MIGRATION IN THE CARIBBEAN: A PATH TO DEVELOPMENT?

Josefina Stubbs and Hiska Reyes

Between 1989 and 2001, over 1.4 million Caribbean nationals migrated legally to the United States. In 2003, they sent over US$38 billion worth of remittances. In Guyana, over 60% of university graduates have emigrated. These figures beg the question: “Is migration a path to development in the Caribbean?”

Migration, described as “embedded in the Caribbean psyche,” is a fact of life in the region. Every year, large numbers of Caribbean nationals emigrate to other countries for work, education or other reasons. International migration affects both the country of origin and the recipient country, and creates a class of transnational citizens, known as the diaspora, with close ties to their country of origin.

International migration is an important issue in the Caribbean context because of the sheer number of migrants and their role in the economic development of the region in the form of remittances. Aside from the remittances that are sent by migrants to their families and communities at home, Caribbean diaspora communities have an important role in other areas of development, notably human capital and trade (the import/export of local goods or products from the home country).

Although data on international migration is very general, a number of issues affecting Latin American diasporas, in general, and Caribbean diasporas, in particular, can be observed. As shown in Fig. 1, between 1989 and 2001, the number of Caribbean migrants to the United States was 1,408,260; the bulk of them concentrated in Florida and New York. This figure would obviously be higher if it accounted for illegal migration as well.

Migration from Latin America and the Caribbean to the United States is on the rise. Data from the 2000 census showed that the Hispanic population in the United States increased from 22.4 million in 1990 to 35.3 million in 2000, representing a 57.9% increase. Mexicans, Puerto Ricans, Cubans, and Dominicans represented 58.5% (20.6 million), 9.6% (3.4 million), 3.5% (1.2 million), and 2.2% (765,000), respectively, of the Hispanic/Latino population in the United States.

The Brain Drain

The proverbial term “brain drain,” is used to describe a sometimes irreversible transfer of human capital and skills between countries. International migration has negative repercussions for source countries in this regard, as the loss of highly skilled individuals (scientists, doctors, etc.) reduces their productivity, sources of revenue and potential contribution to science and other technical or professional areas. The effects of the “brain drain,” are, however, dependant on the time that the migrant stays in the host country. The current debate on the “brain drain” identifies a “brain cycle” in which professionals live abroad for a number of years, but then return to their country of origin. In this way, human capital flows benefit both countries; although this may only play out over an extended period.

Understanding the “brain drain” is of particular importance to Caribbean countries because of the significant number of “elite migrants” from those countries. In Guyana, over 60% of University of Guyana graduates have emigrated. In a panel discussion on human capital and return migration at a joint World Bank/ Inter-
American Dialogue workshop, presenter Percy C. Hintzen, described the “brain drain” in Caribbean countries as resulting: “in a devastating loss to the country’s political economy of those with the cultural capital needed for development transformation.”7

Remittances

Remittances are monetary transfers sent by migrants to their families/communities in the country of origin. Remittances play an increasingly vital role in the economic and social development of Caribbean countries. In “All in the Family: Latin America’s Most Important International Financial Flow,” Manuel Orozco defines four factors that account for the significance of remittances over foreign direct investment and other forms of investment as: “(1) the amount of money involved; (2) the remarkable stability of the flows over time; (3) their direct and positive impact on social equity in nations with huge income and wealth disparities; and (4) the fact that they create no future financial obligations.”8

In 2003, the remittances that Latin American and Caribbean diasporas sent to their families and communities in the region exceeded $38 billion. This is more than official development assistance inflows and at least 10 percent of GDP in Haiti, Nicaragua, El Salvador, Jamaica, the Dominican Republic and Guyana. In Jamaica, Haiti, and Guyana, remittances accounted for 12%, 25%, and 17%, respectively, of those country’s GDP in 2002.9 In 1998, the Dominican Republic had the highest level of remittances of all the Caribbean countries with a total figure of US$1.8 million.10 Channeled through a number of financial entities, most notably money transfer operators11, the flow of remittances from America and the Caribbean. Data on intra-regional migration (that is, migration within the Caribbean) shows that this is largely explained by the importance of the tourism industry.12

Data on extra-regional migration from the Caribbean to the United States, Europe, and Canada provides mixed results regarding the gender of migrants. While migrants to the United States are predominately male, those to Canada and Europe are predominately female. In Spain, for example, the total number of male migrants from the Dominican Republic in 2001 was 13,264 compared to 30,824 female migrants.13

Migrant Hometown Associations (HTA’s)

Patronatos, clubs, or ligas as they are called in the Dominican context, Hometown Associations (HTA’s) are organizations that unite migrants abroad. Although their main purpose is social, HTAs also have an important role in the development of local communities in the home country. As Manuel Orozco describes in, “Latino Hometown Associations as agents of development in Latin America,” the HTAs: “establish and keep the relationship between the country of origin and the country of residence.” They, “promote social exchange, exercise political influence, and pursue low-scale development goals in their original home country.”14

The Caribbean diaspora is larger than that of foreign direct investment and other types of investment.

Gender and Migration

Although women are not the majority of migrants on a world scale, the proportion of women migrants continues to increase. Disaggregated data on migration shows a higher proportion of female migrants from Latin America and the Caribbean. Data on intra-regional migration (that is, migration within the Caribbean) shows that this is largely explained by the importance of the tourism industry.12

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Orozco further describes the four prominent features shared by migrant HTAs. These are: (i) a range in activities from investment to charitable aid; (ii) taking decisions based on a number of factors, including resources; (iii) a small economic base; and (iv) varied structures (formal in the United States and possibly sporadic in the home country).  

“Nostalgic” Trade

A recent ECLAC report on “ethnic” and “nostalgic” international markets defined “nostalgic” and “ethnic” products in the following terms: “‘Nostalgic’ products are the group of goods and services that are traditionally consumed by people in their home countries and that they would like to continue consuming abroad if they were available. ‘Ethnic’ products are those which are demanded not only by migrants abroad, but also by other people who are interested in consuming products from a variety of countries. Among these two groups of goods, food and beverages, furniture and handicraft, clothes, music, and even soap and detergents seem to be the most demanded.”

In 2001, “ethnic” or “nostalgic” trade from Mexico and El Salvador to the United States was $3.4 billion and $82.8 million, respectively. These figures are indicative of the size of the Mexican and Salvadoran migrant populations and the demand for products from their home country. Although data on “nostalgic” or “ethnic” trade from the Caribbean is not available, this is a promising avenue to explore in terms of the development of the region.

The World Bank and Caribbean Diasporas

Driven by the need to examine the role of Caribbean diasporas in social development, the World Bank and the Inter-American Dialogue held a workshop on April 14, 2004 entitled, “The Caribbean Diaspora as a Development Agent.” A number of representatives from multilateral agencies, non-governmental organizations, academic institutions, and governments were present. The three panel presentations focused on: (i) remittances and hometown associations, (ii) migrant investment and “nostalgic” trade, and (iii) human capital and return migration. The workshop’s premises were that migration, remittances, and the range of economic and social relationships that migrants maintain with their countries of origin have a substantial and growing importance in the Caribbean, and that overseas Caribbean communities should be recognized and integrated into national and regional public policies.

Many interesting findings and recommendations for World Bank involvement in the issue came out of the workshop. These include: strengthening small and medium enterprises (SMEs) in home countries in order to facilitate the export of local products to diaspora communities abroad; strengthening diaspora hometown associations; and, removing barriers to competition in the remittances market by introducing new technologies and enabling microfinance institutions to transfer remittances. The workshop proceedings and findings will be published shortly.
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Notes


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