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Diaspora, Migration and Development in the Caribbean

Keith Nurse

EXECUTIVE SUMMARY

The paper examines the developmental impact of the growth of the diasporic economy on Caribbean territories like Cuba, the Dominican Republic, Haiti and the Anglophone Caribbean. It focuses on issues like remittances, diasporic exports, brain drain, as well as the new health and security risks associated with migration and mobile populations. The key areas of benefit and cost are evaluated and an assessment is given of emerging challenges and opportunities. The paper concludes that the policy dialogue should move beyond the remittances issue to take into account wider developmental concerns.

RÉSUMÉ

Le document traite de l'incidence au plan du développement de la croissance de l'économie diasporique sur des territoires des Caraïbes comme Cuba, la République dominicaine, Haïti et les Caraïbes anglophones. Il aborde des sujets tels que les transferts de fonds, les exportations diasporiques, l'exode des cerveaux, ainsi que les nouveaux risques en matière de santé et de sécurité associés aux migrations et à la mobilité des populations. Les secteurs critiques que sont les avantages et les coûts sont évalués, tout comme les nouveaux défis et opportunités. Le document conclut que le dialogue politique devrait aller au-delà de la question des transferts de fonds et prendre en compte les problèmes de développement plus larges.

RESUMEN

El presente trabajo aborda el impacto del auge económico de las comunidades transnacionales en el desarrollo de países caribeños como Cuba, República Dominicana, Haití y el Caribe anglófono. Entre los temas que se trata están las remesas, las exportaciones generadas por la diáspora, la fuga de talentos así como los nuevos retos en el terreno de la salud y la seguridad asociados a la migración y el movimiento de personas. Se valoran tanto los principales beneficios y costos como los nuevos retos y oportunidades que se deben afrontar. Por último, este trabajo recomienda que el debate sobre el tema debe abordar no solo los envíos de remesas sino tomar en cuenta consideraciones de desarrollo más amplias.



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INTRODUCTION

Migration is one of the defining features of the modern Caribbean since colonization, slavery and indentureship. In the last fifty years the Caribbean has shifted from being a net importer of labour to become a net exporter. The Caribbean has one of the largest diasporic communities in the world, in proportion to population (Stalker 2003). For example, it is estimated that the Cubans and Dominicans in the USA are equivalent to 8% 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 labour migration accounts for as much as 12% of their population, thereby transferring their population growth (Mittelman 2000: 60).

The debate on the value and significance of labour 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 (Addy 2002; Castles 2000; Duany 2002; Maingot 1999; Nurse 1999; Martin, Midgley & Teitelbaum 2002; Orozco 2003; Patterson 2000; Pessar 1997). 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, 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 Caribbean Diaspora

The top labour-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 significant margin, and is estimated to account for as much as 75% of the Caribbean-born and first generation diaspora (Segal 1996). The next largest receiving countries are the UK, Canada, the Netherlands, and France (see table 1). Estimates from Table 1 puts the size of the Caribbean diaspora in the mid-1990s at 6 million (not including undocumented migrants).

Table 2 shows Caribbean emigration to the US over the last three decades amounting to 2.4 million with an almost even distribution over each decade. The Canadian 2001 census data indicates that the immigrant flows from the Caribbean have largely come from the Anglophone Caribbean. The number of Canadian residents that identified themselves as having a Caribbean background is estimated as 211,000 from Jamaica; 82,000 from Haiti; 60,000 as West Indians; 52,000 as Guyanese; 50,000 as Trinidadians (Monzon & Tudakovic 2004: 6).

Table 1: *The Caribbean Diaspora by Country of Residence, 1996*

Country of Residence	Countries of Emigration & Diasporic Affiliation*	Estimates of population (million)
USA	Cuban born & Cuban Americans	1.0
	Puerto Rico born & born in continental USA	1.5
	Dominican-born & born in the USA	0.8
	Haitian-born & born in the USA	0.8
	West Indian** born & born in the USA	0.6
	Sub-total	4.7
Canada	Haitian-born & born in Canada	0.1
	West-Indian born & born in Canada	0.15
France	French Antillean-born and born in France	0.2
Netherlands	Netherlands Antilles born & born in Neth.	.050
	Surinamese born & born in Neth.	0.2
	Sub-total	0.250
UK	West Indian born & born in the UK	0.6
	Total	6.0

Source: Segal (1996): 28-29. Notes:

* Caribbean diaspora includes foreign-born and persons with one or both parents of Caribbean origin.

