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export-oriented growth. However, there are other cases that suggest that remittances can actually protect national governments and particular sectors from the consequences of misguided policy decisions (see point 3 above). In this connection, we can think of the protection that remittances offer to governments as the public sector equivalent of the social insurance function that they play for households. Thus, the support provided by remittances makes it possible for governments to overlook the problems that lead to migration and the dislocation induced by neo-liberal policy.

One final political economy issue is whether recent recognition of the empirical significance and self-insurance aspect of remittances is having an effect on the proclivities of wealthy countries as far as ODA. That is, do we have a reversal of the usual 'crowding out effect' - in this case, are remittances (a private flow) discouraging ODA (a public flow) by providing a rationale or justification for governments that may already have political reasons to curtail

ODA? In this context, I should note that skeptics of ODA and of international aid bureaucracies have embraced remittances as part of what has been called the new 'privatized foreign aid' (Adelman, 2003).

CONCLUSIONS

There is still much that we need to know about remittances. Nevertheless at this preliminary point, we can already start to see that the political economy effects of remittances are complex, contradictory, contingent upon many factors that vary from cases to case and so are not amenable to generalizations. In this sense, remittances carry with them complexities that are no less significant than those that have been illuminated by the study of other types of international capital flows. Thus, we should be neither disappointed nor surprised when future research reveals that remittances do not have uniform or unambiguous political economy implications.

We should also not be surprised to learn that conventional wisdom on the developmental role of remittances may

change dramatically as a consequence of the current global economic crisis. In the context of the crisis, it appears that remittances are behaving pro-cyclically, making them more like other international private capital flows. This suggests that those members of the policy community who, just a few years ago, celebrated the developmental impact of remittances may be compelled now to recognize that these and other international private capital flows are neither substitutes for ODA nor for economic development strategies that mobilize and channel domestically-generated resources in the service of development.

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Migrants: Suitable brokers of development?

Lothar Smith and Ton van Naerssen

In 2007, leaders of Africa and Europe met at the EU-Africa Summit, in Lisbon, to discuss cooperation on development and migration between the two continents. One of the main outcomes of these talks was the Joint Africa-EU Strategic Partnership framework, in which African migrants were explicitly – for almost the first time – given an important role in the promotion of sustainable development in the continent. This reflects a trend; international migration and its impact on development processes is currently one of most discussed issues in development policy circles. In this short article we present a 'state of the art' of migration and development, reviewing

some of the pros and cons of this new approach.

Overseas migrants can play a positive role in the social and economic development of countries of settlement as well as in their countries of origin. Both World Bank and International Organization for Migration reports have influenced this discourse and contributed to recent policies. The conferences of the Global Commission on International Migration (GCIM) in 2005 and the UN High-Level Dialogue on Migration and Development in 2006 also highlighted that international migration contributes to poverty alleviation and economic growth

worldwide and pointed to the huge potential for development to benefit from migration in countries of emigration and immigration.

Migrants' financial remittances, knowledge transfer, investments and trade all have an impact on how localities, regions and countries of origin of migrants develop and change. Although economic growth generated by remittances is generally considered positive, there are criticisms of wasteful consumption (e.g. large houses being constructed). There is however a general consensus that private remittances need to be shielded from the intervention of governments. At the same time, more



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collective forms of peer support for migrants, notably through transnational community organisations (TCOs), are increasingly recognised as playing a vital role in successful migration experiences and impacts.

TRANSNATIONAL COMMUNITY ORGANISATIONS

Migrants often establish their own, ethnic or locality-based networks in countries of settlement. These local, regional or national associations often help them create a 'home away from home' feeling of risk-sharing and 'social capital'. Newcomers in a foreign and largely unknown environment can thus be accommodated and helped to 'learn the ropes', sometimes even helping the newly arrived migrant to start up their own business. TCO's vary greatly in age, size, formal status and key goals. Some TCOs primarily lobby for equal rights and access to facilities. These are often formalized so that specific migrants' voices can be heard and recognized by the authorities concerned. Other TCOs, including neighbourhood groups, may not be based as explicitly on specific national identities, but may be regional or inter-regional. They tend to remain small in size and are often informal and relatively harder to research, being mostly invisible to outsiders.

