The Economics of Transnational Living[1]

Luis Eduardo Guarnizo
University of California, Davis

Migrants' long-distance economic relations with their homelands have been the subject of an extensive, albeit fragmented, multidisciplinary inquiry. Most existing studies have been primarily concerned with the north-south flow of monetary remittances that migrants send to their homelands. Using a transnational perspective informed by economic sociology tenets, this article argues that this north-south, monetary-centered approach is too limited, for it fails to heed the multiple macroeconomic effects of migrants' transnational economic and noneconomic connections and, thus, underestimates migrants' agency and their influence at the global level. Using the concept of transnational living, the study presents new vistas of transnational migration that question accepted notions about the relationship between labor mobility and capital mobility.

Since the turn of the last century, migrants' long-distance economic relations with their homelands have been the subject of an extensive, albeit fragmented, multidisciplinary inquiry on the relationship between migration and development. Most existing studies have been either primarily or exclusively concerned with the north-south flow of resources that migrants provide to family and friends left behind. In particular, monetary remittances that migrants send to their homelands have constituted the prime topic of research in this field and, not surprisingly, have also attracted the interest of national and international governmental and nongovernmental development organizations. Monetary remittances have indeed become the most often-cited, tangible evidence and measuring stick for the ties connecting migrants with their societies of origin. This north-south, monetary-centered approach has been highly effective in revealing migrants' commitment and support to

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their homelands. Nonetheless, because it focuses on just one aspect of transnational experience, this approach fails to heed the multiple macroeconomic effects that migrants' transnational economic and noneconomic connections generate and, thus, underestimates migrants' agency and their influence at the global level.

Using a transnational perspective informed by economic sociology tenets, I seek to analyze the theoretical and practical implications of the multiple economic effects generated by migrants' social, cultural, political, and economic relations with their homelands. It is my argument here that migrants' transnational engagement has significant influence and transforming effects not only on the development of their localities and countries of origin, but also on global macroeconomic processes, including international financial arrangements, international trade, and the production and consumption of culture. Studies of the effects of migrants' economic activities have produced a wealth of knowledge, although their conclusions tend to focus exclusively on the north-south monetary transfers' productive impact on the localities of origin and are often marred by what Wimmer and Glick Schiller (2002:301) have pointedly called "methodological nationalism."[2] Meanwhile, the economic and developmental import of noneconomic relations established by migrants with their homelands, such as political participation and cultural exchanges, has been neglected. This study departs from the accepted analytical model that centers on north-south flows of economic resources by looking at the economics of migration through a more holistic prism provided by the concept of transnational living. Transnational living refers to a wide panoply of social, cultural, political, and economic cross-border relations that emerge, both wittingly and unwittingly, from migrants' drive to maintain and reproduce their social milieu of origin from afar. The concept of transnational living allows us to detect myriad economic multiplier effects spawning from migrants' transnational engagement, whose sought-after and unforeseen compounding effects cut across multiple geographical scales, from the translocal to the transnational to the global. To be transnationally engaged, migrants necessitate a multitude of goods and services supplied by conational and non-conational providers, small producers, as well as large, transnational corporations. As demonstrated below, the goods and ser-

[2]For Wimmer and Glick Schiller (2002:301), "Methodological nationalism is understood as the assumption that the nation/state/society is the natural social and political form of the modern world." In their historical analysis, they show how the modern world has always been transnational, a dimension often forgotten when studying the effects of global labor mobility.

vices demanded by migrants' transnational engagement flow not just north-south, but also south-north, north-north, and south-south.

An analytical framework focusing on migrants' transnational living can produce new vistas that challenge received scholarly understandings and representations of the relationship between migration and development and, more generally, between labor mobility and capital mobility. The goal here is to illuminate a new landscape of global processes driven from below by migrants themselves and to interrogate accepted tropes that construct socioeconomic globalization as the sole domain of corporate capitalism and labor migration as a mere result of global capital's patterns of investment and disinvestment.

Before delving into the core of the analysis, I first introduce my theoretical framework, followed by a succinct review of the literature on the three main themes that have guided the field – monetary remittances, business investments, and collective support for local development.[3] The article then discusses some of the "missing" macroeconomic processes briefly outlined above. After drawing some general conclusions, some elements for future research are identified.

A TRANSNATIONAL PERSPECTIVE

First articulated around a decade ago, the field of transnational migration studies is rapidly gaining recognition as a cogent theoretical perspective solidly based on sound empirical evidence. Precursor studies of transnational action by migration scholars (Glick Schiller *et al.*, 1992, 1995; Basch *et al.*, 1994; Rouse, 1991) captured the imagination of many investigators and generated a wave of academic fora and works whose titles prominently displayed the word "transnational" as a marker of theoretical innovation. Many scholars were quick to show their profound skepticism, pointing out not only the historical precedents of transnational action, but also the substantive methodological limitations and analytical ambiguities inherent in many of these early studies (Foner, 1997; Waldinger, 1998; Massey, 2001; Morawska, 2001).

