Chapter 1

The Social Life of Remittances

This book is about money: big money, more money than you can count or than Bill Gates will ever make. It is what Donald Terry has called "the case of the missing billions" (2005): the remittances that international migrants send home every year. In 2013, the world's 232 million migrants, representing a mere 3 percent of the total population, remitted $414 billion to developing countries, the second-largest capital flow in the world after private investment (World Bank 2013a).[1] Money, however, is not the research topic of this book or my reason for writing it. Although most migrants hope to make money in dollars, euros, yen, or other hard currencies, it is the well-being of their relatives and communities that is the true motivation for their adventurous travels to foreign parts, not the pursuit of personal wealth. In other words, money is merely the means to loftier goals.

[1] The World Bank predicts that the world's remittance flows to developing countries will reach $590 billion in 2014 (Monopatra, Ratha, and Silwal 2011).

My aim in writing this book is to shed light on the moral economy of remittance activities: that is, the motivating forces that drive migrants to remit money home and the meaning and importance that their families and communities attribute to their remittances. I explore the circumstances and tensions in migrants' lives that prompt them to remit money home and describe the predicaments and concerns that affect both ends of the remittance chain. This chain is, of course, influenced by broader general issues such as migration, globalization, and development; while the book's ethnographic contribution consists of describing the personal trajectories, family affairs, and social networks that shape migrant remittances, it is only by examining the wider economic and political contexts that the book can provide a full account of their importance.

Although the economic importance of remittances has been overlooked for a long time, the role of migrants in the world economy is gaining increasing recognition (e.g., "Weaving the World Together" 2011, 72–74). As a result, information on the numbers of international migrants and migrant remittances is plentiful, and studies of their economic and social impact on the sending countries—that is, migrants' countries of origin—have proliferated in the past decade. Recently, this knowledge has been put to use by consultants and scholars working in international institutions and development organizations, such as the World Bank, the Organisation for Economic Co-operation and Development (OECD), the International Organization for Migration, the International Monetary Fund, and the Inter-American Development Bank. These organizations have designed policies promoting remittances as a means of boosting growth in the developing world. The idea of channeling migrants' earnings abroad into investments at home has been welcomed by many sending countries and has paved the way for a new perspective on migration. Migrants, who were formerly regarded by many governments as "lost human resources" or even as "traitors" who had turned their backs on their home countries, are now heralded by the political leaders of sending countries in Asia, Africa, and Latin America as "saviors" and "heroes" in the hope that they can help solve domestic problems such as unemployment and underdevelopment.

Although this shift in the political view of migration represents an important step in the recognition of migrants' contribution to the economies of both the sending and the receiving countries, it has led many governments and international institutions to assume that remittances are free flows of capital that they can tap into whenever they need to. Indeed, few politicians and policymakers bother to ask why migrants remit in the first place. Why do some continue to remit for decades—some even throughout their entire lives—while others send money home only once or twice? And what makes migrants remit at particular moments in their lives and then stop remitting at others? More bluntly, what is the driving force behind remitting?

The book's message is that, just as business owners and corporate leaders have to know where the money that makes their businesses profitable comes from, so policymakers and politicians who promote remittances as a means of boosting development need to ask what makes their "clients" or "customers" invest. How long can they expect them to do it? What makes them expect that the money will keep flowing? In a review of the policy papers as well as the scholarly literature on remittances, it is surprising how rarely these questions are raised and how few researchers and policymakers have asked who "the goose that lays the golden egg" is and why "the goose" does it.

Classical economists, who believe that all economic activities serve utilitarian purposes, argue that remittances are driven by altruism, that is, that the recipient's use of remittances is identical with the migrant's own utility (Agarwal and Horowitz 2002).[2] But if this is the case, why is the second-largest capital flow in the world fueled by "irrational," altruistic behavior? In what terms, if not economic, do we account for such transfers? Other, more sociologically oriented economists, explain remittances as a "gift" from migrants to their relatives back home. Dilip Ratha, a World Bank expert in Washington, D.C., who is considered one of the founding fathers of the institution's policy of promoting remittances as a development tool, told me that it was his own personal experience as a migrant remitter that triggered the notion of remittances as gifts. He said, "I've been sending money to my mother in India on a regular basis for many years" and pointed out to me that "remittances are a gift" (Dilip Ratha, personal communication, December 2009). Of course, by using the term *gift* the World Bank expert touched the heart of my anthropological soul, which regards the act of exchange as a basic structure in human life. Indeed, few if any in my scholarly field would argue against this expert. As Marcel Mauss (1966) pointed out in his

[2] The meaning and importance of altruism in the study of remittances are an unsettled issue among economists. Referring to the works of Teichman, Evans, and Norman, Theodore Lianos and Jennifer Cavounidis write that if altruism is defined as devotion to the interest of another or as systematic unselfishness, guided by the principle of living for the good of others, "then it follows that acts resulting from a calculus of maximizing one's own utility are better described as egoistic rather than altruistic. Nonetheless, if others benefit from such behavior, it would be described as moral egoism" (2008, 121).

classic work, the gift is a carrier and extensor of social and cultural values that simultaneously creates obligations. But even so, what happens when your parents back home die or you become reunited with your family in the receiving country? Do these changes lead you to stop remitting, or do other family responsibilities then take over? And, perhaps more important, what does the migrant ask in return for the gift? Do hard-working migrants who remit most of their earnings to their spouses or children back home not expect the latter to use the money wisely? Do they not try to influence the household's decisions in their absence?

Most remittance studies and policies are directed toward the impact of remittances on migrants' home regions and their significance for developing-country economies. These studies and policies rest on the assumption that, as long as people migrate, money will keep flowing. This book questions this assumption and suggests that remittance flows fluctuate and change size and direction according to the needs of migrants and their relatives. Some migrants continue to remit to their aging parents for years, but others remit only once or twice in their lives, and some even receive money from their families at home.

To study the social life of remittances, I conducted an ethnographic inquiry into migrants' life trajectories and webs of relations and into the interactions and negotiations that tie them to their relatives and communities in their places of origin and the social meaning and moral value those relatives and communities attach to remittances. I review field data gathered between 1997 and 2011 among Peruvians in Argentina, Chile, Italy, Japan, Peru, Spain, and the United States to explore how migrants construe and fulfill their remittance commitments. Such engagements include their family commitments to support their parents, spouses, children, and other close relatives in Peru; their community commitments to finance development projects and religious events in their home regions; and, on a more irregular basis, their humanitarian commitments to aid other Peruvians when these fall victim to natural disasters and other misfortunes. To challenge the conventional picture of migrants as low-paid, unskilled family breadwinners whose only concern is to remit money home, I also examine migrants' individual commitments, that is, their dreams of achieving social mobility and making progress. By bringing migrants' personal talents and skills to the forefront, I illustrate the variety of ways in which they contribute to the development and welfare of the surrounding society, not merely as remitters but also as businessmen and women, entrepreneurs, artists, politicians, fund-raisers, managers, innovators, and leaders.

Remittances draw our attention because individuals who are poor and underprivileged are moving huge amounts of cash around the world. Yet, remittances do not flow like other forms of international capital but circulate between family and community members who are separated by national boundaries but who are nevertheless linked by relations of reciprocity and exchange. Remittances are therefore only the tip of the iceberg, the visible evidence of the many needs and demands that drive people to go abroad to work and save money and the personal efforts and sacrifices they make to send that money home to their relatives. Such endeavors have been the topic of my research for many years. In the late 1980s and early 1990s, I studied internal migration in Peru, which in the past 50 years has experienced a transformation from an underdeveloped, mostly rural society to a predominantly modern, urban society (Paerregaard 1997). Since 1997, I have followed Peruvians in their global odyssey in the Americas, Europe, and Asia and have documented how they form communities and create ties with other minorities and the majority population of these places (Paerregaard 2008a).[3] By focusing on remittances, this book brings me back to Peru and asks what commitments migrants make to their families and communities back home and how Peruvian society, the receiving societies, and the migrants themselves profit from these commitments.

Remittance Men and Women

The verb *remit* originates from the Latin word *remittere*, to send back. Although in modern English the word has many meanings, in this book *remitting* refers exclusively to the act of transmitting or sending money, with specific reference to the money that international migrants working in the developed world send to their home countries.

