

Diaspora, Migration and Development in the Americas

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International migration is one of the defining features of the history of Latin America and the Caribbean (LAC). For most of its history the Americas have been a point of arrival and a net importer of labor. In the last five decades or so the pattern has been altered with the countries of Latin America and the Caribbean becoming net exporter of labor, largely to the core economies in the Western hemisphere, the US and Canada. There have also been significant movements of people from Latin America and the Caribbean to Europe, principally from former colonies and non-independent territories. The migratory flow of people from LAC to the North Atlantic is driven by two contemporary global imbalances: the widening socio-economic polarization (i.e. the widening income gap and the divergence in quality of living conditions) between the countries of the North and the South; and, demographic polarization in terms of the relative ageing of the population of the North (Wallerstein 2003).

The purpose of this article is to analyze the contribution and impact of migration and diasporization to development in Latin America and the Caribbean. The paper argues that the discourse on migration and development needs to move beyond the discussion of the growth, value and impediments to remittances to take account of the dynamics of the global labor economy, the workings of the diasporic economy and the prospects for migrants and the societies they emigrate from. By highlighting the key areas of benefit and cost associated with migration, the aim is to weigh up the evidence and give an assessment of the challenges and opportunities arising from the growth of the diasporic political economy. The focus is largely on the Caribbean, the sub-region in the Americas with the second highest level of migration after Mexico.

Migration in Latin America and the Caribbean: Promises and Expectations

International migration from Latin America and the Caribbean is likely to continue rising in spite of the increasing cost of migration and the introduction of more stringent immigration controls. Supply push factors like economic decline, widening inequality, increasing poverty, social displacement, crime and political crisis have been the main drivers of emigration. LAC has been plagued by economic shocks such as the Mexican Peso crisis and the Argentinean financial crisis and political shocks as in the case of Venezuela or Haiti. There is a widening income gap between LAC and the North Atlantic economies as exemplified in higher wages and better working conditions. The key pull factors are the ageing of the population and population decline in countries belonging to the OECD (Organization for Economic Cooperation and Development). Replacement migration is necessary to maintain current population and working population levels to in part finance the looming deficit in the social security system and pension schemes. There is also the problem of labor shortages in key areas like agricultural production, science, informational technology, craft, and technical skills as well as health, education and personal services. The latter are the jobs that cannot be relocated to low wage developing country regions unlike manufacturing or backroom office jobs. In addition, these jobs find it difficult to attract locals because of the relatively low pay and onerous working conditions.

The creation of diasporic or transnational communities has emerged to be the most important strategic political and economic resource for LAC in the late twentieth and early twenty-first century. Contemporary diasporization has globalized the domestic policy agenda of both sending and receiving countries and is deepening the integration of the Americas. Of note, for example, is the way in which Cuban foreign policy is impacted by its diaspora in the US or how the upcoming US presidential elections are responding to the voting power of the ever-expanding Latino population in key states like Florida and California. President Bush's announcement of immigration reforms in January 2004, which are aimed at creating a new guest-worker program, are to appease Hispanic voters as well as meet the needs of the US business community for cheap labor (Newland 2004). It also responds to the demands of US foreign relations with Mexico, the major source country for US immigrants. US immigration policy is of vital concern to the Mexican government. It is estimated

that there are over four million undocumented Mexicans working in the US who send more than one billion US-dollars per month in remittances that account for approximately two percent of Mexican GDP (Gross Domestic Product) (Authers 2004).

