have an adverse impact on the labor market continues to be used as a key justification for policies designed to restrict the size and composition of immigrant flows into the United States" (Borjas, 1998, p. 217).

For the United States, an enormous amount of research has been completed since the 1980s on the impact of immigration on the labor market. By contrast, little attention has been paid to the contributions of immigrants to the US economy. Most of the econometric studies (both cross-sectional and longitudinal) analyzing the relationship between the overall supply of immigrants and availability of jobs or wages have produced no strong evidence that immigration overall has a major adverse impact on the earnings and job opportunities of natives in the US labor market (Fix and Passel, 1994; Borjas, 1998). Studies examining the impact of immigration on specific sub-populations, such as African Americans and low-skilled workers in urban areas, have identified differential impacts on wages and employment for these sub-populations. Enchautegui (1993) found that African Americans in high-immigration areas fared better in terms of wage and employment growth than those in low-immigration areas. Altonji and Card's (1991) analysis of US metropolitan areas indicates that while immigration increases the share of the less-skilled African American labor force that is employed, it reduces the weekly earnings of less-skilled African American men and women. Generally, regardless of the native population sub-groups considered, most empirical evidence suggests that the earnings of native population sub-groups are barely affected by the entry of immigrants into the local labor market (Borjas, 1998). More important for explaining changes in earnings of the native population are such factors as economic restructuring at the national and local scale.

Several scholars have advanced the argument that the impact of immigrants on earnings and employment opportunities of natives is dampened by the fact that native-born workers, particularly the unskilled, respond to the economic pressures introduced by immigrants by leaving areas of high immigrant concentration (Filer, 1992; Frey, 1995). Wright, Ellis, and Reibel's (1997) study of the effects of immigrants on internal migration in the largest metropolitan areas in the USA challenges this argument, however, demonstrating that the net outmigration of native (including unskilled) workers from large metropolitan areas is more likely to be due to economic restructuring than to immigration. In their analysis, immigration flows are positively related to the net migration of the native born, prompting them to state that: "Conclusions such as immigration causes 'demographic balkanization' miss the mark and do nothing to muffle the rhetoric in this already overheated immigration debate" (Wright, Ellis, and Reibel, 1997, p. 252).

The other issue at the center of the immigration debate in the USA has been the public costs of immigrants – in particular, costs imposed on the welfare system. Adding to the fervor of this debate has been a set of studies in the early 1990s attributing enormous public costs to immigrants (Huddle, 1993). According to Fix

and Passel (1994), however, these studies grossly overstate the public costs of immigrants, because their calculations of service costs and of the tax contributions of immigrants are erroneous. While acknowledging the difficulties involved in estimating the net cost of immigrants to the public sector, they contend that, when all levels of government are considered together, immigrants generate significantly more in the taxes they pay than they cost in services received. Indeed most national-level studies have found that immigrants are not a fiscal burden.

At the state and local level, however, the picture is different. In some states with high levels of immigration, immigrants can constitute a net fiscal burden to state and local authorities (Rothman and Espenshade, 1992). This uneven distribution of costs across levels of government has been further enhanced by new federal legislation passed in 1996. Provisions in the 1996 welfare reform bill deny many legal immigrants access to most federal public assistance programs (e.g. food stamps and SSI – a program providing assistance for the elderly and people with disabilities) for the first five years of residence (for further details see Espenshade, 1998). These provisions potentially shift the costs of aiding immigrants in need of assistance to state and local governments. In response to this, those states and cities receiving large numbers of needy immigrants have been suing the federal government for reimbursement of costs arising from the new federal policies.

Notwithstanding the majority of studies indicating that the overall economic effects of immigration are generally positive, citizens continue to harbor negative views and beliefs about the impact of recent immigration on the US welfare state and economy. These beliefs, combined with anxieties about the integration of increasingly culturally different immigrants into the host society, have been fueled by a nativist and anti-foreigner political discourse. The anti-foreigner/anti-immigration public and political discourse in the USA, and in the highly advanced industrialized countries of Europe, has marginalized discourses in sections of academia highlighting the positive contributions of immigrants to the wealth of the receiving societies, and the negative and positive consequences of international labor migration for the migrants themselves (Ley, 1999). With respect to the latter, studies of labor migrants from the Philippines working overseas have documented, for example, the well-known phenomenon of deskilling, with Filipino doctors and teachers working as maids, janitors, and in other menial jobs in destination countries (Tyner, 1996).