As already noted, migrant remittances represent the second-largest capital flow in today's globalized world, and in recent years they have become an important focus of the international organizations and aid agencies that promote economic development in developing countries. Yet bankers, financers, and wealthy individuals have remitted money for centuries, just as the

[3] In several of the receiving countries, the majority population speaks Spanish and shares historical and cultural background with Peruvians. Moreover, Peruvians have primarily settled in countries where the demand for cheap, unskilled labor is high, which offers them a unique opportunity to save money and send it home to their relatives.

wider society has made such transfers the subject of its moral appraisal. In the late nineteenth century and the first decade of the twentieth century, the younger sons of Britain's aristocracy, at a time when first-born sons inherited the estate through the law of entail, were often known as "remittance men." With few prospects for making a life of their own, these men went abroad to North America and Australia or the colonies, where they lived off the money sent by their families in England. While some prospered, others spent the rest of their days drinking, gambling, and wasting their time in other ways. Considered the black sheep of their families, these men became the subjects of literature such as Robert W. Service's poems "The Rhyme of the Remittance Man" (see the epigraph to this book) and "The Men That Don't Fit In," along with many others a century ago. Today's remittance economy is driven by constraints very different from the discriminating rules of inheritance that drove the younger sons of the British upper class into exile at the end of the nineteenth and beginning of the twentieth centuries. The "remittance man" in Service's poetry went abroad to live off his relatives' remittances; today's international migrants also travel to foreign places, but instead of receiving money they send it to their families back home. Remittance senders and receivers, in other words, have changed roles, and the "remittance man" is now acting as the provider rather than as the dependant. Moreover, remittances no longer aim to preserve the privileged position of the wealthy but to compensate for the lack of job possibilities and economic income of the underprivileged. Remittances continue to flow from the developed to the developing world, but their origin and aim have changed since the time of Service's "remittance man."

The bulk of today's remittances are sent by migrants from the developing world. Yet a brief look at the list of countries receiving remittances reveals that the remittance industry reinforces rather than restructures the unequal distribution of wealth in the world (table 1.1). In sheer numbers, India, China, the Philippines, and Mexico rank as the main receivers of migrant remittances, but they are closely followed by developed countries such as France and Germany, whose expatriate workers send home millions of dollars every year. Obviously, the contribution these workers make to the national economies of their home countries is relatively insignificant compared to the role that migrant remittances play in the economies of many developing countries. It is therefore these developing countries and not the wealthier countries that policymakers and development agencies have in mind when recommending remittances as a remedy for creating economic growth.

Table 1.1. Main Remittance-Receiving Countries by Amount of Remittances Received, 2012 (US$ thousand)

India	67,258	Nigeria	20,633
China	57,799	Egypt	19,266
Philippines	24,641	Bangladesh	14,085
Mexico	23,371	Germany	13,964
France	21,676	Belgium	10,111
	Peru: 2,788		

Source: World Bank 2013b.

At first glance, it seems plausible to assume that money sent by migrants from abroad brings wealth to the national economy just as foreign investments do. But unlike the latter, which is money invested by transnational companies or international organizations, the former are the earnings of migrants who have left the country to work and save money elsewhere. Although their remittances enrich their home country, they also represent a drain of human resources. Such a loss of labor is particularly salient in small countries like Haiti, the Kyrgyz Republic, Lesotho, Moldova, Nepal, Samoa, or Tajikistan. These countries are the most remittance-dependent countries in the world, where remittances constitute 20 to 48 percent of gross domestic product (GDP; see chapter 2) and where economic growth relies almost entirely on the continuous migration of a significant segment of the population (Pickert and Feilding 2006). Migrant remittances have also become a critical asset in the economy of countries with larger populations such as the Philippines, which encourages its citizens to take work in the global domestic service industries abroad (ERCOF 2010, xvi; see also chapter 6).

In many developing countries, however, the contribution of remittances to the national economy is less significant. Thus in Colombia, Ecuador, Mexico, and Peru migrants constitute 7 to 10 percent of the population, but because of these countries' size and relatively developed economies, remittances make up only a small percentage of their GDP (World Bank 2013b). It is the migration and the remittance economy of countries such as these and the effect that this economy has on the life of migrants and their families that are the topics of this book. Peru in particular offers an intriguing case study because the country's experience sheds light on some of the most contested issues in current debates on migrant remittances: their impact on inequality. Recent studies show that, compared to those in the rest of Latin America, Peru's remittances are extremely unequally distributed among the population owing to the diversity and dispersal of its migration (Fajnzylber and López 2007, 6; Acosta et al. 2006, 965). Unlike the migrations that are usually cited in the scholarly literature as examples of remittance economies (such as Egypt, Mexico, and Morocco), which are propelled by labor migrants from mainly poor rural and urban areas, Peruvian migrants come from a variety of social strata and regional groups. As a result, remittances are a critical source of income in the household economies not only of working-class families but also of middle-class families and make an important contribution to both the rural and the urban development of the country. Rather than reducing existing inequalities in Peruvian society, remittances amplify them and, even more relevant, create discord between migrants and nonmigrants and between migrant households and nonmigrant households.

Much of the research on remittances is conducted by economists using statistical data to measure the impact of the money that migrants send home on poverty in their countries of origin. The overall finding of these studies is that remittances contribute to the reduction of poverty on a national scale, although some economists question this conclusion by pointing to the negative effects that migration has on the supply of labor and on inflation in migrants' regions of origin. By contrast, the present study, which draws on qualitative research methods and ethnographic fieldwork, focuses on the importance of remittances for migrants and their household economies. Rather than examining the impact of remittances on poverty and development in migrants' home countries or regions, it seeks to understand how those flows shape existing gender, ethnicity, and class relations within and between their households and how these relations in turn influence the remittance flows. More specifically, it explores the constraints and exigencies that drive people to migrate and remit and the tensions and discrepancies that emerge when members of migrant families face each other as remittance senders and recipients. The book uses these insights to identify the moments in migrants' life courses when they start and stop remitting and examine how their families attribute social and moral value to remittances. It also widens the focus of migration and remittance studies by demonstrating how migrants make contributions and donations to the communities they are part of in their home country and how this engagement transforms relations of inequality and domination within these communities. Finally, it offers a review of the many ways in which migrants contribute to the sending as well as to the receiving countries not only by generating economic wealth but also by making use of their innovative, creative, and organizational skills to add social, cultural, artistic, and intellectual value to the surrounding society. In the spirit of Service's poems, this book gives voice to the modern world's remittance men and women and describes how they struggle to create a better life for themselves and others, despite the many obstacles they encounter along the way.

Debating Remittances

The topic of this book is far from new. Among the first to study remittances were anthropologists who documented Caribbean migration to England. In the 1960s and 1970s, Robert Manners (1965) and Stuart Philpott (1968) described the networks used by Caribbean migrants to get established in London and other cities and analyzed, in particular, how these networks served as mechanisms of control to make migrants remit even years after they had left home. In the following decades, anthropologists continued studying the migration-development nexus, but instead of examining and documenting the social meaning of remittances, they explored the roles that migrants assume as promoters of economic and social change upon their return to their home communities. Robert Rhoades's and Carminda Cavaco's studies of return migrants in Spain and Portugal are examples of this research (Cavaco 1993; Rhoades 1978; see also Gmelch 1980 and Brettell 2003). In the 1980s and early 1990s, migration studies changed focus, and the interest in understanding how remittances are negotiated and contested within migrants' family relations and how return migrants generate change gradually yielded to a broader perspective that investigated how economic and political structures shape migration and how migrant remittances contribute to growth (Reichert 1981; Massey et al. 1998). Inspired by globalization studies, anthropologists and other social scholars have renewed their interest in international migration in the 1990s and the 2000s, producing a growing body of literature that employs a transnational framework by which to scrutinize the ties that migrants create between the receiving and the sending societies (Levitt 2001; Levitt and Lamba-Nieves 2011).