An increasing number of countries in the region have granted dual citizenship and voting rights to their diasporic communities. Political parties are now campaigning abroad and are raising campaign funds from diasporic communities. And governments have been establishing departments and units within ministries of foreign affairs to deal specifically with the interests of diasporic communities. For example, the Jamaican Ministry of Foreign Affairs and Foreign Trade will be hosting a conference in June 2004 that will target influential Jamaicans residing mainly in the UK, the US and Canada. The objectives of the conference are: »To strengthen the linkages among Jamaican communities overseas; to create the platform for increased business contracts between Jamaicans at home and abroad; to create a platform to comprehensively involve more overseas Jamaicans in the political, social and cultural life of Jamaica; to elicit ideas from the Diaspora community for the formulation of public policy and to see the formulation of high-powered lobby groups in the US, Canada and the UK to assist Jamaica in international trade«.¹

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The growth of a LAC diaspora has also had an extraordinary impact on the flow of financial capital between the new host societies and the labor-exporting territories. LAC is the number one destination for remittances accounting for some thirty-one percent of the flows to developing country regions in 2002. The region recorded in 2003 its first surplus on current account in fifty years, partly as a result of the continued rise in remittances to 33 billion US-dollars. In contrast, there has been a decline in FDI (Foreign Direct Investment) to 29 billion US-dollars in 2003 from an average of 38 billion US-dollars in the 1990s (UNECLAC 2004). Several countries from the LAC region also top the international rankings in terms

1. »Jamaicans in the Diaspora – Foreign Ministry to Host Conference«, *Sunday Gleaner*, Sunday 08, February.

of the value of remittances relative to GDP or to exports. In contrast, traditional sources of development finance such as overseas development assistance and debt borrowing have all been in relative decline (Orozco 2003; IDB/MIF 2002).

Due to its sheer volume, stability and anti-cyclical nature remittances have become a key element in the debate on the development prospects for LAC and other developing country regions (Orozco 2003; Ratha 2003). Remittances are also a major source of income for many lower income households around the region. Migration is very much a family decision and remittances are seen as part of a bond or contract between remitters and their families and dependants that are left behind. It is estimated that over 80 percent of the funds that are remitted is used for immediate consumption and welfare rather than longer term investment in land, housing, education and productive investments. However, it is observed that remittances are also used to fund small business investments. In Mexico, for example, it is estimated that remittances account for 20 percent of the financing of micro-enterprises in the urban center (Chimhowu, Piesse & Pinder 2003). Of importance as well are the creative ways in which remittances have become an important element of international financial relations. The future flow of remittances is being used as collateral to secure foreign finances by countries of high emigration (Ketkar & Ratha 2001).

The growth of the remittances economy in the last decade has sparked much enthusiasm within the development establishment that these flows are contributing to poverty reduction and economic development beyond the recipient individual's income and the recipient country's foreign exchange reserves. For example, it is argued that remittances are a »free lunch« in financial terms because they do not create any future financial obligations for the receiving countries when compared to debt financing or foreign direct investment (Kapur & McHale 2003: 50). It is also argued that remittances and the positive network effects more than offset the negatives arising from the brain drain (Ratha 2003: 158). The Inter-American Dialogue (IAD) taskforce on remittances posits, »remittance streams are an important corrective for Latin America's income inequalities, which are the worst of any of the world's major regions« (IAD 2004: 8). It is also suggested that »international migration and international remittances have a strong, statistical impact on reducing poverty in the developing world« outside of East Asia and LAC (Adams & Page 2003).

However, the literature on migration and development suggests that remittances and other flows associated with the diasporic economy are not an unqualified success from a developmental standpoint (Appleyard 1992; Nayyar 2002; Paine 1974; Russell 1992; Stalker 2003; Swanson 1979). The contribution and potential of diasporic relations to growth, development and poverty reduction cannot be based on single factor explanations and thus requires an assessment of feedback and multipliers effects, the opportunity costs, and the social investment foregone.

The Caribbean Diaspora

The top labor-exporting countries from the Caribbean are Cuba, the Dominican Republic, Haiti, Jamaica and Guyana. Other major sending countries are non-independent territories like Puerto Rico, the French Overseas Departments, and the Netherland Antilles. The international migration of Caribbean people is largely to North America (the US and Canada) and former colonizer countries in Europe. The US is the number one destination by a big margin, and is estimated to account for as much as 75 percent of the Caribbean-born and first generation diaspora (Segal 1996). The next largest receiving countries are the UK, Canada, the Netherlands, and France. Table 1 shows emigration to the US over the last three decades amounting to 2.4 million. If we add estimates of undocumented or illegal immigrants the figure would exceed 3.0 million.