Examining impacts on sending areas

While major receiving countries have focused on the burden of immigrants on the national economy and state in recent years, sending countries have emphasized the contributions of emigrants to national economic development. In particular, remittances – the transfer of cash earnings of migrants from the receiving to the sending country – are seen as important to economic development in the sending areas. These have been found to be considerable for some less developed Asian countries, such as Pakistan where estimates indicate that remittances contributed almost 9 percent of the GDP in the mid-1980s. Many less developed countries have also come to depend on remittances as a source of foreign exchange. In Bangladesh, for example, remittances contribute 25 percent of foreign exchange earnings (for further details see United Nations, 1995).

Scholars generally agree that remittances help to redistribute income among countries and that they have increased the availability of money in sending countries. They disagree, however, as to whether remittances improve the national and local economies of sending areas (Jones, 1998a). Some scholars have raised a concern about the increasing reliance and dependence of small less developed economies on the money supplied through remittances, at the expense of indigenous economic development initiatives (Bertram and Watters, 1985). Others have maintained that such concerns underestimate the productive nature of remittance investment in local businesses, creating job opportunities, wealth, and thus development in areas of origin (Addleton, 1992; Conway and Cohen, 1998). Clearly these contrasting findings are a result of the complex web of conditions shaping migration and remittances. These include the characteristics of migrants and of job opportunities and earnings in destination areas, the purposes for which remittances are spent in sending areas, and the structure and condition of the political economy in the sending areas (Jones, 1998b).

There is also disagreement regarding the impact of remittances on economic and spatial inequalities in the sending countries. Some studies have found that remittances tend to be funneled towards families and towns in sending areas that are already better off, thus increasing social and regional inequality (Atalik and Beeley, 1993). In contrast, others have suggested that remittances reduce rural-urban income inequalities because they are spent in the low-income rural areas of out-migration (Griffin, 1976). According to Jones (1998b) these contradictory findings result in part from the differences in the geographic scale at which analyses measuring inequalities have been carried out (inter-regional, inter-urban, rural-urban, and inter-familial scale), and in part from failures to consider the influence of a place's stage of emigration (defined as the duration and quantity of emigration from a particular place). Using evidence from a case study in central Zacatecas, Mexico, he argues that in the first phase of emigration inter-familial inequities in communities decrease up to a point, but rise again during the advanced stage of emigration to the USA. "At the scale of the family, better-off families improve their status at the expense of poorer families, with advanced stages of U.S. migration. In contrast, at the rural-urban scale, advanced stages of migration result in rural places improving their income positions vis a vis urban places" (Jones, 1998b, pp. 22-3).

Remittances are only one way in which migration affects sending areas. The selectivity of migration by age and skill level – the majority of international migrants are in the economically productive age and the most dynamic members of their communities – has generally been seen as a drain on sending areas, further undermining the potential for development in these areas. According to some studies, however, these losses do not appear to have a major negative impact on the labor market in sending areas (Skeldon, 1997, p. 159).

Transnational Perspectives: Linking Sending and Receiving Areas

Debates about the impact of migration on sending or receiving regions can easily shift our attention away from the complex ways in which developments in these regions depend on one another. This has not been a central focus of research on the impacts of international migration. Such research is beginning to emerge, however, documenting the importance of these interdependencies and thinking about their

implications for migration processes and policies. This is being examined both at the micro and macro scale.

Migrants as transnational economic actors

Recent studies indicate that immigrants today maintain stronger relations with the society from which they come. Migrants are increasingly transnational economic actors, involved in both the home and host societies. For example, affluent immigrants from China and Hong Kong now settled in the USA and Canada are returning as capitalist investors to their places of birth, where they use ethnic ties and *guanxi*¹ networks as channels for developing subcontracting arrangements between overseas Chinese businesses and enterprises in mainland China. Besides ethnic ties with the homeland, they are attracted by the potential profit from utilizing China's cheap, skilled labor force, and its growing consumer market. According to Ong (1998) it is impossible to disentangle the irresistible pull of potential profits from nostalgic sentiments toward the homeland.