** West Indies includes Barbados, Guyana, Jamaica, Belize, Trinidad and Tobago, Bahamas and the Eastern Caribbean islands.

Caribbean emigration occurred in two waves. The first wave occurred during the post World War II boom in the Western economies in the 1950s and 1960s on account of pull factors like full employment and labour 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 boatlift in 1980 and the “rafters crisis” of 1994 as well as the Haitian exodus on account of political turmoil at home (IOM 2000).

Table 2: Caribbean Immigrants in the US, 1971-1998

Countries	1971-80	1981-90	1991-94	1995-98	Total
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	2435

Source: UNECLAC 2002

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). Table 3 gives data on Caribbean immigrants to the US by admission class. Kinship, family reunification, refuge and asylum are the main criteria for admission.

Table 3: Caribbean Immigrants to US by Admission Class, 1998

Kinship with US citizen	Family Reunification	Employment	Refuge and Asylum	Other	Total
31,665	24,908	2,361	15,480	1,107	75,521

Source: UNECLAC 2002.

In the case of Canada, from 1980 to 2001, a total of 253,992 immigrants came from the Caribbean of which 186,527 were family class; 58,723 were economic migrants; 6,086 were refugees and 2,656 were other (see table 4). Census data for 2001 indicates that the family class category is the predominant category for Jamaicans (72%), Guyanese (79%) and immigrants from Trinidad and Tobago (63%). For Haiti, on the other hand, the family class accounts for 46% of immigrants and comes second to the economic class, which was 51% in 2001.

Table 4: Caribbean Immigrants to Canada by Type, 1980-2001

Family Class	Economic	Refugees	Other	Total
186,527	58,723	6,086	2,656	253,992

Source: Citizenship and Immigration Canada, 2002.

An interesting element of the labour export phenomenon is the seasonal farm workers programs that the US and Canada make available to Caribbean, Mexican and Central American countries. The Canadian Seasonal Agricultural Worker's Program (CSAWP) is a temporary contract employment program that provides seasonal labour for the agricultural sector during peak planting and harvesting periods. Workers are sourced from Mexico and the Commonwealth Caribbean. It is estimated that 268,500 persons, mostly male, have participated in the program between 1974 and 2002. The Caribbean has been participating in the program since 1966 with Jamaica as the first country. The program was subsequently expanded in 1967 to include Barbados and Trinidad and Tobago and in 1976 to include the Eastern Caribbean islands. In 2001 and 2002 the program attracted 7,919 and 7,580 Caribbean nationals, respectively (SALISES 2003).

It is noted that the program makes a sizeable contribution to the income of the participants and their families and provides an additional source of external capital in the context of declining earnings from traditional export sectors. Remittances were largely used to pay off debts, build or repair homes, and to educate children (SALISES 2003). A significant share of the earned income as well as the remittances is used to purchase consumer items. Other benefits such as skills transference, entrepreneurial investment and wider economic development are less clear (Cecil & Ebanks 1992).

Remittances

The growth of the diasporic economy has made a substantial contribution to a more favourable balance of payments position in several labour 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 US\$5.7 billion in remittances were sent to the Caribbean in 2002 (see table 5). Remittances have emerged to be the fastest growing and most stable source of capital flow and foreign exchange in the last decade.

Table 5: Remittances to the Caribbean, 2002 (US\$m)

Country	Remittances
Barbados	84
Cuba	1138
Dominican Republic	2111
Guyana	119
Haiti	931
Jamaica	1288
Trinidad and Tobago	59
Total	5730

Source: MIF/IDB 2003.