Table 1:
Caribbean Immigrants in the US, 1971–1998 (in Thousands)

<i>Countries</i>	<i>1971–80</i>	<i>1981–90</i>	<i>1991–94</i>	<i>1995–98</i>	<i>Total</i>
Cuba	265	145	48	89	547
Dom. Rep.	148	252	180	120	700
Haiti	56	138	81	60	335
Jamaica	138	208	72	67	485
Others	134	129	56	49	368
Total	741	872	437	385	2,435

Source: UNECLAC 2002

Caribbean emigration occurred in two waves. The first wave occurred during the post World War Two boom in the Western economies in the 1950s and 1960s on account of pull factors like full employment and labor shortages in unskilled and semiskilled jobs. The second wave took place in the late 1970s and 1990s as a result of global economic restructuring and economic and social decline in Caribbean countries. Caribbean emigration also had a strong pull factor in the increased demand for service workers and professionals (e.g. domestics, teachers, nurses, doctors) in the North Atlantic countries. There have also been political reasons for Caribbean migration as exemplified by the case of the Cuban Mariel boat lift in 1980 and in 1994 as well as the Haitian exodus on account of political turmoil at home (IOM 2000).

Complex, reciprocal flows rather than permanent one-way movements characterize Caribbean international migration, except in the case of Cuba due to political constraints on the movement of nationals. According to Segal (1996: 25) Caribbean migration should be »understood as a form of extended kinship over space and time with frequent rather than one-time movements«. As such he argues that Caribbean international migration takes the following typology: reciprocal visits, emigration, re-emigration, temporary migrant workers, return migration, illegal immigrants, refugees, asylum-seekers, and »swallows« (25). For Caribbean immigrants to the US, for example, kinship, family reunification, refuge and asylum were the main criteria for admission in 1998, accounting for about 95 percent of all cases (UNECLAC 2002).

The Caribbean has shifted from being a net importer of labor to become a net exporter in the last fifty years. The Caribbean has one of the largest diasporic communities in the world, in proportion to population. For example, it is estimated that the Cubans and Dominicans in the USA are equivalent to eight percent of their respective populations of origin (UNECLAC 2002: 237). And, in some of the mini-states in the region like St. Kitts and Nevis, Grenada, and Belize, annual labor migration accounts for as much as 1–2 percent of their population, thereby transferring their population growth (Mittelman 2000: 60).

The debate on the value and significance of labor migration and diasporic economic relations to the Caribbean has been articulated since the late 1960s. There were several studies that examined the benefits to the Caribbean from the establishment of transnational communities (Friedlander 1965; Frucht 1968; Henderson 1970; Palmer 1974; Philpott 1973; UNITAR 1970). The findings from these studies on balance were

quite critical of the developmental efficacy of emigration. In short, the studies point to the loss of economically active workers, especially the highly educated on account of the brain drain and question whether migration and remittances go beyond securing an improved standard of living for some migrants, their families and local communities to contribute to national and regional development.

The issue of migration and development has resurfaced since the late 1990s with the rapid growth in workers remittances, the proliferation of transnational networks, the erosion of nation-state sovereignty and the emergence of transnational communities and hybrid cultural identities.² The new literature is essentially calling for a rethink of the dynamics of the migratory process and is questioning whether the conditions evident in the contemporary phase of globalization (e.g. the transport and information and communications revolution) and the changing socio-political context (e.g. multiculturalism and immigration control) can facilitate a deeper development impact than previously presumed.