Most often the main aim of TCOs is to support their fellow countrymen and women in the process of adaptation to the specific circumstances in the country of settlement – temporary or not. TCOs can be vital to a successful integration process in the new society. In this way, migrants come to be part of new networks, yet remain embedded in transnational networks that connect them to their countries and regions of

origin. Thanks to increasingly global transport and communications networks (TV, video, mobile phone, and internet among others), migrants can stay in touch with their families and friends 'at home' and elsewhere abroad. This process contributes to the formation of their newly acquired transnational – double- or multi-rooted - identities.

Although these transnational networks often start out as the initiative of individual migrants, over time they may develop into collective efforts in which not only migrants but also host and 'home' country individuals and communities can play important roles. Thus TCOs are established whereby, through socially organized bonds between migrants and their areas of origin, social and economic development can be achieved through organized remitting and local development activities. Indeed, with time, making collective contributions to development at 'home' can become an explicit goal of many TCOs. They may commit themselves to small-scale development projects and programmes in the field of education, health, and/or infrastructure in their communities and regions of origin. TCOs can help to collectively transfer skills and knowledge through contacts with networks of professional migrants, such as medical doctors, agronomists and engineers amongst others. Such initiatives can help to create a transnational sense of identity.

Many governments have become more aware that TCOs can play a positive role in local development, and this has produced all kinds of efforts to capitalize on emigrants' collective initiatives. A well known example is the growing

role of Mexican TCOs in the United States. Many of these organizations are referred to as 'hometown associations'. Over time, they have become involved in developmental initiatives in and around their hometowns. The Mexican government discovered that it could tap into this potential by implementing policies targeting its countrymen and women abroad to gain their participation in development projects. For instance, the government programme *Tres-por-Uno*, which involves the federal, state and municipal governments, provides 3 US\$ for every 1 US\$ collected and transferred home by migrants.

FROM CO-DEVELOPMENT TO THE GLOBAL FORUM

Governments of Western countries, UN institutions and civil society organizations have begun to show a growing interest in TCOs as development agents. From a developmental point of view, efforts to promote cooperation between state agencies, development cooperation organizations and migrants' business and professional networks is of great significance. Indeed the concept of networking now runs through nearly all current international migration programmes. For instance in the Netherlands, we find various TCOs partnering the Ministry of Foreign Affairs in a range of initiatives. Such TCOs include the African Diaspora Policy Centre (bridging African migrant communities and policy makers at EU level), the Global Society Foundation (capacity-building training to migrant organizations) and SEVA Network Foundation (development activities based on Hindu philosophy). Such cooperative initiatives take place within a broader framework of a diverse network of actors.

There are also European multilateral initiatives, such as the Cotonou Agreement, an initiative taken together with African, Caribbean and Pacific (ACP) countries and the partnership between countries of the Mediterranean region. Globally, an important step was taken with the first meeting of the Global Forum on Migration and Development (GFMD), in Brussels, in July 2007. This meeting was preceded by a meeting between invited civil society organisations, including TCOs, which were to improve cooperation at a

global level. The GFMD meeting turned out to be relatively successful, in the sense that further cooperation arose, with a second meeting in Manila in 2008. A third meeting is to take place in Greece in November 2009.

In the wake of governmental interest in TCOs as partners in development aid, development agencies and TCOs have also begun to develop partnerships. At present, small-scale projects, peace and reconstruction initiatives and return migration have been given a place on the agenda. This agenda could be broadened further by paying attention to and encouraging collective remittances, transnational entrepreneurship opportunities, private investments and tourism by migrants, their descendants and relations to their countries of origin. Special attention should also be paid to opportunities for TCOs to engage in programmes in the field of good governance and democratization processes in their countries of origin. Increasingly, TCOs are also accepted as partners in peace making and conflict resolution.