Lessinger (1992) observes a similar behavior pattern for Indian migrants now settled primarily in the United States, Europe, Southeast Asia, and the Middle East. These Indian migrants, dubbed Non-Resident Indians (NRIs), are part of a new transnational business class which is investing capital accumulated overseas in industrial ventures and banks in India. This behavior has been facilitated by a change in India's development policy since the early 1980s from an inward orientation, emphasizing self-reliance, to a policy promoting inward foreign investment in which the Indian Government provides financial incentives to foreign investors – and treats NRIs as a favored subcategory of foreign investors. The Indian Government sees NRIs not only as investors, but also as supplying technical and managerial expertise acquired abroad, and providing access to scientific, business, and financial communities in the West. In order to accomplish this, the Indian Government has not only provided generous subsidies to NRIs, but also used the rhetoric and sentiments of Indian nationalism and cultural identity to entice them. According to Lessinger (1992, p. 78): “The old, pure capitalist imperatives of profit and self-interest are no longer enough. Ideologies of nationalism, of common history and cultural integration, as well as the emotions of love, guilt and ambivalence, are invoked to woo NRIs into participating in an economy they once rejected.” At the same time, the emergence of NRI enterprises and their privileged economic position have come under enhanced scrutiny within India. There is increasing criticism of the government's NRI strategy and NRI enterprises. Although receiving large state subsidies, NRI enterprises are seen as union-busters, and some NRI enterprises, such as medical institutes and hospitals, are geared primarily the rich. These conflicts highlight existing internal class conflicts within India (Lessinger, 1992). Thus immigrant investment in India does not necessarily generate the kinds of development that improve the standard of living of the population in India at large, or reduce the income gap between the rich and the poor.

Transnational economic and political measures to reduce migration flows

Taking a global perspective, a number of authors similarly have argued that capital transfers to the less developed world, whether as traditional remittances or as

immigrant entrepreneurs' investments in their home country, are unlikely to foment economic transformation and development in countries of the less developed world, thereby reducing the income gap between rich and poor countries (Jones, 1998a). If this is the case, the number of people from poor countries seeking to migrate to richer countries will continue to increase, at a time when the rich countries of the world, obsessed with real and potential immigration pressures, are less and less prepared to admit more immigrants into their territories. This has precipitated a discussion, in the advanced industrial world, about measures that would reduce pressures for emigration. The goal is to create conditions in the sending areas that would enable people "to achieve at home what they seek to achieve abroad, whether economic advancement or freedom from persecution and insecurity" (Böhning and Schloeter-Paredes, 1994, p. 4). A number of measures have been proposed as a means to promote development in poor emigration countries, such as trade liberalization, increased foreign direct investment (FDI), and international aid.

While these measures might help induce economic development in low-income sending countries in the long run, scholars generally agree that current trends are in the opposite direction. Regarding FDI, "poor countries have been receiving a shrinking share of global capital investment – down from 31 percent in 1968 to 17 percent twenty years later – suggesting that its effects on emigration pressure can only be limited" (Böhning and Schloeter-Paredes, 1994, p. 5). The picture is similarly gloomy with respect to trade liberalization, because rich countries often introduce protectionist trade policies discriminating against the labor-intensive goods that make up much of the exports of low-income sending countries. Such protectionist policies are reducing employment prospects in these countries (Böhning and Schloeter-Paredes, 1994). Foreign aid has also been declining as a percentage of the gross domestic product (GDP) of developed countries, from 0.44 percent in 1960 to 0.35 percent in 1992 (Skeldon, 1997). Foreign aid often increases dependence on donor nations because of the side conditions under which loans are made (Porter and Sheppard, 1998, Chapter 23). It also is not targeted to countries, regions, and population groups with high immigration rates, since motives for foreign aid are often geopolitical. As a consequence, foreign aid has become less effective as a way of reducing emigration pressures (Böhning and Schloeter-Paredes, 1994).

As noted earlier, several scholars have questioned seriously whether any of these measures, even if they did enhance economic growth in sending countries, actually reduce emigration pressures (Massey, 1988; Sassen, 1988). Massey (1988) argues that attempts by the USA to stimulate development in Mexico will not reduce immigration to the USA in the short run; indeed it may increase it. Sassen (1988), examining the relationship between foreign direct investment and emigration, also maintains that foreign direct investment contributes either directly or indirectly to emigration. While working within different explanatory frameworks, both authors insist that greater attention be paid to the precise nature of the varied economic, political, and social processes linking sending and receiving areas, and to their importance in generating and directing transnational population flows. According to Sassen (1988, p. 6):

Thinking and policies stemming from this recognition may carry a rather different focus from current US policies aimed at controlling the border or reducing population growth and

promoting economic growth in Third World countries. Recognition of intervening processes may move the focus away from conditions in emigration countries and invite an examination of processes that link the United States to those countries and may contribute to the initiation of new migration flows to the US. And it would invite an examination of labor demand conditions in the US that may contribute to the continuation of such flows. Policies stemming from such a recognition may have to address issues not usually considered relevant to immigration.