As international migration and the money flows it generates reached new heights in the late 1990s, policymakers, international organizations, and development planners also began to pay attention to the importance of migrant remittances. Today these have become an issue of intense debate, not only among academics but also among consultants, planners, politicians, international organizations, and migrants' own associations (de Haas 2007b). Considering the huge amount of money circulating in the global remittance economy, it is hardly surprising that it breeds so many stakeholders and that these hold very different views of how remittances can be put to use. While some passionately recommend remittances as a way to stimulate development, others stubbornly argue against this idea. A third position has tried to carve out a stance in the middle by acknowledging the importance of remittances for migrant households while pointing out that these alone cannot produce development. Yet a closer look at the evidence and arguments these seemingly irreconcilable positions put forward reveals nuances that are often ignored in the debate. Thus within the first position (the optimists), one group of scholars and planners bases its claim on statistical data indicating that remittances reduce poverty in the sending countries, while another group argues that it is by empowering migrants politically in their homeland that remittances make their contribution to development. The arguments of the second group (the pessimists) and the data it draws on in their support are also at variance. One group of authors claims that migration causes dependence and therefore distorts development. By encouraging future migration, they argue, remittances are part of the problem rather than the solution to development in the sending countries. Using macroeconomic models, another group of pessimists contends that remittances deepen inequality and in some cases even generate poverty. Clearly, the claims for and against remittances are many and the methods and proofs used to sustain them diverse. In the following, I present the most important works referred to in the debate.

Remittances as Blessing

Some of the strongest arguments in favor of international migration come from economists using macroeconomic models. Among these are Richard Adams and John Page, who observe that "both international migration and remittances have a strong statistically significant impact on reducing poverty in the developing world." The authors base their argument on statistical data showing that "a 10% increase in the share of international migrants in a country's population will lead to a 2.1% decline in the share of people living on less than $1.00 per person per day" (2005, 1660). These results concur with the research of Acosta et al., who conclude that "for each percentage point increase in the share of remittances to GDP, the fraction of the population living in poverty is reduced by around 0.4%" (2006, 985).

The works of other economists provide further evidence for the positive contribution of remittances to development (Terry 2005; Ratha 2005). It is also supported by economic and sociological case studies showing that migrants' relatives direct some of the remittances they receive into productive activities, education, housing, and health (Vásquez-Alvarado, Barboza-Carrasco, and Matus-Gardea 2008; López-Córdova, Tokman, and Verhoogen 2005). In a study of remittance-receiving households in Mexico, Jim Airola found that "households that receive remittances expend a higher share of their household budget on durable goods, healthcare, and housing, and less on food than their observationally equivalent counterparts that receive no remittance income" (2007, 858). Miguel Jimenez, who also examined migrant remittances in Mexico, reaches the same conclusion: money from remittances stimulates development. In summing up his research, he states that "over the long term, this money might create a solid financial position and wealth for the household" (2009, 331). German Zárate-Hoyos's research, based on a Mexican income and expenditure survey from 1989, substantiates this observation. He proposes that "migrant households are rational economic agents that do not necessarily engage in conspicuous consumption" (2004, 654). Yet another study in Mexico conducted by Margarita Mooney offers evidence that remittances have a positive impact on development, although the author points out that their equalizing effect differs from region to region. This insight makes Mooney suggest that "migrants possessing adequate resources and appropriate family circumstances seek to demonstrate the economic gain they have achieved through migration by investing their remittances and savings" (2004, 60).

Scholars working in other parts of the world concur with the view that migrant households are rational agents that use remittances for productive purposes. Hein de Haas, who has studied Moroccan migration, contends that "there is increasing evidence [that] this pessimistic perspective (that migration has led to a passive and dangerous dependency on remittances) is founded on a rather poor empirical and analytical basis." He claims that "the idea that remittances are predominantly spent on excessive consumption has proved to be rather inaccurate" (2005, 1274). De Haas's conclusion resonates with the data of Gareth Leeves, whose research in Fiji and Tonga points to "a positive relationship between remittances and migration intentions" (2009, 174). Similarly, Sarah Bracking and Lloyd Sachikonye, who have examined remittances in Zimbabwe, find that these "are critical to alleviating household poverty in urban Zimbabwe" (2009, 215), while Susan Thieme and Simone Wyss who conducted an impact study of remittance in Nepal claim that remittances and international migration contribute to sustainable livelihoods in migrants' home region (2005, 59). Udaya Wagle, who also explored remittances in Nepal and their socioeconomic implications for the country's development, concludes that "increasing remittance income helped reduce both poverty and inequality by close to 4 per cent suggesting that the bottom strata of the population may have benefited equally if not more highly" (2012, 203). In a study of migration in Vietnam, Wade Pfau and Long Thanh Giang (2009) reached a similar conclusion: remittances reduce both inequality and poverty. Positive effects of remittances are also reported in other developing countries such as Jordan, where a study by Wael Mansour, Jad Chaaban, and Julie Litchfield (2011) shows that remittances improve educational attendance in the sending areas. Interestingly, Tineke Fokkema, Eralba Cela, and Elena Ambrosetti find that remittances sent by second-generation migrants with parents from Morocco, Turkey, and the former Yugoslavia also contribute to the development of the sending countries. Their research reveals that remittances are the result not only of an altruistic behavior aimed at improving the welfare of parents at "home" "but also of the desire to invest in the ancestral country" (2013, 25). Indeed, such a positive relationship may be found in both the sending and the receiving countries. In a study of the impact of migrant remittances on the US economy, the OECD states, "Remittances yield surprising benefits to the US economy, primarily in sectors where it is most needed" (2009, 13). In other words, from an economic perspective both the developed and the developing world profit from migrant remittances.

Some of the most optimistic prognoses about the development effects of labor migration do not come from economists using macroeconomic models but from sociologists influenced by the so-called new economics of labor migration (Stark 1991). One of the pioneers of this school is Douglas Massey, who has conducted extensive research on US-bound migration from rural Mexican communities and its importance for their development. Massey and his colleagues use their data to take issue with migration studies that question the positive effect of remittances on development. "These studies show that migrant remittances are rarely invested in productive activities, but they take a very narrow view of what constitutes 'productive,'" they write (Massey et al. 1998, 273). They then go on to criticize the pessimists for ignoring the indirect, second-round effects on household incomes and employment, a conclusion other scholars who have studied the multiplicative effects of remittances support (Julca 2011; Mazzucato, van den Boom, and Nsowah-Nuamah 2008). The hypothesis of Massey and others of this school of thought is that rural families use migration as a form of self-insurance and a strategy for economic survival and that when migrating they draw on their social networks, one of the few resources they command in crossing international borders and finding work in their new environments. However, as Alejandro Portes explains, “The cumulative effects of networks over time would lead, in these circumstances, to the desolate extremes portrayed by some ethnographic studies—‘ghost towns’ and ‘tinsel towns’” (2008, 23).[4]

The most ardent protagonists of remittances, however, are not academic scholars but international organizations, aid agencies, and the governments of the sending countries. The idea of promoting international migration and migrant remittances as a means for speeding up the development process in Asia, Africa, and Latin America was conceived in the World Bank and other organizations in Washington, D.C., in the late 1990s at a time when international migration was gaining momentum. Having regarded migrants with suspicion in the past, sending governments began to change their rhetoric by inviting their migrant populations to invest their capital and savings in their country of origin. The World Bank, the Inter-American Development Bank, the International Organization for Migration, and other institutions soon responded to the revised image of international migrants and started proposing policies and designing strategies to enable sending countries to profit from migrant remittances. This recent trend within international development has prompted Devesh Kapur to ask whether remittances are a new development mantra (Kapur 2008). Kapur and John McHale suggest that “within the development community, remittances strike the right cognitive chords. They fit with a communitarian, ‘third way’ approach—neither inefficient socialism nor savage capitalism—and exemplify the principle of self-help” (2003, 50). In other words, in the eyes of development organizations remittances constitute the perfect blending of neoliberal individualism and communitarian awareness that offers international institutions an alternative to conventional aid practices and encourages developing countries to use their own resources to boost economic growth.