More recently, a second wave of transnational studies has addressed some of these initial critiques and helped establish the field on a more firm theoretical footing (*see* Guarnizo and Smith, 1998; Glick Schiller, 1999; Vertovec, 1999; Kyle, 2000; Levitt, 2001; Mahler and Pessar, 2001; Itzigsohn

[3]A fourth type of relations connecting migrants and their homelands, which has been studied to a lesser degree, is the transfer into local economies of technical/scientific knowledge that migrants have gained abroad. A new perspective on the emigration of highly trained personnel sees it not as a loss ("brain drain"), but as a potential gain for the society of origin (*see* Charum and Meyer, 1999; van der Veer, 2000).

and Giorguli Saucedo, 2002; Portes *et al.*, 2002; Wimmer and Glick Schiller, 2002; Guarnizo *et al.*, 2003). It has become acceptable to investigate and analyze transnational migration focusing on a specific kind of action (*e.g.*, political participation) or a single activity (*e.g.*, participating in transnational civic organizations such as hometown associations). Adopting a single action or activity as the sampling unit of inquiry has been a fruitful strategy, which has allowed a finer analysis of the scope, scale, and determinants of migrants' transnational engagement (*see*, for example, Mahler, 1999; Portes *et al.*, 2002; Guarnizo *et al.*, 2003; Smith, 2003). This more tightly focused analysis has helped address some of the early critiques of the field, and it has also helped temper often exaggerated conclusions from earlier studies that portrayed virtually every contemporary migrant as transnationally engaged and that celebrated this engagement as inherently subversive and progressive.

However, while certainly valid and useful for in-depth, close-range analyses, this mode of inquiry is not flexible enough to fully address (and thus underestimates) questions related to the economic import of transnational migration. A highly focused approach can restrict our ability to detect interrelations and unintended consequences of transnational action across domains. These include, for example, the economic effects and changes spawned – usually inadvertently – by political and sociocultural activities. The embeddedness of social action in multiple complex and heterogeneous social, cultural, economic, and political structures (Grannovetter, 1985) implies not only that the determinants, but also the effects, of any action cut across diverse social fields. Everyday transnational practices are not neatly compartmentalized, nor are their consequences. Therefore, in order to examine the economic effects of transnational migration one should not limit the inquiry solely to activities that are *a priori* tagged "economic." I argue here that it is thus imperative to approach these questions from a more holistic perspective that also captures economic implications, intended and otherwise, generated by migrants' multifaceted transnational engagement – phenomena that can be described by the concept of transnational living.

Transnational Living

Building on recent works by Robert C. Smith (2001)[4] and by Karen Fog

[4]Robert C. Smith (2001:38-39) has turned his analysis to "focus on the local level, lived processes" of transnational migration, which he calls "transnational life." He conceives of "transnational life" as one of several phases through which migrant communities move until they reach "asymptotic stability." This conception coincides with Robert Ostergren's (1988)

Olwig and Ninna Nyberg Sørensen (2002),[5] I use migrants' transnational living as my central analytical focus, a condition that implies a set of cross-border relations and practices that connect migrants with their societies of origin. While transnational living foregrounds migrants' agency, it also involves relations initiated by nonmigrant – individual and institutional – actors aimed at establishing and maintaining multifaceted cross-border engagements that help shape migrants' living conditions abroad. Transnational living signifies an active, dynamic field of social intercourse that involves and simultaneously affects actors (individuals, groups, institutions) located in different countries. Transnational living is shaped by the historically determined social, economic, political, and cultural micro and macro structures of the societies in which the lives of migrants are embedded. In this sense, transnational living is not a state or a condition that reaches a stage of consolidation and equilibrium before disappearing, as suggested by the term "transnational life" (Ostergren, 1988; R. C. Smith, 2001). Rather, transnational living is an evolving condition contingent on the relationship between migrants' resources and sociocultural positioning, as well as the historical contexts in the specific localities where they live. The contextual conditions in these localities variously facilitate or impede, foster or discourage, demand or preclude some or all of the cross-border activities that form migrants' transnational living. On the other hand, as a condition of migration, transnational living is not necessarily a premeditated reaction to globalization. It is not as instrumental or strategic as Olwig and Sørensen's "transnational livelihood" concept implies. Unlike the latter, which is centered on individuals' strategies to make a living, the concept of transnational living is concerned with the structural embeddedness of transnational engagement and with the intended and, perhaps more importantly, the multifarious unintended economic consequences of transnational action generated by migration and undertaken by migrant and nonmigrant actors.

community development vision according to which migrant communities finally reach a stage of "consolidation, equilibrium and redefinition, in which ...[they] reconcile themselves to the waning import of the trans-Atlantic connections and adjust to new challenges at home" (cited in R. C. Smith, 2001:39).

[5]Olwig and Sørensen (2002:2) propose to move the analysis "away from a narrow focus on international population movements and the concomitant ... cross-border networks of relations, calling instead for a broader investigation of *mobile livelihoods* and the fluid fields ... that these livelihoods imply" (emphasis added). Following Norman Long (2000), they see transnational livelihoods as one among many livelihood strategies that people can adopt to cope with local and global change.

The historical-locational embeddedness of transnational living explains, for example, how under certain conditions transnational living can eventually become more or less widespread (more or less "popularized") among first or subsequent generations of migrants (*e.g.*, among some contemporary first-generation migrants in the United States and Europe; or among second- and third-generation Irish Americans and Polish Americans in the United States), while under other circumstances it ceases to exist or is reduced to a field of action dominated by an exclusive, small group of cosmopolitans.[6]

A CONVENTIONAL TYPOLOGY OF TRANSNATIONAL ECONOMIC TIES

It is important to acknowledge the impressive and dynamic scholarship on the economic effects of migration, as well as some of the theoretical advances made by different scholars in this field. In what follows, I briefly review some of the central themes and debates that characterize recent scholarship on migrants' monetary remittances, transnational entrepreneurship, and community development support.