Conclusion

As the variety of new theoretical perspectives and studies on transnational labor migration reviewed here makes clear, the migration decision cannot be simply conceived as individuals making a rational choice solely for economic reasons. The volume of population flows across national boundaries also cannot be understood simply as the result of disparities in incomes and potential earnings between sending and receiving areas, or labor market demand in the receiving areas. Rather, understanding the generation and impact of migration requires an examination of the complex, geographically and historically specific, economic, social, political, and cultural linkages between sending and receiving areas at different scales. This implies not only greater attention, for example, to migrant networks linking individuals or groups, and to economic and political relations between countries and institutions, but also a greater focus on migrants' experiences in sending and receiving areas. A focus on migrants' experiences also may enable us to better capture the spatial and temporal complexities of the migration process itself.

It is worth noting that the shifting popularity of different theoretical perspectives in academic debate reflects not only their empirical explanatory power, but also the degree to which they conform with other theoretical debates about agency, structure, and social transformation. When different theoretical perspectives are brought to bear on debates about migration policy, it is similarly clear that they are used selectively to promote particular, and often pre-conceived, discourses about the desirability of emigration and immigration. For example, evidence of the positive impact of migration on receiving regions is often ignored in debates about immigration control, and the complexity of how emigration impacts sending regions is of little concern to receiving countries. Immigrants themselves are strategic and knowledgeable, and increasingly transnational, actors, who demonstrate again and again their ability to get around the barriers that continually are raised to their desires to seek a better life elsewhere. Perhaps we need to think again about what the problem is, and what a solution might be. Instead of seeing migration as the problem, and stopping large-scale migration as the solution, perhaps we need to remember the positive impacts that can be associated with migration, for sending and receiving regions and migrants alike. Perhaps we need to move towards a world where migration is not a response to economic marginalization and political oppression, but a means for anyone to seek out elsewhere the good life that they are not able to achieve at home.

Endnote

1. *Guanxi* literally means "relations" in Chinese, and has been defined by Hwang (1987) as a set of interpersonal connections that facilitate exchange of favors between people on a dynamic basis.

Bibliography

- Addleton, J. S. 1992. *Undermining the Centre: The Gulf Migration and Pakistan*. Karachi: Oxford University Press.
- Altonji, J. G. and Card, D. 1991. The effects of immigration on the labor market outcomes of less-skilled natives. In John M. Abowd and R. B. Freeman (eds). *Immigration, Trade, and the Labor Market*. Chicago: University of Chicago Press.
- Atalik, G. and Beeley, B. 1993. What mass migration has meant to Turkey. In R. King (ed). *Mass Migrations in Europe: The Legacy and the Future*. London: Belhaven Press, 156–73.
- Ball, R. 1997. The role of the state in the globalization of labour markets: the case of the Philippines. *Environment and Planning A*, 29, 1603–28.
- Bertram, I. G. and Watters, R. F. 1985. The MIRAB economy in South Pacific microstates. *Pacific Viewpoint*, 27, 47–59.
- Böhning, W. R. and Schloeter-Paredes, M. (eds). 1994. *Aid in Place of Migration?* Geneva: ILO.
- Borjas, G. J. 1998. The impact of immigrants on employment opportunities of natives. In D. Jacobson (ed). *The Immigration Reader – America in a Multidisciplinary Perspective*. Oxford: Blackwell Publishers, 217–30.
- Castles, S. and Miller, M. 1993. *The Age of Migration*. New York: Guilford Press.
- Champion, T. 1995. Internal migration, counterurbanization and changing population distribution. In R. Hall and P. White (eds). *Europe's Population – Towards the Next Century*. London: UCL Press, 99–129.
- Conway, D. and Cohen, J. H. 1998. Consequences of migration and remittances for transnational communities. *Economic Geography*, 74, 1, 26–44.
- Cornelius, W. A., Martin, P. L., and Hollifield, J. F. (eds). 1994. *Controlling Immigration – A Global Perspective*. Stanford, CA: Stanford University Press.
- Enchautegui, M. E. 1993. *Immigration and County Employment Growth*. Policy Discussion Paper PRIP-UI-23. Program for Research on Immigration Policy. Washington D.C.: The Urban Institute.
- England, K. and Stiell, B. 1997. “They think you’re as stupid as your English is”: constructing foreign domestic Workers in Toronto. *Environment and Planning A*, 29, 195–215.
- Espenshade, T. J. 1998. U.S. immigration and the new welfare state. In D. Jacobson (ed). *The Immigration Reader – America in a Multidisciplinary Perspective*. Oxford: Blackwell Publishers, 231–50.
- Fan, C. C. 1996. Economic opportunities and internal migration: a case study of Guangdong Province, China. *The Professional Geographer*, 48, 28–45.
- Filer, R. 1992. The effect of immigrant arrivals on migratory patterns of native workers. In G. J. Borjas and R. B. Freeman (eds). *Immigration and the Work Force: Economic Consequences for the United States and Source Areas*. Chicago: University of Chicago Press, 245–70.
- Fincher, R. 1997. Gender, age, and ethnicity in immigration for an Australian nation. *Environment and Planning A*, 29, 217–36.
- Fincher, R., Foster, L., and Wilmot, R. 1994. *Gender Equity and Australian Immigration Policy*. Canberra: Australian Government Publishing Service.
- Findlay, A. M., Li, F. L. N., Jowett, A. J., and Skeldon, R. 1996. Skilled international migration and the global city: a study of expatriates in Hong Kong. *Transactions of the Institute of British Geographers*, NS 21, 49–61.
- Findley, S. E. 1987. An Interactive Contextual model of migration in Ilocos Norte, the Philippines. *Demography*, 23, 163–90.
- Fix, M. and Passel, J. S. 1994. *Immigration and Immigrants – Setting the Record Straight*. Washington D.C.: The Urban Institute.