In the 2000s, this new development paradigm gained ground primarily in Latin America, which receives over 65 percent of all official international remittances in the developing world (Adams 2006, 420–21), as well as in Asian and African countries such as the Philippines and Morocco. In the same period, many international organizations promoting development and migration have placed remittances at the top of their agenda, using catchy

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[4] In a review of the new economics of labor migration (NELM), Mariano Sana and Douglas Massey state, “Mexico provides an ideal setting for the operation of migratory mechanisms postulated by NELM” but also that “this narrative, however, appears not to be readily applicable to other countries where key assumptions, such as family stability and cohesion, do not hold” (2005, 525).

titles and headlines such as "From a Zero-Sum to a Win-Win Scenario," "Closing the Distance," "Many Happy Returns," "Tapping the Diaspora," and "Leveraging Remittances" (Agunías 2006, 2009; Johnson 2010; Ketkar and Ratha 2010; Ratha 2007). In the words of Stephen Castles and Raúl Wise, "Migrants are being redefined as 'the heroes of development'" (2008, 3). Certainly the sudden discovery of remittances has given rise to a new development mantra, but, as Terry reminds us, "it is not an exaggeration to say that the transfer of remittances represents the ultimate in family values: hard work, thrift, sacrifice, and hope for a better future." Terry concludes by noting that "underlying all of them is one basic fact: it's their money" (2005, 12). In the new "gold rush" in international development, therefore, we should not forget that the source financing development is not wealthy governments and countries in the developed world but hard-working migrants who go abroad not to sponsor the development projects of their home governments but to save money, buy food for their families, and pay for their children's education. Extra household income remittances make an important difference to migrant families, but as a policy instrument they often provide many governments with a welcome opportunity to cover up inefficiency.

Remittances as Curse

Remittances exceed total official development assistance and amount to more than half of total foreign direct investment in developing countries (Maimbo and Ratha 2005, 20). Why not make them work in the service of a good cause and design policies that facilitate their continuous flow and encourage their use for the development of migrants' home regions? Essentially, this is the argument made by Maimbo and Ratha. But just as the optimists regard remittances as an overlooked resource in development policies, the pessimists see them as the symptom of the very problem that such policies are trying to solve. Even though they gloss over a broad spectrum of stances and viewpoints, this position agrees on the following: remittances widen the gap between rich and poor, enhance structures of dependence, and place the responsibility for development on the powerless (the migrants) instead of on the power holders (their governments). Finally, most pessimists concur that people rarely invest remittances in productive activities but spend them mainly on basic needs. One of the first scholars to articulate this skepticism was Joshua Reichert, whose area of research is US-bound labor migration in a Mexican village. Reichert argues that labor migration and the dream of making money in the United States are a self-fulfilling prophecy that over time will drive everybody to migrate. In other words, rather than stimulating development, labor migration curbs it. Or, as Reichert puts it, "The phenomenon of seasonal U.S. migration tends to perpetuate itself—a process that I refer to as the migrant syndrome." He sums up his argument by stating that "while migration provides temporary relief from rural poverty through the growth of individual household economies, it has failed to effect the kind of overall structural transformation needed to ensure the long range viability and autonomy of sending communities" (1981, 64).

Reichert's argument that labor migration (and with it remittances) perpetuates itself and discourages rather than encourages structural transformation in the sending communities has inspired the work of many other scholars. David Ellerman asserts that "there is nothing more permanent than 'temporary' migration" and points out that "the poorest of the poor are not the typical migrants" (2005, 618). In conclusion, Ellerman notes that "migration often seems to work in a similar way as a safety valve to relieve the pressure of a pressing problem rather than to resolve it" and adds that migration "relieves the pressure to change the structural barriers to development." In a warning against using remittances as a remedy to foster development, Ellerman contends that "many governments in developing countries have now discovered the 'oil-well of remittances' that might help them to paper over problems and pay the costs of not changing" (2005, 620). Ellerman's critical thoughts are shared by Leigh Binford, who, on the basis of a study of Mexican migration, claims that the debate around remittances and development has been misconstrued as a result of a narrow focus on economic issues on the one hand and migrant agency and household strategies on the other (2003, 307). The author claims that "by focusing so heavily on agency and backgrounding structure, many contemporary researchers come dangerously close to glorifying household economic strategy-making that is more structurally constrained now than at any point in recent memory" (2003, 323). Binford concludes that "migrant labor makes a small, but no less real contribution to widening the economic gap between Mexico and the United States. That economic gap remains an important spur to present and future migration" (2003, 317).

In a review of the work of Massey and other scholars subscribing to the new economics of labor migration, Portes follows up on this critique by stating that "authors of this school tend to neglect another and less positive consequence of social networks, namely that the cumulative processes of out-migration that they facilitate may end up emptying sending areas of the able-bodied population and weakening their productive structures" (2009, 8). Portes also notes that "there is no precedent that any country has taken the road toward sustained development on the basis of the remittances sent by its expatriates" (37). Castles and Wise share Portes's skepticism and assert that "where governments rely on 'remittances-led development' the outcome is likely to be structural dependence on further migration and remittances: a vicious circle of decline, rather than a virtuous circle of growth" (2008, 10). In their view, policies relying on migrant remittances lead to further migration and eventually to more rather than less dependence on remittances. As de Haas concludes from his study of migration and development in remittance-receiving countries, "The important point here is that migration was not the factor that triggered development but, rather, that development by structural political and economic reform *unleashed the development potential of migration*" (2012, 19, italics in the original).

Voices critical of remittances, however, do not all come from anthropology and sociology. Economists too express doubts concerning the prospects that migrants' savings will necessarily bring prosperity and growth, though for reasons different from those proposed by anthropologists and sociologists. Abdih et al. claim that remittances give rise to a moral hazard problem because they "allow households to purchase the public good rather than rely solely on the government to provide that good" (2011, 664). According to the authors, the government can then free ride and appropriate more resources for its own purposes, which opens the door for more corruption. Chami et al. also find that remittances are a questionable source of income: they define them as "unrequited, nonmarket personal transfers between households across countries," to be distinguished from official or private capital flows because of "the presence of familiar relationships" (2008, 3). Because of this particularity, they argue, it is troubling that the statistics used to measure remittances include workers' remittances and employee compensation, as well as migrants' transfers.[5] Only the former category is

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[5] According to Chami et al., three components of the balance of payments are employed in compiling statistics on remittances: "The first component, *workers' remittances*, records current transfers by migrants who are employed in, and considered a resident of, the countries that host them. The second component, *employee compensation*, is composed of wages, salaries, and other benefits earned by individuals in countries other than those in which there are residents for work performed for and paid for by residents of those countries (typical examples include earnings of seasonal workers and embassy employees). Finally, the third component, *migrants' transfers*, are contra-entries to the flow of goods and changes in financial items that arise from individuals' change of residence from one country to another" (2008, 4).

included in the notion that scholars and policymakers have in mind when examining remittance flows. Conversely, the latter two categories account for compensations and, to a smaller extent, transfers directed toward Europe, which explains why France, Germany, and other developed countries figure among the world's main recipients of remittances (2008, 5).

Scholars working in other parts of Mexico, a country often regarded as a model for studying remittances, have offered more examples of the negative economic impact. R. C. Jones, a geographer who conducted a household survey in the state of Zacatecas, reports that "interfamilial inequalities are found first to decrease and then to increase as a place's migration experience deepens" (1998, 8). These observations are shared by Alejandro Canales, who points out that in Mexico "remittances have a very limited impact on development promotion and poverty reduction, because, essentially, they are constituted by a salary fund that is transferred between households of similar socio-economic conditions" (2007, 386). Agustín Escobar Latapí also provides evidence that remittances enhance rather than diminish inequality. He contends that "to enhance its development impact, migration should diminish" (2009, 103) and suggests that "working in Mexico must become more rewarding" (2009, 105). By the same token, Zárate-Hoyos points out that remittances "in developing countries seem to increase inequalities while in developed countries they have the opposite effect" (2008, 31), a position shared by scholars studying remittances in other parts of Latin America (Pribilsky 2004). Zárate-Hoyos sums up this point by stating that "there is insufficient evidence to prove that remittances are an effective development tool against poverty in developing countries" (2008, 35).

Research on the use of remittances adds fuel to this skepticism. A study by Alejandro Dias Garay and María Juárez Gutiérrez in the state of Guerrero, one of the major remittance-receiving states in Mexico, showed that "of all family remittances received, 91% go to basic home necessities, food and health; in smaller proportion, to clothes and shoes as well as house improvements" (2008, 127). Similar observations have been made in western Mexico, where Jesús Arroyo Alejandre and Isabel Corvera Valenzuela found that "the major part of the remittances are used to maintain the family, then they are used to buy a family house and a small percentage goes to savings and another even smaller to the formation of productive companies" (2003, 53). Luin Goldring agrees with Arroyo Alejandre and Corvera Valenzuela and states that "in Mexico, remittances are largely used as income, most income is used to cover recurrent expenses and education, and only a small share goes to savings and investments" (2004, 806).