Remittance flows outstrip Foreign Direct Investment (FDI) and Official Development Assistance (ODA). Over the period 1996 to 2001 remittances grew by 2.1 billion. FDI rose by US\$2 billion while ODA declined by US\$200 million (see table 6). The rate of growth of remittances to the Caribbean between 2001 and 2002 was 20.7%, the highest rate for Latin America and the Caribbean (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%, 16.6% and 12.2% of GDP, respectively (IDB/MIF 2003). Table 7 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.

Table 6: Remittances and Other Financial Flows to the Caribbean, 1996 and 2001 (US\$bn)

Year	Remittances	FDI	ODA
1996	2.4	0.7	0.7
2001	4.5	2.7	0.5

Source: Inter-American Dialogue 2003

Table 7: Remittances compared to other Inflows and Key Economic Sectors, 1999

Countries	Remittances US\$m	ODA %	FDI %	GDP %	Tourism %	Agro Exports %	Total Exports %
Dom.Rep	1747	1150	129	10.0	69	290	34
Haiti	720	458	2400	17.0	1241	5455	220
Jamaica	781	3442	150	11.7	63	12	52

Source: IDB/MIF 2001.

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% 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 of goods increase external dependency, promote Western consumption styles and cause inflationary pressures. After expenditures 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 tends 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.

The flow of remittances incurs a transaction cost from remittance companies and from currency exchange costs. LAC has transaction costs 50% higher than other regions such as East Asia and Africa. At an average of 12.5% in 2002 the cost of remittances amounted to US\$4 billion. 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 Money Gram control a sizeable share of the remittance market in many territories in LAC. Recommendations call for “banking the unbanked” and the facilitation of increased price competition among remittance agencies (MIF/IDB 2003; IAD 2004). These issues have gained the attention of policy makers in the region as exemplified by the Declaration of Nuevo Leon from the Summit of the Americas, held in Mexico, January 2004, which calls for increased competition and regulation of the remittances business.⁷

Diasporic Exports

The growth of a Caribbean diaspora plays a valuable role beyond remittances such as the 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. Case in point is the music industry. Countries like the Dominican Republic, Jamaica and Trinidad and Tobago have fostered export markets in global cities like New York, Miami, Toronto, London, Paris and Amsterdam due to the predominance of Caribbean immigrants. The value in terms of annual export earnings ranges from US\$30 million in the case of Trinidad and Tobago to approximately US\$50 - 60 million 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 in total economic impact and is considered to be the largest festival of popular culture in Europe (LDA 2003). Labour 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. There is very little research on this area as this type of tourist is often neglected in

tourism studies. Orozco (2003) notes that in the case of the Dominican Republic diasporic tourism may account for as much as 40% 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 account for a rising share of tourism earnings in the respective territories. The carnival in Trinidad and Tobago is the most notable case. Diasporic visitors account for as much as 70% of the visitors and the visitor expenditures and arrivals have doubled in the period 1998 - 2001 to account for approximately 12% 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 these sports personalities then 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 labour-exporting countries. Strategies for maximizing their benefits have yet to be elaborated either through the human

resource development schemes or in terms of trade facilitation mechanisms for diasporic exports. The majority of 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 labour markets, and reduce unemployment, poverty and social inequality if it is surplus labour 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 labour that is the main group of migrants. Instead, it is the highly skilled and educated. The evidence for brain gain is limited relative to the outflow.

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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 is less of a factor for those countries that are in close proximity to labour importing countries. For example, secondary educated migrants from Mexico and Central America are larger shares of total migrants than from Caribbean countries. Table 8 shows that the share of total migrants with tertiary education ranges from 22% in the case of the Dominican Republic to as much as 46% in Trinidad and Tobago. What is even more important to note is the migration rate among the well-educated. In Guyana, the migration rate among the well educated is estimated at 77%. Other Anglophone Caribbean territories like Jamaica and Trinidad and Tobago also have migration rates over 50%. The brain drain from the Caribbean is the highest in the world (Carrington & Detragiache 1998).

Table 8: Caribbean Brain Drain, 1990

Countries	Tertiary Educated share of Total Migrants	Migration Rates of Tertiary Educated
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.

As indicated in table 8, 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 labour markets in the core economies towards services accounts for the growth of the 'feminization of migration' as women out-number men from labour exporting territories like Jamaica, Trinidad and Tobago and the Dominican Republic. 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.