- Frey, W. H. 1995. Immigration and internal migration "flight" from US metropolitan areas: toward a new demographic balkanization. *Urban Studies*, 32, 733–57.
- Goss, J. and Lindquist, B. 1995. Conceptualizing international labor migration: a structuration perspective. *International Migration Review*, 29, 317–51.
- Griffin, K. 1976. On the emigration of the peasantry. *World Development*, 4, 353–61.
- Gurak, D. T. and Caces, F. 1992. Migration networks and the shaping of migration systems. In M. M. Kritz, L. L. Lim, and H. Zlotnick (eds). *International Migration Systems: A Global Approach*. Oxford: Clarendon Press, 150–76.
- Halfacree, K. and Boyle, P. J. 1993. The challenge facing migration research: The case for a biographical approach. *Progress in Human Geography*, 17, 333–48.
- Hwang, K. 1987. Face and favor: The Chinese power game. *American Journal of Sociology*, 92, 944–74.
- Huddle, D. 1993. The cost of immigration. *Carrying Capacity Network*. Revised July 1993. Washington, D.C.
- Hull, H. 1987. Population and the present world structure. In W. Alonso (ed). *Population in an Interacting World*. Cambridge, MA: Harvard University Press, 74–94.
- Jones, R. C., 1998a. Introduction: The renewed role of remittances in the new world order. *Economic Geography*, 74, 1–7.
- Jones, R. C. 1998b. Remittances and inequality: a question of migration stage and geographic scale. *Economic Geography*, 74, 8–25.
- Kofman, E. and England, K. 1997. Citizenship and international migration: taking account of gender, sexuality, and race. *Environment and Planning A*, 29, 191–94.
- Leitner, H. 1995. International migration and the politics of admission and exclusion in postwar Europe. *Political Geography*, 14, 259–78.
- Leitner, H. 1997. Reconfiguring the spatiality of power – the construction of a supra-national migration framework for the European Union. *Political Geography*, 16, 123–43.
- Lessinger, J. 1992. Investing or going home? A transnational strategy among Indian immigrants in the United States. *Annals of the New York Academy of Sciences*, 645, 53–80.
- Ley, D. 1999. Myths and meanings of immigration and the metropolis. *The Canadian Geographer*, 43, 2–19.
- Massey, D. S. 1988. Economic development and international migration in comparative perspective. *Population and Development Review*, 14, 383–413.
- Massey, D. S., Alarcon, R., Durand, J. and Gonzales, H. 1990. *Return to Aztlan: The Social Process of International Migration from Western Mexico*. Berkeley and Los Angeles, CA: University of California Press.
- Massey, D. S., Arango, J., Hugo, G., Kouaouci, A., Pellegrino, A., Taylor, J. E. 1993. Theories of international migration: a review and appraisal. *Population and Development Review*, 19, 431–66.
- Massey, D. S., Arango, J., Hugo, G., Kouaouci, A., Pellegrino, A., and Taylor, J. E. 1994. An evaluation of international migration theory: The North American case. *Population and Development Review*, 20, 699–751.
- McHugh, R. and Mings, R. C. 1996. Attachment to place in aging. *Annals of the Association of American Geographers*, 86, 530–50.
- O'Loughlin, J. and Friedrichs, J. (eds). 1996. *Social Polarization in Post-Industrial Metropolises*. Berlin, New York: Walter de Gruyter.
- Ong, A. 1998. Flexible citizenship among Chinese cosmopolitans. In P. Cheah and B. Robbins (eds). *Cosmopolitics – Thinking and Feeling Beyond the Nation*. Minneapolis: University of Minnesota Press, 134–62.
- Parnwell, M. 1993. *Population Movements and the Third World*. London and New York: Routledge.