The Development Impact: Weighing Costs and Benefits

Remittances

The growth of the diasporic economy has made a substantial contribution to a more favorable balance of payments position in several labor-exporting territories in the Caribbean. The largest recipients were the Dominican Republic, Jamaica, Cuba and Haiti. In international perspective, Jamaica and Dominican Republic are in the top five remittances recipients in per capita terms. It is estimated that approximately 5.7 billion US-dollars in remittances were sent to the Caribbean in 2002 (see table 2). Remittances have emerged to be the fastest growing and most stable source of capital flow and foreign exchange in the last decade.

Remittance flows increasingly outstrip FDI and Official Development Assistance (ODA). In 2001, remittances to the Caribbean amounted to 4.5 billion US-dollars, compared to 2.7 billion US-dollars in FDI and 0.5 billion US-dollars in ODA (IAD 2004). Over the period 1996 to 2001 remittances grew by 2.1 billion. Foreign direct investment rose by two billion while overseas development assistance declined by 200 million. The rate

2. Addy 2002; Castles 2000; Duany 2002; Nurse 1999; Martin, Midgley & Teitelbaum 2002; Orozco 2003; Patterson 2000; Pessar 1997.

Table 2:
Remittances to the Caribbean, 2002 (US\$ million)

<i>Country</i>	<i>Remittances</i>
Barbados	84
Cuba	1,138
Dominican Republic	2,111
Guyana	119
Haiti	931
Jamaica	1,288
Trinidad & Tobago	59
Total	5,730

Source: MIF/IDB 2003.

of growth of remittances to the Caribbean between 2001 and 2002 was 20.7 percent, the highest rate for LAC (IAD 2004).

The economic significance of the diaspora to the region is underscored by the fact that remittances in territories like Haiti, Guyana and Jamaica, account for 24.2 percent, 16.6 percent and 12.2 percent of GDP, respectively (IDB/MIF 2003). Table 3 illustrates the value of remittances compared to tourism earnings and agricultural and total exports in terms of foreign exchange earnings. It illustrates that remittances have surpassed or are a significant share of traditional sources of foreign exchange like tourism and agriculture.

There is no doubt that the tremendous growth in remittances in the 1990s has expanded the development options for the region. Remittances are a major source of income for many lower-income households around the region (Itzigsohn 1995). In the case of Jamaica it is reported, »in some rural areas, 40 percent of households derive significant financial support from relatives working abroad or in one of the major cities« (World Bank 2003: 45). In many respects remittances are filling the gaps that the state and development agencies have been unable to plug.

On the other hand, it is observed that remittances and other transfers (e.g. goods sent in barrels) increase external dependency, promote Western consumption styles and cause inflationary pressures. After expendi-

Table 3:
Remittances Compared to Other Inflows and Key Economic Sectors, 1999

<i>Countries</i>	<i>Remittances</i> <i>US\$ million</i>	<i>ODA</i> %	<i>FDI</i> %	<i>GDP</i> %	<i>Tourism</i> %	<i>Agro</i> <i>Exports</i> %	<i>Total</i> <i>Exports</i> %
Dom. Rep.	1,747	1,150	129	10.0	69	290	34
Haiti	720	458	2,400	17.0	1,241	5,455	220
Jamaica	781	3,442	150	11.7	63	12	52

Source: IDB/MIF 2001.

ture on food, education and housing there often is not enough to be invested in productive assets although it is observed that remittances are being used to fund some small business investments (Chevannes & Ricketts 1997). Importantly, rather than stemming the tide of migrants, remittances tend to encourage the outflow of new migrants. This relates to the deepening culture of emigration that acts as a disincentive to home investment and human capital formation. The problem also relates to the structure of accumulation in the sending societies. The problem is that traditionally the injection of foreign capital has had low levels of retention and is therefore unlikely to generate new business and employment in the sending societies.