Monetary Remittances[7]

Analytically, monetary remittances represent long-distance social ties of solidarity, reciprocity, and obligation that bind migrants to their kin and friends across state-controlled national borders. This long-distance, intimate "bounded solidarity" (Portes, 1995, 1998), which initially has a very narrow scope of action as individual migrants' intent is mainly to benefit kin and friends, easily becomes a macroeconomic factor that spawns vast effects in the countries of origin and beyond.

More importantly, perhaps, the volume and stability of migrant monetary remittances worldwide have transformed this intimate transaction into

[6]The extensive transnational engagement of European migrants in the United States at the turn of the twentieth century, for example, came to a halt because of the transformations in the U.S. polity engendered by two world wars and the Cold War. Political and social "tensions and suspicions called for an ever tighter policing of borders and a careful investigation of the motives of all those seeking to cross national borders" (Wimmer and Glick Schiller, 2002:318). Following the Cold War, structural conditions became more propitious for the expansion of transnational engagement among contemporary migrants in Europe and North America.

[7]Peggy Levitt (2001:54) has introduced the concept of social remittances, which she defines as "the ideas, behaviors, identities, and social capital that flow from host- to sending-country communities." However, social remittances are not included in the present analysis.

one of the most important private transactions in the global economy. As a result, many economic transactions undertaken by global financial actors now take into account workers' monetary transfers – either as a source of profits or as a security instrument to upgrade the creditworthiness of impoverished countries to secure large-scale international loans. This novel use of migrant remittances as a financial instrument transacted by powerful global capitalist actors, however important, has so far eluded the attention of migration scholars and will be discussed later.

While migrants' material (as opposed to social) remittances can be either monetary or nonmonetary (*i.e.*, transferring durable and consumer goods, services, and technical skills), the former have monopolized the interest of both social scientists and policymakers. Official estimates of the annual global volume of monetary remittances (as recorded by the IMF's *Balance of Payments Statistical Yearbook)* point to their rapid growth and indicate that remittances surpassed $100 billion in 1999 from $70 billion in 1995 and $43.3 billion in 1980 (Puri and Ritzema, 1999; Gammeltoft, 2002). Annual remittances to developing countries more than doubled during the 1990s and have been approximately 20 percent higher than official development assistance to these countries (Gammeltoft, 2002). Although the official data on monetary remittances are deficient and tend to underestimate the total amount of money that migrants transfer to their homelands (in part by excluding moneys transferred through informal channels, as well as in-kind remittances), they suggest that the amount remitted is highly significant for many national economies.[8]

[8]In Asia, by 1990, officially registered remittances represented about 13 percent of the total exports of India, 47 percent of those of Bangladesh's, 40 percent of Pakistan's, 20 percent of Sri Lanka's, and 18 percent of the Philippines' (Puri and Ritzema, 1999: Table, 2). A similar situation has been observed in Latin America and the Caribbean. Remittances to El Salvador have exceeded the total amount brought in by exports, whereas they are over half the value of the exports from the Dominican Republic and Nicaragua (Meyers, 1998). In Colombia, by 2003, they were the second source of hard currency after oil, representing three times the amount brought in by coffee and 19.3 percent of the total exports (Banco de la República, 2003). In Mexico, the largest source of migrants to the United States, migrant remittances have been estimated to equal the revenues brought in by agricultural exports. They represent around 80 percent of foreign direct investment, 60 percent of tourist revenues, 60 percent of maquila production, and 4.6 percent of the total exports of the country, and by 2000 helped reduce the deficit of the national balance of payments by 27 percent (Massey and Parrado, 1994; Lozano, 1999; *La Jornada*, 2000; García Zamora, 2002). Migrant remittances have also been crucial for Middle Eastern and North African economies. According to the World Bank (2001:28), the "stronger flows of workers remittances" were one of the key factors that "provided a boost for this group of countries" in 1999.

The recently increased volume and macroeconomic significance of monetary remittances and the interest that they have engendered among scholars and policymakers have important historical precedents. At the turn of the twentieth century, European migration to the United States provided considerable revenues for regions of emigration and created large overseas markets for European products such as textiles, clothing, and other consumer goods (Caroli, 1973; James, 1999). Likewise, the century-old, U.S.-bound mass Mexican migration constitutes another important example of the historical significance of remittances for countries of origin. Fluctuating official and scholarly interest in remittances closely parallels ebbs and flows in the volume of these monetary transfers, which in turn reflect the changing conditions in the U.S. context of reception as well as the socioeconomic situation in Mexico (Gamio, 1930; Durand, 1988; Lozano, 1993, 1999; Massey and Parrado, 1993; Durand, Parrado and Massey, 1996). Because it stems from a developmental concern, most research on remittances has centered on determining their volume, assessing their contribution to local development (with a special interest in their use in productive activities), identifying the channels employed to transfer them, and defining the determinants of remitting.

A flourishing academic controversy has ensued regarding the developmental significance of remittances. It is often stated that given the more or less stable flow of high volumes of money sent by migrants, remittances represent an obvious positive contribution to development (Rivera-Batiz, 1986; Stark, Taylor and Yitzhaki, 1986; Stark, 1991). Others dismiss arguments about positive effects, downplaying the contributions to development that come out of these financial flows. Countering this view, Douglas S. Massey and his associates have argued that studies that question the productive value of remittances "have ignored the indirect effects that consumer spending has on economic production and income in Mexico" (Durand, Parrado and Massey, 1996:425; *see also* Massey and Parrado, 1993). Accordingly, they support the findings presented by Adelman and Taylor (1992), who concluded that each "migradollar" entering Mexico produced a \$2.90 increase in the country's GDP and raised exports by a total of \$3.20. These authors coincide in pointing out the positive multiplier effects of remittances both directly as productive investments (*i.e.*, creating new businesses) and indirectly in expanding consumption, even in the case of wasteful spending on carousing and celebrations (Durand, Parrado and Massey, 1996).