Alejandra Cox-Edwards and Eduardo Rodríguez-Oreggia, who used a propensity score-matching analysis to study remittances in Mexico, bring this point home when claiming that, "if as suggested by the findings here, the flow of persistent remittances basically replaces lost income, with no significant surplus to alter labor supply price, or to be invested, policy makers must re-think their strategies to foster business creation among migrant families" (2008, 1012).

Scholars studying the impact of remittances in other parts of Latin America also question their poverty and inequality-reduction effect. Matthew Taylor, Michelle Moran-Taylor, and Debra Ruiz argue that in Guatemala "migration creates a new class of elite, a new elite, who accumulate land and capital with their migrant earnings." They conclude that "remittances do not help Guatemala's poorest who cannot afford to migrate in the first place and migration therefore perpetuates the inequities there" (2006, 59). A similar conclusion is drawn by Ximena Soruco, Giogina Piani, and Máximo Rossi, whose study of remittances in the highlands of Ecuador showed that a new group of nouveaux riches had emerged that made local people "consider emigrants and their families to be arrogant" (2008, 24). While remittances improved the living standards of migrants' families, they had a questionable effect on education in the area. Thus Soruco, Piani, and Rossi found that "remittances from emigrants have a positive impact on elementary school education but a negative effect on high school and university education" (2008, 22). Acosta et al., whose research on the impact of remittances covered most of Latin America, provide more evidence for this observation. Their data reveal that remittances have reduced poverty headcounts in only 6 of the 10 countries for which they have data, the exceptions being Mexico, Nicaragua, Paraguay, and Peru, and that they have reduced poverty gaps in only three cases, namely, Ecuador, Guatemala, and Haiti (2006, 982). The authors therefore suggest that "remittances do not have a significant inequality-reducing effect, but they do appear to reduce poverty headcounts significantly" (2006, 985). Overall, however, they conclude that "these results suggest once again that in the case of Latin America, remittances do not reduce poverty" (2006, 973). Studies in Africa substantiate this observation. Valentina Mazzucato, Bart van den Boom, and N. N. N. Nsowah-Nuamah, who examined the impact of remittances on inequality in Ghana, conclude that "remittance shares are skewed towards the richest quintile" and that "remittances from abroad directly to the poor are rare" (2008, 113). Clearly, the arguments against using remittances to boost development are as compelling as those in favor.

Remittances as Fact

Research on remittances and their impact on poverty, inequality, and development is abundant. Most of it is concentrated in Latin America, the continent that receives the bulk of the world's remittances and over which scholars are deeply divided on whether or not remittances contribute to growth and prosperity. As Luis Guarnizo points out, debates on whether or not family remittances have a positive effect on communities and on the development of the countries of origin "still remain unsettled" (2003, 675). De Haas (2012) shares this observation; he finds that the scholarly discussion on the relation between migration and development—not just in Latin America but also in other parts of the world—moves like a pendulum between an optimistic and a pessimistic view. As already discussed, the disciplinary methods and theories that produce the scholarly insights informing this debate are multiple, and the arguments scholars in each camp bring forward also vary. Indeed, even within individual disciplines such as economics, sociology, or anthropology, scholars are divided in their views of remittances, a bewildering fact that is magnified by their apparent use of similar research methods and data samples to reach opposite conclusions. The diversity of ways in which scholars conceptualize remittances and examine their effects leaves many baffled. Nevertheless, it also illuminates the complexity of the issue and guides us toward a more pragmatic understanding of remittances that recognizes their significance for family households as a source of both economic income and social change.

In the following, I focus on two aspects of migrants' remittance practices with important implications for themselves as well as their families: (1) the new family roles that emerge when household members go abroad and start remitting home; and (2) the moral and political value that migrant families and the surrounding society attach to remittances. As the authors falling within the third position contend, even though remittances do not always produce the expected results, they have a critical impact on the lives of migrants, their families, and their communities economically, morally, and socially.

Understanding remittances as part of a wider social context of family and community relations brings the debate beyond the narrowly optimistic or pessimistic viewpoints already discussed (see Levitt 2001). As Susan Rose and Robert Shaw point out, "The issues are far too complex to characterize remittances simply as positive or negative—or as productive or unproductive" (2008, 81). Jeffrey Cohen, who studies Mexican-US migration from rural Oaxaca in southwest Mexico, also argues against "the unidimensional theories of remittances practices, with a strict focus on either dependency or development" and suggests that by exploring remittance practices as part of a household's planning "we begin to move beyond the limits of dependency and developmental frameworks." Cohen's aim is to reach a "realistic perspective" that recognizes that "remittances cannot resolve social inequalities, nor do remittances necessarily lead to growth, but at the same time acknowledges that many migrants have few alternatives to sojourns" (2005, 89). Acknowledging that remittances offer no silver bullets to solve the problems of the developing world but are often the only alternative to unemployment and declining living conditions is an approach shared by Nicholas van Hear, who studies remittances in Ghana and Sri Lanka. Van Hear contends that migration is a strategy to access new sources of income and that remittances should be understood as part of an exchange in return for the outlays or investment of the household in the migration of some of its members, and therefore suggests that research on remittances needs to look at household planning (2002, 202–3). Remittances are two-way exchanges, van Hear claims, because, "like other household strategies, migration involves outlays or investment, and there is an expectation of return from that investment" (2002, 206).

Using household planning as an analytical lens for exploring remittances sheds light on the specific needs that trigger the decision to migrate and also offers a more nuanced picture of why migrants remit. In their study of labor migration in a London hotel and hospital, Adina Batnitzsky, Linda McDowell, and Sarah Dyer found that remittances serve as "a social mechanism through which migrants are able to fulfill multiple obligations to families and places of origin, while also enhancing their own economic status and future" (2012, 140). In a similar vein, based on microlevel research on remittance behavior among Brazilian immigrants in North America, Franklin Goza and Igor Ryabov report that "family obligation measures were the driving force behind remittance activity" in the United States (2010, 179). Perhaps even more important, viewing remittances through a household lens helps us unpack the gender and class aspects of the remittance economy and brings to the fore the relations of negotiation and contestation that shape migrants' remittance practices. Thus in Cohen's research, "migrant men tended to remit at a higher rate than migrant women" (2010, 155), which resonates with the findings of studies in the rest of Latin America (Bendixen and Onge 2005, 48), as well as the Philippines (Semyonov and Gorodzeisky 2005, 63). Such a gender bias may also be true in other parts of the world, but women nevertheless make greater sacrifices to remit. The United Nations Development Programme's *Human Development Report 2009* informs us that "women tend to send a larger proportion of the income home, on a more regular basis, though their lower wages often mean that the absolute amounts are smaller" (2009, 74), an insight that coincides with the findings of other remittance studies. In their global review of migrant remittance practices, Asmita Naik, Jobst Koehler, and Frank Laczko found not only that women have a greater propensity to remit a larger proportion of their income and send money home more regularly but also that they "earmark remittances for food and clothes" (2008, 61).

Jason Pribilsky also confirms the importance of examining how gender influences remittances in his investigation of how Ecuadorian men and women renegotiate their family roles in a migration context. His research shows that the wives of migrants worry "that their husbands might be holding back remittances and not sending all they could," but that this drawback needs to be held up against the fact that "in their roles as remittance managers women often occupy better positions than non-migrant wives to demand portions of their husbands' earnings" (2004, 328–29). Pribilsky also reports that "many women told me how their experiences as remittance managers made their husbands become better listeners and allowed themselves more room to disagree actively with their spouses" (2004, 329). Other studies conclude that even though labor migration and the remittance economies it generates offer nonmigrants new room to maneuver, they also create worries. Thus in their research on the meaning of migration among Honduran women whose husbands migrate to remit money home, Sean McKenzie and Cecilia Menjívar found that "many women came to associate the men's 'economic' migration with elevated levels of tension, even when they received money and gifts" (2011, 77). Moreover, studies of the effect of remittances on gender relations reveal that remittances rarely make up for unequal relations within the household. Thus Ann Vogel and Kim Korinek, who have examined how migration contributes to educational spending in Nepal, report that "remittances flows do not appear to provide incentive to 'correct' gender bias in human capital investment" (2012, 93). In other words, migrant money and its use are highly sensitive to gender relations and household needs. By the same token, Jørgen Carling asserts that remittances can be a source of tension between family members and that "the migrant has an upper hand in having earned the money, but this could be overshadowed by other aspects of the relationship." To understand these aspects, Carling argues, we need to scrutinize "how the sending of remittances shapes, and is shaped by, relations between senders and receivers" (2008, 55), an approach that Lisa Åkesson has employed in her studies of migration in Cape Verde. She observes that "migrants often have obligations to several households," which "have reduced the risk that remittances will exacerbate inequality" (2009, 395), as is often reported by scholars studying migration in such places as Mexico, where remittance receivers tend to be concentrated in the same households.