Furthermore, the flow of remittances incurs a transaction cost from remittance companies and from currency exchange costs. LAC has transaction costs 50 percent higher than other regions such as East Asia and Africa. At an average of 12.5 percent in 2002 the cost of remittances amounted to four billion US-dollars. These high rates are due to the low usage of banking institutions by remitters and recipients. The low level of competition and the oligopolistic structure of the remittance market are also major contributing factors. Companies like Western Union and MoneyGram control a sizeable share of the remittance market in many territories in LAC. Recommendations call for the »banking the unbanked« and the facilitation of increased price competition among remittance agencies (MIF/IDB 2003; IAD 2004).

Diasporic Exports

The growth of a Caribbean diaspora plays a valuable role beyond remittances as markets for tourism as well as ethnic, specialty and niche exports. For example, the Caribbean diaspora has long been the key market for cultural exports from the region. A case in point is the music industry. Countries like Dominican Republic, Jamaica and Trinidad and Tobago have fostered export markets in global cities like New York, Miami, Toronto, London, Paris and Amsterdam on account of the predominance of Caribbean immigrants. The value in terms of annual export earnings ranges from 30 million US-dollars in the case of Trinidad and Tobago to approximately 50–60 million US-dollars in Jamaica and the Dominican Republic (Nurse 2003).

Almost every major city in North America and Europe has a diasporic Caribbean carnival that is, in large part, modeled after the one found in Trinidad. In each respective site it is the largest festival or event in terms of attendance and the generation of economic activity (Nurse 1999). For instance, Notting Hill carnival in London attracts over two million people over three days of activities and is estimated to generate 93 million British pounds in total economic impact and is considered to be the largest festival of popular culture in Europe (LDA 2003). Labor Day carnival in New York and »Caribana« in Toronto are similarly the largest events in the USA and Canada, respectively. The diasporic Caribbean carnivals have become a critical component of pan-Caribbean identity as well as a strategic market for cultural exports.

Diasporic tourism has been another source of export earnings for the region. Like remittances it has had stable growth over the years and is less susceptible to cyclical and political shocks. Orozco (2003) notes that in the case of the Dominican Republic diasporic tourism may account for as much as 40 percent of visitors. In terms of festival tourism, diasporic tourists account for the bulk of visitors for carnivals and other music festivals in the region. These festivals explain the rising share of tourism earnings in the respective territories. Trinidad and Tobago carnival is the most notable case. Diasporic visitors account for as much as 70 percent of the visitors and the visitor expenditures and arrivals have doubled in the period 1998–2001 to account for approximately twelve percent of the annual tourism economy (Nurse 2003).

The growth of diasporic exports is also reflected in the migration of professional sports players. It is estimated that there are over six hundred

baseball players from the Dominican Republic operating in the US, Canada, Venezuela, Mexico and Japan (Segal 1996). From the Anglophone Caribbean there are an undetermined number of track and field athletes along with football and cricket players operating in the North Atlantic and further a field. Some of them go on to become coaches, trainers and scouts. The level of repatriation of earnings from these professionals is difficult to ascertain but is not considered insignificant.

In summary, diasporic exports have become a vital asset for many labor-exporting countries, though strategies for maximizing their benefits have yet to be elaborated, for example, through the human resource development schemes or in terms of trade facilitation mechanisms for diasporic exports. Most Caribbean governments have yet to conceive of a diasporic export strategy as a viable means to further diversify their economies and generate new exports and employment.

Brain Drain

Migration can ease pressure on labor markets, and reduce unemployment, poverty and social inequality if it is surplus labor that is exported. It is also suggested that return migrants are an important source of skills, expertise and ideas (i.e. brain gain, circulation or exchange) to be drawn on for national and regional development. The problem for the Caribbean is that it is not surplus or under-employed labor that is the main group of migrants. It is the highly skilled and educated and the evidence for brain gain is limited relative to the outflow.