Still, even if the remittances are used productively by migrants and their families and do have multiplier effects, the question remains as to whether the community and country of origin as a whole benefit from remittances. Numerous studies have shown that, given the oligopolistic economic structure of many developing countries, the most common use of migrant remittances for immediate consumption often results in price inflation rather than supply expansion and increases the demand for imported rather than nationally produced goods. Other studies have shown that remittance dependency negatively affects agricultural production as land use changes from agricultural production to cattle ranching, reducing not only the production of food staples, but also the demand for labor in rural areas of emigration. It also has been argued that in areas of high emigration, young people's willingness to work for low wages has diminished, creating serious distortions in the local labor market, as observed in the Dominican Republic (Grasmuck and Pessar, 1991) and more recently in El Salvador (Lungo and Kandel, 1999; Zilberg and Lungo, 1999).

This use of remittances (labeled as irrational or wasteful by some analysts and policymakers) and the perceived negative consequences that ensue have led some scholars and policymakers to propose initiatives to grant the state control over migrant remittances in order to channel them toward more "rational" uses in order to foment development, such as the promotion of small business investment and other similar initiatives in order to increase local production and combat unemployment (Cornelius, 1990; Diaz-Briquets and Weintraub, 1991; Martin, 1990). Among the latest versions of these efforts are state-migrant partnerships recently introduced by local state governments in Mexico, as well as exploratory debates and multilateral meetings sponsored by multilateral agencies such as the Inter-American Development Bank and the European Commission seeking to maximize and "channel" migrants' economic potential to support local development (*see* M.P. Smith, 2003; Centre for Development Research, 2002; IDB, 2002).

Other analysts, however, have argued that migrants and their families make a highly rational use of remittances given their personal and familial circumstances and cultural conditions, as well as the structural economic, social, and political contexts in which these decisions are made. Evidently, local contextual limitations and opportunities affect the way in which migrants use their resources. On the other hand, studies suggest that families spend remittances in the same ways as other income (ECLAC, 1991). Therefore, it is not clear why in some cases sending communities have developed economically because of remittances while others have not. In other words, it is not clear when one should expect a "productive" kind of rationality when money comes from working abroad. Existing evidence shows, however, that migrants adapt the use of their resources when local structural conditions change and provide more opportunities to make productive investments (Massey and Basem, 1992; Russell, 1992; M.P. Smith, 2003).[9] Ultimately, then, debates about whether or not family remittances have a positive effect on the communities and countries of origin's development still remain "unsettled" (Papademetriou and Martin, 1991).

Migrant Entrepreneurship

A second theme that has concerned migration scholars interested in migrants' monetary transfers has been migrants' transnational entrepreneurship. As stated above, scholars have widely substantiated that the vast bulk of migrant remittances are spent on consumption (basic family subsistence, housing, and the purchase of durable and nondurable goods for household use), while a small proportion is actually devoted to productive investment. Recent research, however, has documented the existence of a vast array of transnational entrepreneurial activities undertaken by migrants. The bulk of this research, with some notable exceptions, has relied on ethnographic material drawn from immigrant communities and their respective sending countries. This emergent transnational entrepreneurship appears to be a distinct mode of transnational economic action, clearly distinguishable from the more common and well-studied immigrant entrepreneurship path (*i.e.*, ethnic entrepreneurship) undertaken by migrants in the country of reception. Some examples will illustrate this type of transnational economic activity.

In Mexico, Durand, Parrado and Massey (1996) found several examples of the productive use of migrant remittances, or "migradollars." In a village in Guanajuato, for example, migrants invest in workshops that produce tennis shoes and footwear. In Michoacán, remittances are channeled into farming, cattle raising, and handicraft production, some of which is exported to the United States. Migrant remittances also provide resources to sustain and improve the economic conditions of local small-scale enterprises strapped by structural financial obstacles such as the lack of working capital and access to credit (Taylor and Wyatt, 1996). Migrants' investment in productive activities in their place of origin, this time in partnership with the regional state government, has also been analyzed by M. P. Smith (2003) in Guanajuato.

[9]It is important to notice, however, that the great majority of studies are based on the effects of migration on rural areas. However, there is growing evidence that migrants' direct business investment is significant and apparently expanding in urban areas (*see* Portes *et al.*, 2002).

A recent study of the transnational activities undertaken by the large Salvadoran immigrant populations of Los Angeles and Washington, DC, discovered a "vibrant entrepreneurial community embedded in a web of social relations" (Landolt *et al.*, 1999:296). In their detailed ethnographic study, the authors identified a wide array of transnational enterprises connecting the Salvadoran and Los Angeles economies. These firms ranged from those involved in the transfer of goods and remittances across countries, to large formal shipping firms, to informal international couriers, known as *viajeros,* as well as thousands of microenterprises established by returnees to El Salvador that rely on their contacts in the United States.