Variations in household compositions and family structures can also be found within Latin American countries, as Mariano Sana and Douglas Massey show in their comparison of remittances in Mexico and the Dominican Republic. According to the authors, their "results thus support the idea that remittances are more oriented toward investment in Mexico and more devoted to family maintenance in the Dominican Republic" (2005, 523). Finally, class and economic status are critical parameters in the assessment of the impact of remittances on household economies. Thus Sónia Parella and Leonardo Cavalcanti found that among Peruvian and Ecuadorian families in medium-high sectors, "the migrant projects do not correspond so much to family strategies but rather to individual motivations, the individual desire to *superación*" (2006, 252).[6] By focusing on the relationship between senders and receivers and, in particular, by taking into account the gender dimensions, the social and economic status of the remittance households, and the family structures of the sending countries, we begin to understand the wider social and economic context of which remittances are a part and the many agendas and interests at stake in remittance practices.

The second aspect of importance in assessing the significance of remittances for migrants and their families is their political and moral implications. The emergence of remittances as a development mantra among international organizations and policymakers has changed the image of migrants. Formerly viewed as "lost human resources," many governments now recognize the economic value of their migrant populations and design policies to ease their contact with their home country. Some governments even encourage their populations to migrate to support their families at home, while others create programs that facilitate so-called collective remittances, that is, money collected by migrant organizations to invest in development projects in their home areas. Whether these policies try to capture individual or collective remittances, their goal is the same: to make

[6] As I shall discuss in further detail in chapter 5, *superación* refers to migrants' personal struggle to achieve social mobility and improve their individual lives.

migrants send home their savings. As Peter Hansen found in his study of Tanzanian remittances, “Remittance and diaspora policies are not based on actual knowledge but, rather, on magical beliefs surrounding the flow and manipulation of material wealth and human resources” (2012, 88). Alex Julca brings this point home by concluding that “governments at origins often become ‘addicted’ to remittances” (2011, e45). In other words, rather than supporting migrants in their struggle to improve their lives, governments, nongovernmental organizations, and other organizations view them as instruments for political aims. However, such policies can easily be a double-edged sword. Many migrants continue to feel attached to their country of origin for many years, a feeling fueled by their concern for the well-being of their relatives and fellow countrymen. Yet they find it troublesome to see their hard-earned income portrayed as an unlimited source of wealth that not only families but also governments may tap into to finance public investments. As Susan Eckstein, who studies remittance activities among Cubans in the United States, points out, “Income-sharing has come to be seen as a duty, as an imperative,” which has created the image of Cuban migrants as rich and powerful. “Cubans now see those living abroad as superior regardless of their source of income,” Eckstein concludes (2010, 14). While the politics to capture migrant remittances have improved the image of Cuban migrants, who were formerly called “traitors” but are now regarded as “saviors,” they also impose a duty on them to spend their money in Cuba. In a study of African migrants and their home associations, Claire Mercer, Ben Page, and Martin Evans found a similar ambivalence in the new rhetoric that governments and international organizations employ to channel migrant money into development. The authors sum up the results of their research by stating, “We do not therefore conclude that transnational diasporas have little to contribute to the development of home, but we do suggest that entrenching their role in development may place undue burdens on them” (2009, 157). Research on remittance sending among low-paid workers in London supports this view, providing evidence of the many sacrifices migrants must make to send money to their families back home (Datta et al. 2007). Development policies based on migrant earnings thus portray remittances as a moral imperative and create an image of migrants as breadwinners not only for their own families but also for their home countries. Terry brings this point out in his definition of remittances as “private transactions between private parties,” stating that “remittances amount to the hard-earned gains of hard-working people. The money rightly belongs to them and their families.” He concludes, “It’s their money” (2005, 12).

But besides forcing the moral burdens of financing development onto the shoulders of migrants, remittance policies also empower them, though unwittingly for the most part. As James Scott concludes from his study of resistance (2009), policies intended to submit people to political control often have the opposite effect. By reaching out to migrants and requesting their economic support, political leaders in the sending countries not only acknowledge them as legitimate members of their home societies but also give them a voice with which to influence the development of their countries of origin. Kapur argues that "it is possible to view remittances as a political weapon of the weak" (2008, 350) and suggests that "in lieu of political voice, migration becomes an exit strategy, and remittances either fuel further exit or empower political voice by making resources available to new groups" (2008, 50).

This scenario has emerged in Mexico, where the government has for several years pursued a policy encouraging the country's huge migrant population in the United States to pool their savings and use them to sponsor rural development in their home towns (Orozco 2002). The cornerstone of this policy is a program called 3x1 (see chapter 6), in which the local, national, and federal governments in Mexico each provide an equal share of the investments migrants make in their community of origin (García Zamora 2005; VanWey, Tucker, and McConnell 2005). The 3x1 program has made the country a role model for using so-called collective remittances, or "migrant philanthropy" as some prefer to call them (Waldinger, Poplin, and Aquiles 2008, 844), and for fostering growth even though its impact on development is disputed. Manuel Orozco and Katherine Well, who study hometown associations (HTAs) and collective remittances, report that "in Mexico, hometown associations are playing an increasingly important role in transnational development. Yet, their influence is limited. To exert a greater positive effect, HTAs must achieve improved contact with community stakeholders in order to learn about development priorities"; but often such conversations are difficult to establish and maintain (Orozco and Well 2005, 157–58). Moreover, according to Jonathan Fox and Xochitl Bada, many HTAs suffer from a "lack of capacity in project supervision and a poor understanding of their role as public accountability actors" (2008, 452). Even though the 3x1 program has been heralded by international organizations and is often held up as proof that remittances can make a difference, its achievements in promoting rural development in Mexico are limited. Indeed, Fox and Bada estimate that "this programme represents a tiny fraction of Mexico's overall social investment spending" (2008, 456).

However, Fox and Bada also draw our attention to an often neglected achievement of the 3x1 program: the political empowerment that migrants attain in their role as remittance senders. They argue that "while exit may sometimes weaken voice … exit can also reflect the *prior weakness* of voice" (2008, 440). They further contend that migrants have used their new power to gain influence in the local and regional politics of their home areas. As evidence for the empowering effect of remittances, Fox and Bada point to the capacity of HTAs to mobilize and lobby, which has increased "the voice and standing of the outlying communities vis-à-vis the municipal authorities" (2008, 451), and praise the program for allowing the HTAs "to bolster the representation of their often-subordinated home community within municipal, state and federal politics" (2008, 452). This observation resonates with the findings of Sergio Soto Priante and Marco Velázques Holguín, who see the explosive increase in migrant organizations registered as HTAs as an indication of the 3x1 program's success. The authors report that "the program has prompted the creation of new migrant clubs and the reactivation of others from 20 registered before the program was introduced in 2002 to more than 800 in 2005" (2006, 14). In the same period, the amount of money allocated to projects under the 3x1 program increased from 429,000 pesos to 503,000 pesos (2006, 17). Soto Priante and Velázques Holguín claim that these projects have limited value in improving the infrastructure in migrants' home areas but have had "a stimulating effect on the trust of the local communities in their own agency capacity" (2006, 16). They conclude that "the main achievement of the 3x1 program is the social learning that is based on an alternative concept of development more based on social change than the logic of the market and that implies a social politic that includes a wider vision of the simple accounting of remittances, clubs and works" (2006, 10).