The well educated and skilled are the most mobile group of migrants because they are in high demand in OECD countries but also because they can afford to migrate. The cost of migration, though, is less of a factor for those countries that are in close proximity to labor-importing countries. For example, secondary educated migrants from Mexico and Central America are larger shares of total migrants than from Caribbean countries. Table 4 shows that the share of total migrants with tertiary education ranges from 22 percent in the case of the Dominican Republic to as much as 46 percent in Trinidad and Tobago. What is even more important to note is the migration rate among the well educated. In Guyana the migration rate is estimated at 77 percent. Other Anglophone Caribbean territories like Jamaica and Trinidad and Tobago also have migration rates over fifty percent. The brain drain from the Caribbean is the highest in the world (Carrington & Detragiache 1998).

Table 4:
The Link between Migration and Education

<i>Countries</i>	<i>Tertiary Educated Share of Total Migrants (%)</i>	<i>Migration Rates of Tertiary Educated (%)</i>
Dominican Republic	22.6	14.2
Jamaica	41.7	67.3
Trinidad & Tobago	46.7	57.2
Guyana	40.7	77.3

Source: Carrington & Detragiache 1998.

Many Caribbean migrants tend to be better educated than the average population in the sending country. It is also noteworthy that Caribbean migrants have a similar employment profile to native-born Americans with their predominance in the services sector. Caribbean migrants have higher relative shares in some sectors, like finance, professional, transport and personal services, along with employment in small commercial establishments (UNECLAC 2002).

The shift in labor markets in the core economies towards services accounts for the growth of the »feminization of migration« as women outnumber men from labor-exporting territories like Jamaica, Trinidad and Tobago and the Dominican Republic. Female migrants predominate in professions such as teachers, nurses, domestics and sex workers. The gender transformation arising from emigration is having an impact on family structures and networks. Many children are often left behind with grandparents, older siblings or family friends until the migrating parents are settled or return (Schmid 2003).

It can be argued that the departure of highly skilled migrants reduces productivity in specific sectors of the economy and creates labor gaps even in a context of high unemployment. This is exemplified in the loss of human resources that are not easily replaced, as is the case with the migration of teachers and medical professionals from the Caribbean – for example, Jamaica loses roughly eight percent of its registered nurses and more than 20 percent of its specialist nurses annually, mostly to the US or the UK. Also, in 2001 alone, three percent of Jamaica's teachers left the island to accept temporary assignments abroad (Wyss 2004).

The problem is more acute the wider the income gap between the sending and the receiving countries. This is because the sending societies are becoming increasingly uncompetitive in the global labor market for these skills. The exodus of valuable professional skills compromises broader development goals. For example, many government and development agencies find it difficult to recruit local professionals because the »best and the brightest« have migrated. Ultimately these agencies have to resort to employing expatriates from a lower wage territory. For example, Cuban and African doctors and Cuban nurses are filling the labor shortage of medical professionals in Jamaica and Trinidad and Tobago. Cuba has a labor surplus in the medical field but countries in Africa have lower doctor/patient ratios than the Caribbean.

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These observations reinforce the argument that remittances are only one element of the diasporic economy and it raises the question whether remittances by itself can outweigh the loss of investment in human resource development and the replacement and opportunity cost undertaken by labor-exporting countries.³ Furthermore, professional migrants are not big remitters although they contribute in other forms such as corporate, commercial, professional and diplomatic links. The point is that migration has depleted poor Caribbean economies of valuable human capital (e.g. professionals, entrepreneurs and university graduates) and has created social dislocation among families and communities. In effect, the brain drain subsidizes the labor reproduction costs of rich economies. Remittances are private flows and are not taxed and therefore do not directly contribute to government revenue. It is therefore debatable

3. The following quotation from Fidel Castro's speech at the UN Millennium Summit in 2000 helps to put a figure on the cost of the regional brain drain: »Since the Inter-American Development Bank was founded 40 years ago, the rich have stolen a million professionals from Latin America and the Caribbean, including our finest minds. (...) The cost of training one million professionals in the United States – I did the calculations a while ago – would be around \$200 billion. That does not include the cost of senior and junior high school and primary education.«

whether remittances and other inflows can compensate for the investment foregone by governments.