A similar pattern was detected by Itzigsohn and his associates (1999) in their study of Dominican immigrant communities in the Washington Heights area of New York City and in Providence, Rhode Island. These researchers also uncovered a number of informal transnational couriers operating between the United States and the Dominican Republic; the proliferation of stores selling imported Dominican foodstuffs, music, and newsprint in New York and Providence; and the rapid growth of remittance agencies. In an earlier study, Portes and Guarnizo (1990) found strong connections between Dominican small business owners and Dominicans in New York City. Many of the former are returned or transnational migrants who acquired skills abroad, have clients in New York, and have used remittances to start or maintain their businesses. These additional funds made it possible for migrant-linked firms to possess higher levels of average working capital than similar firms not linked to migration.

Existing research has shown that business formation is part of migrants' transnational living practices. Business investment decisions are embedded in a web of social expectations and obligations tied to their place of origin. Migrants who invest in a business in their homeland often do so either in order to return and have a steady, nonwage income, or to provide a steady income for their dependents in lieu of remittances.

A recent quantitative analysis of the transnational practices of Colombian, Salvadoran, and Dominican migrants residing in five U.S. metropolitan areas demonstrates that transnational entrepreneurship is a distinct path of immigrant economic adaptation (Portes *et al.*, 2002). This study shows that transnational entrepreneurship involves a diverse web of cross-country ties and, while not the modal path among the three immigrant groups studied, it has been adopted by a substantial number of immigrants. While this analysis does not delve into the causes of transnational entrepreneurship, it does identify the empirical distinctiveness of this mode of transborder economic action, which presents significant variations across nationalities. Because of the contextual embeddedness of transnational entrepreneurship, it is not always the more educated and occupationally experienced migrants who pursue this path. In the absence of a socially supportive context, skilled migrants may opt to pursue upward mobility through conventional labor market means in the country of residence, rather than seek advantage in cross-border ventures that require sustained contact with their country of origin. These findings suggest that transnational entrepreneurship is not just an ephemeral activity undertaken by isolated, risk-taking, individual migrants, but rather that it is a long-lasting endeavor embedded in social fields of solidarity, reciprocity, and obligation that straddle national borders.

Support to Local Community Development

The economic activities connecting migrants and their societies of origin are more than just monetary transfers to support family and acquaintances and to seek profitable investment opportunities. A third kind of economic transaction, with a broader initial social scope, includes the collective transfer of resources to support local community development projects, philanthropic endeavors, and post-disaster relief efforts in the society of origin. This collective endeavor undertaken by groups of migrants, usually coming from the same place of origin and organized in civic associations (*e.g.*, hometown associations) is motivated not by personal familial obligations alone, but rather by a combination of sociocultural and political factors, including migrants' identity and sense of solidarity with their place of origin (local nationalism or regionalism), reciprocity with the homeland, and often an eagerness to gain status and recognition in the place of origin (Goldring, 1998, 2002; R.C. Smith, 1998). In some cases, for example in Mexico, both national and regional governments promote and have even entered into partnership with migrant organizations to promote local development initiatives (*see* Smith, 2003).

These activities have significant symbolic as well as practical effects. The act of contributing to the construction and beautification of public spaces such as town plazas and churches and to employment-generating activities (such as *maquila* plants in some localities in Mexico, *see* Smith, 2003) is loaded with tremendous cultural meaning that is conveyed not only to the migrants' *paisanos* (townsfolk), but also to neighboring towns and villages as part of inter-village competition. Besides their symbolic value, community projects supported by migrants represent important contributions to local economic and social development. The construction of roads, water supply systems, classrooms, hospitals, as well as nonmaterial projects such as scholarships and educational campaigns, all improve local well-being and economic potential. These projects help bestow the locality of origin with an improved social and material infrastructure that can eventually facilitate and attract investment and trade.

Examples of this kind of collective transnational engagement abound in the literature. Two examples illustrate the point. A recent study concluded: "Life conditions in [Salvadoran] municipalities that receive grassroots transnational aid confirm the relevance of this collective remittance strategy. Towns with a hometown association have paved roads, electricity, and freshly painted public buildings; the quality of life in transnational towns is simply better" (Portes and Landolt, 2000:543). Los Angeles houses hundreds of hometown associations, many organized under umbrella organizations, that are actively engaged in promoting and/or supporting developmental initiatives in the hometowns of thousands of Mexican and Central American migrants in the city (*see* Goldring, 1998; R.C. Smith, 1998; Landolt *et al.*, 1999; Landolt, 2000; Guarnizo, 2001). This level of organization and activism, however unique, has many parallel examples in other U.S. metropolitan areas with a high presence of migrants, such as Chicago, Miami, New York, Boston, and Houston.

In addition to their economic multiplier effects, community development efforts also generate significant political effects. They influence home local and regional governments by determining which public projects receive migrants' financial support and which do not. By so doing, migrants compel authorities to take their wishes and priorities into account. As Levitt (1997) and Landolt (2000) have noted, helping finance local development projects or contributing to philanthropic works are effective mechanisms for creating or upholding political influence in the localities of origin. Similarly, in his study of the transnational relations developed by migrants from a small town in Puebla, Mexico, R.C. Smith (1998:227–28) found that migrant transnational organizations actively engaged in their town's development "are forcing the state to engage them in new ways" and, in effect, have generated "parallel power structures" with the old, traditional regime.

In brief, existing accounts of family remittances, transnational entrepreneurship, and support for community projects reveal economic relationships that have several features in common. First, all are unidirectional relations initiated by migrants living abroad; second, they seem to involve people (*i.e.*, senders and receivers) located in similar social positions; third, they are perceived as taking place primarily at the local level and secondarily at the national level, to the exclusion of any global dimension; and fourth, they seem to take place, for the most part, outside or even against the purview of both the state and corporate capital. Some analysts have characterized some of these relations as representing reactive actions by workers from peripheral economies to resist the impetuous power of global neoliberal capitalism and state control.