It can be argued that the departure of highly skilled migrants reduces productivity in specific sectors of the economy and creates labour gaps even in a context of high unemployment. This is exemplified by 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. The following quote highlights the case for Jamaica:

Jamaica is haemorrhaging nurses and teachers. Jamaica loses roughly 8% of its registered nurses and more than 20% of its specialist nurses annually. Most go to the US or the UK. The US, with 97.2 nurses per 10,000 people, actively recruits nurses from Jamaica, a country with only 11.3 nurses per 10,000 people. Meanwhile, US and British schoolteacher work programs recruit Jamaican teachers for inner city schools in New York City and London. In 2001 alone, 3% of Jamaica's teachers (almost 500 educators) left the island to accept temporary assignments abroad. Jamaica's Ministry of Education estimates the country lost 2,000 teachers between 2000 and 2002 (Wyss 2004).

The problem is more acute due to the wider income gap between the sending and the receiving countries. This is because the sending societies are becoming increasingly uncompetitive in the global labour 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 labour shortage of medical professionals in Jamaica and Trinidad and Tobago. Cuba has a labour surplus in the medical field but countries in Africa have lower doctor/patient ratios than the Caribbean.

These observations reinforce the argument that remittances are only one element of the diasporic economy and it raises the question whether remittances alone can outweigh the loss of investment in human resource development and the replacement and opportunity cost undertaken by labour exporting countries.

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 labour 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 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% 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). Criminals have also been deported from Canada. In 1999, Canada deported approximately 1,100 people on criminal grounds, most of who were returned to the Caribbean.

The impact of the Canadian and US deportation policies 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 and Canada for so long that they have no family members and social networks in the countries that they have been repatriated to. However, 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 a substantive relationship” (2002: 73-74).

HIV/AIDS and Security²

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* (National Intelligence Council, 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 strain (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 neighbours 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).

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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% of the immigrants diagnosed with AIDS in New York City are from the Caribbean, while 27% are from Latin America and 17% 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 and 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.

CONCLUSION

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 Caribbean development project. Official 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 region. What FDI does come to the region is largely focussed on energy-intensive industries, low value-added exports or is consumption and so import oriented. Debt financing has largely been used for debt consolidation rather than new social and productive investments. 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 and tied aid.

Under structural adjustment and neoliberal economic restructuring plans, most countries in the LAC region have undergone a process of de-industrialization in the last two decades and have experienced a decline in global value-added exports. 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, which are not just as a result of migration. 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 remittances, 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 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 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 labour-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 labour 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. As it stands, the only countries that have signed the relevant ILO convention have been labour 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.

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In short, 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% 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 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 were of a larger relative amount, to be sure) worker remittances of today, although large in absolute volume flows in small amounts to receiving families, are not a substitute for investment in export sectors or industrial development.

The paper 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 labour-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 the Caribbean.

ENDNOTES

¹Statement of the Declaration of Nuevo Leon from the Summit of the Americas, held in Mexico, January 2004 states that: “We recognize that remittances are an important source of capital in many countries of the Hemisphere. We commit to take concrete actions to promote the establishment, as soon as possible, of necessary conditions in order to achieve the goal of reducing by at least half the regional average cost of these transfers no later than 2008 and report on progress achieved at the next Summit of the Americas in Argentina in 2005. We will adopt, as needed or appropriate, measures such as: the promotion of competition between the providers of these services, the elimination of regulatory obstacles and other restrictive measures that affect the cost of these transfers, as well as the use of new technologies, while maintaining effective financial oversight.”

²This section draws from the following paper: Allen, Mc Clean & Nurse 2003.

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About the Author

Keith Nurse is a Senior Lecturer at the Institute of International Relations, University of the West Indies, Trinidad and Tobago.

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1, rue Nicholas Street,
Suite/Bureau 720
Ottawa, Ontario
K1N 7B7 Canada
Tel/Tél : (613) 562-0005
Fax/Télé : (613) 562-2525
E-mail/Courriel : focal@focal.ca
www.focal.ca