Deportation and Security

Contemporary migration has generated a new context of international security for the Americas. One issue that has become of utmost importance to the Caribbean is the deportation of criminals who are non-American nationals. The introduction of anti-crime and anti-terrorism policies in the 1990s is part of a more aggressive criminal deportation policy to reduce crime and lower the US taxpayer's burden in terms of incarceration. Large shares of the criminals removed from the US have been deported to Mexico, Central America and the Caribbean. In 1999 and 2000, 21,000 or two-thirds of the violent criminal illegal aliens that were removed were Mexicans. The Caribbean saw a total of 34,411 persons, 71 percent of whom had committed criminal offences, deported from the US between 1993 and 1999. The Dominican Republic, Haiti and Jamaica were the main source countries for the deportees (Griffin 2002: 73).

The impact of US deportation policy on the Caribbean is claimed by governments to be among the main causes for the increased incidence of violent crime. It is often argued that the deportees are introducing new skills and transnational networks into the region that contribute to drug trafficking, money laundering, kidnapping and immigrant smuggling. Caribbean governments have also expressed grave concern that the repatriation of criminals has occurred without proper notification and identification of deportees and there are no support mechanisms to reintroduce them into Caribbean society. Caribbean governments also point out that many of the deportees have lived in the US for so long that they have no family members and social networks in the countries that they have been repatriated to.⁴

4. Based on the crime data from Belize, Barbados and Trinidad and Tobago, Griffin concludes that the data is either inconclusive or there is no statistical significant relationship between criminal deportation and the increase in crime in these territories. He also hastens to add that this »does not mean that there is not substantive relationship« (2002: 73–74).

HIV/AIDS and Security⁵

HIV/AIDS was first defined as a security threat by the US. This is evident in the US National Intelligence Council document entitled »The Global Infectious Disease Threat and its Implications for The United States (2000)«. The report identifies HIV as a »non-traditional« threat to US national security. Immigration, international travel and returning US military forces were seen as the means of mass transmission to US citizens.

In the Caribbean, adult prevalence of HIV/AIDS is second only to that of sub-Saharan Africa and there is a strong link between the incidence of the virus and migration and travel. The first reported Caribbean AIDS cases in Haiti, Jamaica and Trinidad and Tobago were among gay men who had had sex with North American men in North America or in the Caribbean. This observation is reinforced by the fact that molecular distribution of the HIV has shown that the same Clade B is circulating in both North America and the Caribbean (Camara, 2002).

In this sense the Caribbean shares the causes of HIV with its North American neighbors as this was the initial transmission route.

In the high-income countries the epidemic has shifted increasingly to marginalized populations like the urban poor, migrants and other mobile populations. For the UK and Europe it is documented that »a large share of the heterosexually transmitted HIV infections are being diagnosed in persons who originate from, or who have lived in or visited, areas where HIV prevalence is high«. In the US the epidemic is »the leading cause of death for African-American men aged 25–44 and the third-leading cause of death for Hispanic men in the same age group« (UNAIDS 2002: 23–24).

Caribbean migrants are largely to be found among the above-mentioned demographic groups (e.g. the urban poor, migrants, the African-American and Hispanic population). The susceptibility of the region's migrants is evident in that 46 percent of the immigrants diagnosed with AIDS in New York City are from the Caribbean, while 27 percent are from Latin America and 17 percent from Eastern Europe (Camara, 2002).

Migrants are especially vulnerable to HIV because of their isolation, insecure jobs and living situations, fear of government services and lack of access to sexual and reproductive health care (UNAIDS & IOM, 2001). This scenario is further compounded by undocumented migrants who are more likely to be exposed to abuse because of the lack of legal protection.