However, as I argue, this migrant-initiated flow of resources is just part of the story. For the most part, the relationship between long-distance microsocial transactions undertaken by ordinary people and the mobility and transnational expansion of corporate capital has not caught the eye of most migration scholars (*but see* Mitchell, 1997). For example, migrants' demand and consumption of things "national" to reproduce their cultural identity and original social milieu abroad have tremendous transnational economic effects that have been neglected, for the most part, in the existing literature. This oversight has prevented most analysts of transnational migration from making an empirical connection between labor mobility and global capital.[10]

The debate about the volume of money remitted and the ways it is transferred have dominated the field. However, very little has been done to elucidate the recent involvement and competition of large financial corporations in the control of the transfer of remittances worldwide. Much less has been written about the recent incorporation by international financial institutions of the future flow of remittances as collateral securing foreign finance for countries of emigration (Ketkar and Ratha, 2001). By limiting their focus to migrants' transnational economic relations to remittances, investments, and community support, scholars miss crucial economic relations generated by migrants' transnational living. There are significant unexamined relations between migrants' transnational living and corporate capital that provide an empirical opportunity to close the analytical gap between the study of transnational labor migration and global capital expansion. Whereas the spatial mobility of labor in many instances is a consequence of the capricious mobility of capital, in many cases the cause of mobility runs in the opposite

[10]Many analysts, however, mention the capital-labor relationship in analytical or, most often, in rhetorical and anecdotal terms. However, little attention has been given to the actual practical interconnections that labor mobility (*i.e.*, migration) has with capital mobility (*i.e.*, patterns of investment and disinvestment of global capital).

direction. Thus, corporate capital moves in order to capture forward and backward economic linkages created by labor mobility and migrants' transnational relations.

MISSING MACROECONOMIC LINKS

The conventionally exclusive concern with remittances, transnational entrepreneurship, and support to community development also neglects other significant and perhaps more important economic ties and processes generated by migrants' transnational living. In fact, the economic effects of migration are much more complex and multidirectional than unidirectional economic actions (*i.e.*, north-south transfers). Migrants' transnational living generates demands for goods and services that in turn generate a complex array of backward and forward economic linkages that are captured by nonmigrant actors, including the state, corporate capital, as well as small-scale business enterprises in the countries involved. As a result, migrants' resources flow not only north-south, but also south-north, as well as north-north. Figure I provides a heuristic typology that illustrates the complexity of these linkages.[11]

Maintaining Transnational Living

Transnational living, that is, leading a life that straddles across national borders, engenders two main sets of processes. First are the processes associated with migrants' desire to reproduce their cultural practices and customs to maintain their local, regional, and national identities and social milieu abroad. Migrants' desire to continue living, for example, as *Arianos/as, Michoacanos/as,* and *Mexicanos/as* (from Ario de Rayón in the state of Michoacán, Mexico) while in the United States generates a sizable demand for goods and services from their locality and country of origin. Eating and drinking national foods and beverages, or listening and dancing to "authentic" national music becomes "the thing to do" among many immigrant populations, especially among those living in segregated residential, ethnic enclaves. This demand is seized upon by both larger businesses and smaller ventures "back home," for whom the overseas migrant population becomes

[11]While not the focus of my discussion here, it is important to acknowledge that some of the most significant effects of transnational living characterized here, may indeed result in south-south flows of resources and change. For instance, migrants' supply of resources, as well as their demand for goods and services from abroad, often provoke the transformation of old or introduction of new systems of production and distribution – and concomitant social changes in local labor markets, gender relations, and business opportunities.

Table 1. A Heuristic Typology of Transnational Economic Activities

Direction of exchange	Rationale	Type of exchange	Agent	Beneficiary	Benefits	Indicators: Micro	Indicators: Macro
North-South	Kin solidarity Reciprocal obligations Yearning for social recognition	Family remittances	Individual migrant	Relatives, friends	Family subsistence	Remittance as % of household income	Remittances as % of exports and FDI
		Family investments	Individual migrant, family	Relatives	Family human capital[a] Family social capital[b] Family well being[c]	Remittance as % of family investment in housing and durable goods, education	Migrants' participation in the housing market, in their families' human capital
		Community aid	Migrant civic associations	Community org. Local NGOs Local govt.	Development projects, philanthropic activities	Contributions to local projects and institutions	Aggregate contributions to regional economies
	Profit seeking Yearning for social recognition	Business investments	Individual migrant, family	Relatives, friends, bus. partners	Small, mid-scale business expansion	Average business investment; employment generated	Aggregate contributions to regional economies
South-North	Reproduction of national/regional cultural practices, identities	Consumption of things national	Individual migrant Ethnic associations	Business concerns in country of origin Ethnic economy abroad	Export of consumer goods, cultural goods and services, *i.e.*, news, music, art	Average per capita/household consumption of national goods and services abroad	Exports to conational consumers abroad (*i.e.*, migrants)
North-North	Maintenance of transnational social, cultural, economic, political relations	Monetary and nonmonetary transfers Telecommunications Air travel Media	Individual migrant, family Ethnic, civic associations Political parties	Large financial, communication, air transport corporations Ethnic economy	Corporate control of and profit from family remittance transmission, expansion of corporate market control	Ethnic market dynamics and business share	Commissions from of family remittance transferred, proportion of international loans securitized, number of ethnic tourists, minutes of international phone calls

Notes: [a]Includes sponsoring of relatives' formal education and training.
[b]Includes sponsoring relatives' migration expenses.
[c]Includes housing upgrading, purchasing, acquisition of domestic consumer and durable goods (appliances, vehicles), health care.

an extension of their national market – and a conveniently oligopolistic environment for big businesses, creating a captive market of conationals with a higher purchasing power than that of their compatriots back home. This demand for things national unintendedly provides a bridge to national producers (both corporate and otherwise) to transnationalize their operations, a possibility unthinkable for most of these firms without migrants' presence overseas.