Several scholars assert that a "migrant civil society" has emerged in the wake of the 3x1 program (Waldinger, Poplin, and Aquiles 2008, 845; Fox and Bada 2008, 843), a term that Fox and Bada define as "migrant-led membership organizations and public institutions," of which HTAs are the most common (2008, 843). Goldring elaborates on this phenomenon and points out that "most collective remittances have been made under a model that bears more resemblance to charitable donations than profit-oriented investments" (2004, 823). He therefore suggests that we call collective remittances and the projects carried out with them lived examples of social citizenship, because they facilitate (or substitute for) "the state's traditional responsibilities," and of substantive (or de facto) citizenship because "working on projects involves political participation under conditions in which migrants are not covered by a legal framework that explicitly provides for or acknowledges their full political rights in Mexico" (2004, 826). Understanding HTAs as forms of migrant civil society and collective remittance and the projects carried out under the 3x1 program as examples of social or substantive citizenship thus highlights the political power that poor and marginal people gain by emigrating and using their remittances to claim continuous membership of their home country during their absence. This insight resonates with Thomas Lacroix's study of HTAs among North African and North Indian immigrants in France and England, which concludes that collective remittances can play a critical role not only in migrants' relation to the home country but also in their integration in the receiving society (2013).[7]

By using HTAs and collective remittances to negotiate with inefficient and corrupt political leaders in their home regions, Mexican migrants have paved the way for new forms of citizenship. However, their experience is unique partly because the vast majority of migrants are concentrated in one country (the United States) and partly because this country shares borders with Mexico, which reduces the cost of migrating (Sana and Massey 2005). By contrast, the migrant populations of most sending countries are scattered in several migrant destinations, and collective remittances therefore do not reach the same volumes as in Mexico. Furthermore, migrants' communications with their home communities are often irregular, and their organizations may represent only a small proportion of the migrant population. Valentina Mazzucato and Mirjan Kabki, who study migrant institutions and remittances in Ghana, report that "HTAs do not represent the totality of migrants from a certain region living in a particular receiving country. They are thus not the democratic institutions they are made out to be" (2009, 245). In their research, the authors also observed that "some HTA development projects are conceived with little consultation of local leaders and population" and that migrants represent only certain constituencies within their communities (2009, 245–46). It is therefore premature to draw conclusions about the political empowerment that migrants gain by pooling their money in collective remittances, and on the basis of the Mexican experience it is fair to suggest that, although programs such as 3x1 provide

[7] Jørgen Carling and Kristian Hoelscher's study of immigrants' capacity and desire to remit in Norway support Lacroix's point that migrants' inclination to remit is closely related to their situation in the receiving society. Although they conclude that economic integration is important for migrants' capacity to remit, however, Carling and Hoelscher add that migrants' sociocultural integration "appears not to have significant effects on remittance-sending" (2013, 939).

migrants with more room to maneuver, the cost of migrating is often much higher than the agency attained. Indeed, in the case of Peru, collective remittances receive far less political attention than in Mexico, and even though migrants from rural areas in Peru have formed HTAs in several parts of the world to support their home communities, their contributions make up only a small percentage of that country's total flow of remittances (see chapter 2). As Paolo Boccagni concludes from his research on collective remittances among Ecuadorians in Spain, "The notion of collective remittances far overestimates the facts" (2010, 197). Nevertheless, as I shall discuss in chapter 4, collective (as well as individual) remittances do have an important empowering effect on Peruvian migrants (and sometimes also their relatives in Peru), who convert them into social and cultural capital and gain influence in their home communities.

Concept, Approach, and Method

In this book, I am especially inspired by the third approach—which I have labeled "remittances as fact"—because it helps me inquire into the social anatomy of Peruvian migrant remittances. Such an inquiry includes investigating the moments in migrants' lives when they start remitting, the changes this causes in the relations between migrants and their families, the economic and moral importance that senders and recipients attach to remittances, and finally the circumstances that prompt migrants to stop remitting. Peruvian migration is a particularly relevant case through which to scrutinize these questions because of the migrants' social diversity and physical dispersal. Most migrants come from urban areas and belong to the middle classes. Their remittances are therefore critical because they constitute a substantial contribution to the household economy of their families in allowing them to maintain their standard of living. However, even more important is that moral value is placed on remittances by migrants' families as well as by more remote relatives, neighbors, friends, and others, a value that may be used to reinforce class distinctions. Remittances are not merely spent on daily needs but indexed as symbols of status and power, read into a geographical hierarchy of migration destinations, and ranked according to migrant earnings and saving capacity. In this mapping, remittances from Japan, a country with high salaries, are considered more prestigious than remittances from Argentina and Chile, where salaries are low. Italy, Spain, and the United States, where salaries are lower than in Japan but higher than in Argentina and Chile, rank in the middle. Though in smaller numbers, migrants from rural areas also remit to their families and, more irregularly but in much larger amounts, to their communities. Most of these remittances are used to sponsor prestige-producing activities such as fiestas, although migrants also donate money for charity work and other philanthropic aims. In fact, quite a few migrants who lived in Peru's cities before emigrating were born in the country's rural highlands but moved to urban areas to find work. Many of these rural-urban migrants maintain ties to their communities of origin, although few plan to return there to live. Once they embark on international migration, however, their primary point of reference in Peru is the city where their close relatives live and not their home community. Similarly, it is the family they have left behind in Peru's urban shantytowns rather than the population of their regions of origin that benefits from their remittances.

Another aspect of Peruvian remittances of relevance to this study is gender. Since women as well as men migrate, both sexes are active remittance senders as well as recipients, which makes Peru an interesting case study for observing how remittances and gender relations mutually shape each other. Finally, I scrutinize family relations. The remittance is a gift, but like all gifts it requires something in return. I explore the intricacies of such reciprocity by examining the social life of Peruvian remittances, that is, taking into account how migration is planned and practiced within Peruvian households, how migrants communicate with their families during their absence, how remittance senders and recipients negotiate their individual needs and define their common objectives and, finally, how they organize, conduct, and audit the remittance transactions. Inspired by Peggy Levitt (2001), who broadens the conventional understanding of the term *remittances* to include what she calls *social remittances*, I explore remittances as the commitments migrants make to their relatives, to their communities, and, let us not forget, to themselves and scrutinize migrant remittance activities as the moral economy that grows out of these commitments. More specifically, I view the transference of migrants' money as part of an ongoing exchange of services and meaning between migrants and the members of their families and community. Most of the existing scholarly literature and policy papers focus on the pecuniary dimension of remittances and distinguish the money migrants remit to their households from the donations they give, the fees they pay to their home communities, and the savings and investments they make to buy a car, build a new house, or set up a business, for example. By contrast, I argue that such money transfers are all driven by the commitments migrants make upon their departure. Because these commitments often overlap, we need to study them within the same analytical framework. From the standpoint of development policy and statistics, such a broad definition of migrant money transfers runs the danger of ignoring their specific purpose and use and of encouraging policymakers to assume that a remittance, a donation, a fee, or an investment is fungible and thus arrive at the wrong policy decision. Yet, from an anthropological perspective, it is precisely this fungibility in real life that makes remittances such an interesting object to study. We can capture the social and moral complexity of this economy only by exploring how migrants' many commitments are negotiated and contested and then scrutinizing how their money is then separated out into family remittances, community donations, and personal savings and afterward received and attributed different meanings and eventually spent in their home countries.

Analytically, I have three ways of approaching remittances:

- A phenomenological approach that focuses on individual remittance transactions and asks, *What is the social biography of the remittance?* To answer this question, we need to know when the idea of remitting was conceived, how the money to be remitted was earned, who sent the money, what its itinerary was, how it was transferred, who received it, how was it distributed, who spent it, and how was it spent.[8]
- A process-oriented approach that investigates how remittance transactions are repeated over time and in space and asks, *What is the life course of remittance flows?* Here the required information is when and how money transactions accumulate and take the forms of remittance flows, what their frequencies and fluctuations are, what their pathways are, how long they last, who takes part in them, and which networks facilitate them.
- A structural approach that documents the economic and social context of the remittance flows and asks, *What is the moral economy of remittances?* This question can be answered only by inquiring into the migration practices that produce the remittance flows, the stakeholders in the flows, the interests that drive them, the constraints the senders face, the opportunities they provide to the recipients, the conflicts they generate, and the meaning and significance of their use and consumption.