CAN TCOs MAKE A DIFFERENCE (AND FOR WHOM)?

The positive role of TCOs in development cooperation now seems to be taken for granted. But is it really such a simple and given matter? First of all, much depends on patterns of migration, past and current, and on the composition and relative size of the migrant population. All kinds of migrants – whether classified as labour migrants, refugees, permanent migrants, temporary migrants, or otherwise - maintain links with their countries of origin, but the nature of these ties will vary, and the consequent impact will also influence the development of home areas in very different ways. In the current discourse, there is a tendency to treat diaspora and migrant associations as a homogenous category. But this does not reflect the reality that migrant communities are diversified along lines of class, ethnicity, religion, gender, age, geographical location and political orientation.

Second, social networks and knowledge of different cultures can be both a strength and weakness of TCOs as actors concerned with initiating development processes in the countries

of origin. Social networks are useful but can also constrain development since strong links and obligations may produce their own forms of inefficiency. Local knowledge and local relations are important but cannot always make up for the lack of professional and technical skills where economic development is concerned. Where larger infrastructural projects are needed, for instance, such expertise will be essential.

Third, whilst abroad, although keeping in touch, there will be changes in the 'home' environment that many long term migrants may be less aware of than those who remain 'at home'. Migrants may be westernized by their education, their economic outlook and, in some cases, may come to be considered virtual outsiders in their own, or their parents', places of origin. TCOs may strive to engage positively with democratic political debate, and may see themselves as playing a part in efforts to strengthen civil society. However not everyone will welcome such engagement as in many less developed countries patron-client relations and authoritarian positions prevail.

Fourth, TCOs can be more effective agents of development than traditional NGOs because of their strong sense of engagement and motivation. Their objectives are often clearly spelled out and they tend to have long term ties to the region concerned, as well as often quite intimate knowledge of local circumstances.

Clearly then, it is still too early to say how and to what extent local knowledge and transnational social capital are decisive for the success of local development projects. Development-oriented TCOs may indeed possess such valuable and specific skills as knowledge of the cultures and languages in which people work, but these by themselves are rarely sufficient to give such organizations any *privileged* positions in development cooperation programmes more generally. The targets of development are located in the home countries of the TCOs, and not in the global North, where they are based. The major criteria for funding are the professional quality of the implementers, the quality of the project design and

the involvement of local agents. The last factor raises difficult issues, including whom TCOs should seek to cooperate with? It has been suggested that a more prominent role by local governments as stakeholders and partners can encourage the involvement of migrants in local development. Yet a study in Ghana has demonstrated that substantial conflict can arise over whether collective remittances are distributed by traditional chiefs, local development councils or development NGOs (or TCOs). Development can thereby become an even more fraught process than before.

Finally, the fact that the concept of development itself is contested continues to often be overlooked. Besides *economic* development, the term contains all kinds of other, often inter-related, aspects. Indeed 'development' has been defined as sustainable economic growth, as social advancement, as increasing equity, as increasing democracy and freedom, or as various combinations of these. While this reveals the complexity and multidimensionality of the linkage between international migration and development, it would be of additional value to also focus on whose development it is we are speaking about by exploring the roles played by TCOs and other actors such as the state, development NGOs and local NGOs.

Given the heterogeneity of TCOs and their strongly varying interests, the challenge is to try and realize firm ties between TCOs and development cooperation agencies in host countries as well as the major actors in the countries of origin. However, this should not be realized at the expense of more spontaneous and informal initiatives and processes of transnational development cooperation. This requires sufficient room for new approaches such as transnational dialogues and capacity building programmes in order to develop new forms of sustained modes of transnational cooperation.

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