The second set of processes generated by transnational living has to do with maintaining more or less stable social, economic, and political relations and engagement with the society of origin. The maintenance of these relations and engagements generates a sizable demand for communication and transportation services, often controlled by large U.S. corporations. In fact, many analysts have given credit to technological innovations in communication and transportation for the tremendous increase in transnational activities "from below" observed in the last third of the last century. Yet very few have ever mentioned the costs and aggregate value that migrants pay for using these technologies, however cheap they may be. This seems baffling given the economic and marketing trends that point out that some of the fastest segments of the telephone, air transportation, and financial industries are international long-distance calling, ethnic tourism, and the private remittance of money undertaken by migrants (Halter, 2000; Beachy, 1998; Yankee Group, 1998; Coopers and Lybrand, 1997). The following examples will illustrate the backward and forward linkages generated by these two processes – *i.e.*, cultural reproduction and transnational engagement.

Migrants' demand for goods and services to reproduce their culture abroad has allowed many producers in the country of origin to expand their clientele beyond their national boundaries. A prime example is Mexican beers' penetration of the U.S. market, considered one of the most impressive marketing successes in the industry. Corona, a beer considered by Mexicans as a "humble, even low-rent beer," became some three years ago the number one foreign beer in the United States. While much of Corona's success is owed to clever marketing strategies, the key that opened the U.S. market to it lies elsewhere. Grupo Modelo, the producer of Corona, first appealed "to a core group of Mexicans living in the United States" before promoting it among college students as a beer with a special cachet (Wills, 1999:C1). Appeals to migrants' nostalgic memories of home and their desires to reconstruct their culture abroad have repeatedly been used by corporations and small producers alike as a means to promote their products. This is also found among Dominicans in New York, who prefer Presidente to any other beer, or Salvadorans' penchant for beers bottled by La Constancia (which recently started bottling its beer in Los Angeles), or Colombians' preference for Aguila and Bavaria, and the reddish soft drink Colombiana (now bottled in Brooklyn) over U.S. drinks.

Another example is provided by Latin American migrants' demand for traditional wedding accoutrements and other ritual handicrafts, such as *rosarios* and artificial floral arrangements. Such a demand has expanded exponentially, spurred by the rapid growth of the Latin American population and, in turn, has triggered the expansion of supply which has provoked dramatic changes in the production system of theses items in rural Mexico. As Mummert (2001) has shown, a complex, extensive, and decentralized system of production has emerged in regions such as rural Michoacan, where peasant women, often the wives and sisters of migrants living in the north, are the sole producers of these goods to be distributed and sold among Mexican and other Latin American immigrants in the United States (Mummert, 2001).

Migrants' demand allows not only the export of specific national goods, but also the transnationalization of some services which without the migrant demand would have never been able to expand into and successfully compete in the U.S. market. An example of this is the expansion of a Salvadoran supermarket chain to Los Angeles. By U.S. standards, La Tapachulteca is a small supermarket chain that caters to middle-class and upper middle-class customers in El Salvador. The likelihood of this company expanding its operations to the highly competitive and monopolist U.S. market was nil until recently. The high concentration of Salvadorans in Los Angeles, estimated at over 250,000 by the 1990 U.S. Census, offered a unique opportunity for this supermarket to compete with giant supermarket chains such as Safeway and Vons. Once La Tapachulteca acquired a foothold in the Los Angeles market, its operation expanded rapidly. Its clientele includes not only Salvadoran, but also Mexican and other Central American immigrants. The supermarket not only sells Salvadoran processed foodstuff difficult to find elsewhere, but does so in a "Salvadoran" environment, where subtle regional differences in taste are appreciated and catered to. This cultural insightfulness gives this chain an advantage hard to overcome by any other American competitor.

Migrants have also become an important market for other sectors of their country's economy, such as the construction and housing industries, tourist industry, music and entertainment, as well as mass media. By the mid-1980s, Dominicans living abroad already accounted for 60 percent of the total amount of the country's yearly formal housing sales (Cámara Dominicana de la Construcción, 1986). Similar trends have also been documented in other countries of emigration, including Mexico, Colombia, Ecuador, and El Salvador (*see* Landolt *et al.*, 1999; Guarnizo *et al.*, 1999; Durand, Parrado and Massey, 1996; Kyle, 2000; Levitt, 2001; Vega, 2002). Although quantitative analyses of migrants' contribution to this key sector do not exist to my knowledge, there are countless ethnographic reports of it for many countries. A common story has local developers and mortgage banks actively promoting the sale of residences, plots, and other real estate property among migrant populations abroad. In some cases, like that of El Salvador, new financial structures have been created by the government to allow the granting of mortgage loans by private banks to nationals whose main income is derived from their employment or business endeavors abroad. In other cases, the government has adopted a more active role in the promotion of home ownership among migrants residing abroad by providing subsidies, building official housing complexes for migrants, and allowing international financial arrangements, as the government has done in the Dominican Republic (Levitt, 2001:143). In many countries, savings and banking accounts in dollars, import tax exemptions, and other similar financial and fiscal provisions have been introduced to facilitate migrants' business transactions and transnational living arrangements.[12]

