# The bursting of the migration-development bubble

Ninna Nyberg Sørensen's reflections on Danish development policy point to how, during the first decade of the millennium, policy makers worldwide seized on the potential of migration to enhance development. 'Leveraging remittances' and 'engaging the diaspora' became new mantras of the development community. The study that Danida commissioned us to undertake, eventually published in 2003 as *The migration-development nexus*, helped prompt this resurgent interest in the relationship between migration and development.

Why did this relationship become the focus of attention at this time? What accounted for its newfound popularity? Finding an answer to these questions could be instructive, since most researchers are keen for their research to influence the world for the better.

Looking at recent history might help our understanding. Interest in the link between migration and development has ebbed and flowed over the last half century, partly in response to shifts in global migration patterns and the wider political economy.

The debate in the 1960s and early 1970s on the relationship between migration and development focused on the reasons for migration – said at the time to be poverty or income differentials – and the consequences of highly skilled migration, popularly referred to as the 'brain drain'.

The debate's focus shifted during the second half of the 1970s as labour markets in affluent countries contracted, guest-worker schemes were curtailed and the stream of migrants from former colonies wound down. In this context, return migration became a prominent theme in the debate as policy makers pondered how best to 'reinsert' former migrants into the economies of their homeland in order to promote development. The brain drain debate continued too as critics highlighted the damaging effects of recruiting skilled workers from developing countries.

A more sophisticated appreciation of the relationship between migration and development emerged at the end of the Cold War in the late 1980s and as globalization gathered momentum. There was a refinement of the link between poverty, development and migration as it became clear that it is not the poorest of the poor that migrate, but rather those with sufficient resources to enable them to move. The logical conclusion of this was that development, in the short to medium term, would lead to more, not less, migration.

From around 2000, the migration-development nexus seized the attention of policy makers and development agencies, as evidenced in an explosion of interest in remittances and their potential for development. Policy makers in governments and in multilateral bodies, such as the World Bank, woke up to the realization that large sums of private money were being transferred as remittances to the developing world and were a potential source of development finance.

Why then did this explosion of interest happen at this time? One reason was perhaps the mediocre results achieved by other kinds of intervention – such as aid – whereas now there appeared to be an attractive alternative source of development finance. And most importantly, remittances were private money transfers, not from the state, and they potentially obviated the need for aid, it could be argued.

Devesh Kapur, associate professor of political science at the University of Pennsylvania put this perspective succinctly in the chapter he wrote in a 2005 World Bank publication, *Remittances: development impact and future prospects*. He argued that remittances 'strike the right cognitive chords. They fit in with a communitarian "third way" and exemplify the principle of self-help. People from poor countries can just migrate and send money back that not only helps their families, but the host and recipient countries as well. Immigrants, rather than governments, become the biggest provider of aid. The general feeling is that such private foreign aid is more likely to go to people who really need it ... What could be better?'

This confluence of sanguine views on migration, remittances and development – which could appeal to everyone, from hard core neoliberals to grass roots communitarians – was arguably one of the reasons for the explosion of interest.

But has the migration-development bubble now burst? At the very least, the issue seems to have gone off the boil, eclipsed by the world financial crisis and the subsequent stampede to cut deficits at the behest of the credit rating agencies. In countries such as Denmark and the United Kingdom, immigration concerns have once again trumped development interests, which have always been much lower down the policy pecking order.

This retreat was well underway in the United Kingdom before the coalition government took office in 2010, but the trend has been accentuated by the new government anxious to address artificially inflated public immigration fears. Taking the long view though, the case for the benefits of linking migration and development remains a sound one, and is well worth arguing for, not least in terms of enlightened self interest. ■

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