Together, these three approaches offer a comprehensive perspective on how migrants develop remittance flows at different societal levels—the

[8] On the notion of the biography of things, see Kopytoff (1986).

individual, the household, and the extra-household and community—and thus unpack the various elements that shape the social life of remittances. The first aim of such an inquiry is to identify the circumstances in the lives of migrants that prompt them to remit and then to stop remitting. The second aim is to explore the factors in the sending and receiving context that make single money transactions take the form of remittance flows and over time make them grow, peak, and eventually dry up. Finally, I assess the social and moral importance that different social actors attribute to remittances and give examples of the many ways that migrants contribute to the receiving and sending societies. To capture the concerns and needs that prompt migrants to remit and to describe ethnographically how remittance flows evolve over time and in space, I employ the term *commitment* to conceptualize migrants' motivation to remit. In my analysis, commitments refer to the agreements migrants make with their relatives and communities to support them during their absence. Rather than an individual promise made by migrants to families and friends upon their departure, a commitment is a pledge tied to specific relationships of trust and responsibility between remittance senders and recipients. As these relations undergo changes during the migration process, migrants' commitments need to be recurrently reaffirmed and sometimes revised. But even when commitments become subject to tensions and conflicts, migrants rarely break them. Failing to help your elderly mother or support your children or turning your back on your community is simply not an option. Indeed, many migrants regard their commitments as an oath, implying a strong sense of accountability not only to others but also to oneself.

I develop my analysis by distinguishing three kinds of commitments that migrants make to pursue their goals. The first is the *compromiso*, which literarily means *commitment* and which covers migrants' individual pledges to support their relatives while they are gone. As breadwinners, most migrants consider this support to be their contribution to the household to cover basic needs similar to the contributions they made before emigrating. Migrants also make *compromisos* to single family members, often for a specific period of time to pay for something like education, for example. Finally, they send money in response to special requests from close as well as remote relatives when they fall ill or urgently need help for other reasons.

The second commitment is *voluntad*, which means "social volition" and refers to the donations migrants give to their communities of origin. Often such donations are given by migrants from rural areas to their villages or hometowns, but migrants from urban areas also donate money to religious institutions and charitable organizations. Some migrants also form hometown associations in the receiving society that make collections that are pooled and remitted as so-called collective remittances. These are sometimes invested in local infrastructure or schools, but they are also used to build or restore churches, soccer stadiums, and the like. Most commonly, however, *voluntad* is a commitment to spend large amounts of money on fiestas or other activities that yield prestige.

The third commitment is *superación*, meaning "overcoming" or "surpassing" or, as it is often called, *superarse*, that is, "to overcome or surpass oneself." This is the commitment that people make to themselves regarding their individual efforts to achieve social mobility. Among migrants *superarse* often comes last in their many endeavors to help others and contribute to the wider community. Yet although the dream of saving money, getting an education, buying a car, and the like may never come to anything, it is the aspiration to create a better life for themselves that inspires many migrants to embark on a journey to foreign places.

The book draws on two sources of information. In chapter 2, I use quantitative data from Peru's Instituto Nacional de Estadistica e Información (INEI) to examine Peruvian migration and remittances. INEI's sources and methodology are discussed in detail in the chapter. The second source of information is my own ethnographic data gathered among Peruvians in Argentina, Chile, Japan, Peru, Spain, and the United States between 1997 and 2010. Working with data across such a broad time span poses a methodological challenge insofar as migration flows shift routes and destinations and the remittances they produce change intensity and direction. However, long-term fieldwork has also allowed me to observe how migrants' activities and the events in which they participate develop over time and—of particular importance to this book—how remittance flows commence, peak, and come to an end. I have chosen the following sites for my multisite data collection: Hartford, Connecticut; Los Angeles, California; Paterson, New Jersey; Miami, Florida; Washington, D.C.; Barcelona, Spain; Buenos Aires, Argentina; Isesaki, Japan; and Santiago, Chile. In these sites, I mapped out migrant institutions and practices and interviewed community leaders (editors of Peruvian newspapers, leaders of associations, consulate officials, and representatives of business communities, among others). The data also comprise formal as well as informal interviews with more than a hundred migrants of both sexes and from different social strata, as well as a dozen extended case studies that followed the movements of migrant families in different locations over a period of several years with the aim of scrutinizing the networks they create, the livelihood strategies they pursue, and the remittance activities they engage in. Together with some of the informal interviews, these extended case studies constitute the main source of the data I examine in chapters 3 and 5, in which I review individual life trajectories and discuss how these frame migrants' remittance activities and their struggles to make progress in their new environments. Both chapters briefly introduce the reader to the persons I interview and the circumstances of our encounters. Last, I participated in migrant family reunions and attended meetings and activities organized by migrant organizations in selected localities. My analysis of migrants' community commitments in chapter 4 draws heavily on the observations made during these events but is also informed by the personal interviews I conducted with migrants and community leaders.

Structure of the Book

The book is divided into six chapters. Following this introductory chapter, chapter 2 offers an overview of Peruvian migration. This includes an account of the principal waves in Peru's contemporary emigration and a description of the receiving contexts in the many countries where Peruvians settle. The chapter also presents the most recent data on Peruvian migration and remittances, including information on the gender, age, origin, and destinations of migrants and on remittance recipients according to income, region, and other factors. The chapter serves as a contextual framework for the ethnographic analysis in the following three chapters.

Chapter 3 examines the *compromiso*, which I call the family commitment. It consists of 10 case studies of five females and five males who fulfill the role of either remittance sender or remittance recipient and whose stories in different ways illustrate the dilemmas and exigencies that produce family remittances. The chapter is divided into three subsections. The first subsection describes four cases of solo migrants, that is, those who are the only members of their family to migrate and whose commitments are confined to particular relatives and specific needs. The next subsection discusses two cases of migrants whose commitments involve several relatives and whose remittance engagements change volume and course in response to changing family relations. In the last subsection, I present four cases of migrants whose remittance commitments have been either fulfilled or interrupted by occurrences in their own lives or in the lives of their relatives. The subsections illustrate three important sequences in the social life of remittances: the first shows how remittance flows gain momentum; the second, how they peak; and the third, how they come to an end.

Chapter 4 addresses the second of the three commitments: *voluntad*, or as I also call it, the community commitment. It describes three case studies, each discussing the donations and contributions that migrants make either individually or collectively to their home villages. The cases illuminate three different ways in which migrants commit themselves to *voluntad*. In the first case, migrants go abroad on labor contracts and return after three years. Meanwhile, they pay a fee to preserve their membership in the community and to claim their rights to land when they come home and settle. The second case shows how migrants who mostly travel by illegal means and have formed strong migrant organizations send collective remittances to help their home communities but use their savings mainly to sponsor huge fiestas in the village. Finally, the third case demonstrates how long-term legal migration has created a well-organized migrant community able to assemble collections and send remittances to improve infrastructure and finance the construction of a computer center and a church.

In chapter 5, I examine the meaning and importance of *superación* or the personal commitment. This chapter briefly discusses 18 cases showing what migrants do with their lives once they have fulfilled their family and community commitments. The chapter is divided into five subsections. The first, entitled "Migrants as Savers," describes how migrants save for their retirement; the second, "Migrants as Investors," tells how they invest in economic activities; the third, "Migrants as Entrepreneurs," depicts how they start new businesses; the fourth, "Migrants as Innovators," traces how they make career shifts; and the fifth, "Migrants as Transformers," relates how they engage in politics. This variety of endeavors, activities, and engagements demonstrates how migrants make plans for their future, save capital to invest, use their skills to achieve mobility, rethink their talents to create new ideas, and mobilize their fellow migrants to change society—in short, examples of the many ways in which migrants enrich the world in both the sending and the receiving societies.

The conclusion in chapter 6 sums up the insights pursued in the three earlier chapters and discusses their implications for our understanding of migration and the contribution remittances make to migrants' home countries. It reviews three models for remittance-driven development policies (the European, Mexican, and Philippine models) and uses these as a comparative framework for discussing the particularities and commonalities of Peruvian migration and remittance practices. It also considers how my data supplement the existing literature on this topic and how they add new knowledge to the debate on remittances. Finally, the chapter uses my study to highlight other ways in which migrants contribute to a better world.