- Piore, M. J. 1979. *Birds of Passage: Migrant Labor and Industrial Societies*. Cambridge: Cambridge University Press.
- Porter, P. W. and Sheppard, E. 1998. *A World of Difference – Society, Nature, Development*. New York and London: Guilford Press.
- Portes, A. and Walton, J. 1981. *Labor, Class and the International System*. New York: Academic Press.
- Richmond, A. H. 1994. *Global Apartheid – Refugees, Racism, and the New World Order*. Oxford: Oxford University Press.
- Rothman, E. S. and Espenshade, T. J. 1992. Fiscal impacts of immigration to the United States. *Population Index*, 58 (3), 381–415.
- Salt, J. 1989. A comparative overview of international trends and types, 1950–1980. *International Migration Review*, 23, 431–56.
- Salt, J. and Stein, J. 1997. Migration as a business: the case of trafficking. *New Community – The Journal of the European Research Centre on Migration and Ethnic Relations*, 23, 467–91.
- Sassen, S. 1988. *The Mobility of Labor and Capital: A Study in International Investment and Labor Flow*. Cambridge: Cambridge University Press.
- Silvey, R. and Lawson, V. 1999. Placing the migrant. *Annals of the Association of American Geographers*, 89, 121–32.
- Simon, R. J. and Brettel, C. B. (eds). 1986. *International Migration: The Female Experience*. Totowa, NJ: Rowman and Allanheld.
- Skeldon, R. 1997. *Migration and Development: A Global Perspective*. London: Longman.
- Stark, O. and Taylor, J. E. 1991. Relative deprivation and migration: theory, evidence, and policy implications. In S. Diaz-Briquets and S. Weintraub (eds). *Determinants of Emigration from Mexico, Central America, and the Caribbean*. Boulder: Westview Press, 121–44.
- Taylor, J. E. 1992. Remittances and inequality reconsidered: direct, indirect, and intertemporal effects. *Journal of Policy Modeling*, 14, 187–208.
- The Economist* 1999. Europe's smuggled Masses. February 20, 45–6.
- Tyner, J. A. 1996. The gendering of Philippine international labor migration. *The Professional Geographer*, 48, 405–16.
- Tyner, J. A. 1998. Asian labor recruitment and the world wide web. *The Professional Geographer*, 50, 331–44.
- United Nations 1994. Population distribution and migration. Proceedings of the United Nations Expert Meeting on Population Distribution and Migration, Santa Cruz, Bolivia, January 18–22, 1993. New York.
- United Nations 1995. *International Migration Policies 1995*. New York: United Nations, Department of Economic and Social Information and Policy Analysis.
- Vandsemb, B. H. 1995. The place of narrative in the study of third world migration: the case of spontaneous rural migration in Sri Lanka. *The Professional Geographer*, 47, 411–25.
- Walker, J. 2000. *The State, Labor Import/Export, and Economic Restructuring in Taiwan*. Athens: University of Georgia. Ph.D. Dissertation.
- Wallerstein, I. 1974. *The Modern World System: Capitalist Agriculture and the Origins of the European World-Economy in the Sixteenth Century*. New York: Academic Press.
- White, P. and Jackson, P. 1995. (Re)theorising population geography. *International Journal of Population Geography*, 1, 111–23.
- Wright, R. A., Ellis, M. and Reibel, M. 1997. The linkage between immigration and internal migration in large metropolitan areas in the United States. *Economic Geography*, 73, 234–54.
- Zolberg, A. 1989. The next waves: migration theory for a changing world. *International Migration Review*, 23, 403–30.