5. This section draws from the following paper: Allen, Mc Clean & Nurse 2003.

The Need for a Strategic Approach

From a development standpoint the key observation is that remittances look good compared to the traditional sources of external capital that have been the pillars of the post World War II development project. Overseas development assistance has been impacted by »aid fatigue« and has declined particularly in the post Cold War geopolitical context. With changes in the techno-economic paradigm FDI flows have moved increasingly away from the developing world. And debt financing has largely been used for debt consolidation rather than new social and productive investments. Also it is important to note that the traditional forms of external capital contribute to a net outflow of resources through debt repayments, the repatriation of profits by transnational corporations (TNCs) and tied aid.

Under structural adjustment and neoliberal economic restructuring most countries in the LAC region have undergone a process of deindustrialization in the last two decades and have experienced a decline in global value-added. In tandem there has been a dramatic increase in unemployment, inequality, poverty and hunger and an equally spectacular decline in the provision of social services in health and education. These are the conditions that have propelled mass migration from the region in the late twentieth century.

In this context can the benefits of migration such as remittance flows, diasporic exports and the vent of surplus population redress the loss of economically active workers (e.g. brain drain) and the new health and security risks? Does emigration go beyond securing an improved standard of living for some migrants, their families and communities to contribute to national and regional development?

If it is to have a chance of doing so the first point is that the development establishment must not assume that the injection of external capital will, by itself, make this happen. There is a high level of leakages associated with remittances and it is not a suitable replacement for government failure in the provision of social services. The second point is that the facilitation of industrial deepening and export expansion in the diasporic economy is an absolute necessity to reduce the external dependence of the sending societies, especially in the context of declining traditional sectors.

One of the key strategies for regions like the Caribbean would be to enlarge training facilities to meet the expanding demand at home and in labor-importing countries. The question that arises is who is to pay for

this investment. Caribbean governments are unlikely to make these social investments because the returns, for example, remittances, do not go into national coffers, except in terms of tax revenues on local expenditures. The alternative is bilateral or multilateral agreements that would encompass some investment by the labor-importing countries. A regional approach on the part of Caribbean governments would also be crucial to counter the problem of global poaching and would also improve the leverage and negotiating power of Caribbean migrants in particular fields.

The question that arises is how can the development establishment facilitate and give further impetus to the diasporic economy to enhance multiplier effects, boost productive investments and diasporic exports as well as redress the depletion of valuable human resources. The first order of business should be the securing of the rights of migrants. But, as it stands, the only countries that have signed the relevant convention of the International Labor Organization (ILO) have been labor-exporting countries (Nayyar 2002). Migrants are subject to exploitation in the workplace, discriminatory practices and are often used as political scapegoats for a range of social ills like crime, the spread of disease and high unemployment.

To sum up, the question that needs to be asked is »can migration do for the developing world what it did for the ›now‹ developed world«? European overseas expansion did not just involve political incorporation and the extraction of resources from the colonies, it also was an important vent for surplus population, source for repatriated capital and target market for exports. The contribution of migration to European development is often neglected in discussions about diaspora and development even though it is known that some European countries exported between 25–40 percent of their population in the nineteenth century (Castles & Miller 2003; Nayyar 2002).

Of course there are some important differences between the conditions of European migration in the nineteenth century and the contemporary context for emigration from former colonies. The most important difference, of course, is the social position of the migrants in the new host societies. Whereas Europeans, for the most part, were the dominant group when they migrated the situation is the exact opposite for most migrants to OECD countries. The other important difference is the development trajectory of the sending societies. Whereas repatriated capital (e.g. workers earnings and profits from overseas investments) funded an ongoing industrial revolution in Europe (and was of a larger relative

amount, to be sure) worker remittances of today although large in absolute volume flow in small amounts to receiving families and are not a substitute for investment in export sectors or industrial development.

The foregoing analysis suggests that there are important challenges and opportunities with the growth of the diasporic economy. It calls for a strategic approach to improve the development options for labor-exporting countries. However, the key issue is that the growth of the diasporic economy does not change the fundamental structure and workings of peripheral economies. In this sense diasporization is likely to further peripheralize regions like Latin America and the Caribbean.

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