In order to keep their transnational connections alive, migrants also demand other kinds of services. Keeping in touch with family and friends, overseeing business interests, engaging in political action, taking vacations, and so forth are transnational activities that generate a significant demand for communication and transportation services, a demand which has large corporations vying for its control. In fact, major advertising campaigns for big

[12]Novel business strategies have also been adopted by many corporations. For example, a new business niche has been created whereby migrants pay transnational firms cash for durable goods such as appliances and business equipment to be directly delivered to their kin and partners in countries of origin such as Mexico, El Salvador, and the Dominican Republic. Arguably, this arrangement assures migrants that their money is used as intended and not squandered by needy relatives. In Mexico, Elektra, an electronics, home appliance, and furniture chain that represents Western Union, encourages consumption by providing a discount on goods bought with remitted money. It also delivers appliances and furniture bought directly by migrants in the United States for relatives in Mexico. Transfers done through Elektra have grown at an astonishingly fast pace: from $100 million in 1994, they increased to $400 million in 1995, and to $700 million in 1997 (Meyers, 1998). A similar role is played by La Curaçao, a mid-sized department store based in Los Angeles, that sells home appliances and furniture to its Central American clientele to be delivered directly to their relatives back home.

corporations that provide these kinds of services, such as AT&T, MCI, American Airlines, and United Airlines have been designed to appeal to ethnic diversity and the interest in ancestral ties. For instance, AT&T committed a sizable portion of its marketing budget to hire a communications firm to focus solely on consumers who call relatives and friends outside the United States. "The highly successful national campaign created print, broadcast, direct mail, and community-event-based advertising in nearly twenty languages" (Halter, 2000:28). According to marketing studies, by 1998, Latin Americans in the United States were making $2 billion (or 5% of the U.S. residential long-distance market) worth of international phone calls a year to friends and family in their countries of origin (Beachy, 1998). Recent statistics indicate that Mexico dwarfed other countries as the favored place of destination for calls, netting 970 million minutes per year (Yankee Group, 1998). Corporate competition for the control of the rapidly expanding international long-distance calling business is fierce. For example, when the Federal Communications Commission approved a long-distance service in the United States for a joint venture between Teléfonos de México (Telmex) and Sprint, the mega-carriers AT&T and MCI opposed and appealed this decision. MCI even asked the federal government to carry its complaints against Telmex before the World Trade Organization. The fact that Telmex is recognized by virtually everyone from Mexico, despite the fact that it is now controlled by an American corporation, was one of the main reasons why competition with Telmex was seen as a threat (Beachy, 1998).

Similar competition and corporate take-overs have ensued over the control of air traffic to countries with large migrant populations in the United States. For example, arguing a violation of federal antitrust laws, American Airlines sued the Colombian airline Avianca over the control of the New York-Colombia direct-flight market. In the end, the lawsuit did not succeed, in part due to the mediation of the Clinton administration on behalf of the beleaguered Colombian government, a crucial U.S. partner in the controversial war on drugs. In a different development, American Airlines recently took over TACA, the regional Central American airline, as a way to gain control over the increasing demand by Central American migrants to visit their homelands. Meanwhile, in Mexico, in response to an increasing demand from migrants, new airlines and flights that connect U.S. destinations and large and small cities of western Mexico have sprung up. The new flight between Chicago and Zacatecas, for example, "is used primarily by migrants, not tourists or businessmen" (Durand, Parrado and Massey, 1996:431).

At the same time, migrants' demand for traveling services has transformed local markets in their places of residence. For instance, the first international flight to land in Sacramento's International Airport was from Mexico. Nonstop international service has taken a long time to come to California's capital. Sacramento County supervisors voted, in 1995, to change the name from Sacramento Metropolitan Airport, anticipating international flights would arrive soon. This only happened on July 1, 2002, when Lt. Governor Cruz Bustamante welcomed the first Mexicana de Aviación flight from Guadalajara, the capital of the state of Jalisco. Underlying the intrinsic economic dimension of Mexican transnational living in the area, Mr. Bustamante stated that the flight "will mean hard dollars and a boost of the economy for Sacramento and California" and "will also bring families together." Given migrants' transnational connections and the economic characteristics of Jalisco, airline and airport officials expect strong business. California officials estimate that as many as 500,000 people in the market served by Sacramento International have family ties to Jalisco. In addition, Guadalajara, a traditional manufacturing center and Mexico's Silicon Valley, is Mexico's second largest city, with 1.6 million residents in the immediate urban area and an additional 2 million in the metropolitan area (Lindelof and Martinez, 2002:B3).

Transnational Migration and Global Neoliberal Restructuring

Global economic crises affecting most developing countries have brought migrant remittances to the forefront of global financial transactions. First, the increasing worldwide volume of money that migrants send to family and friends in their countries of origin has reached such levels that it has become a new, significant, and profitable business niche of large financial corporate interests. The transfer of monetary aid to families had usually been the business of small, shoestring operations owned by migrants themselves, which operated on the basis of mutual trust and social understanding between conationals. Lately, it has become a multibillion dollar industry, the control of which has generated high competition among corporate firms, such as Western Union and MoneyGram – which by 1996 already controlled 97 percent of the remittance market and 81 percent of the estimated 43,000 outlets in the United States (Coopers and Lybrand, 1997:17). Many of these outlets are originally ethnic-owned operations, which due to stringent reporting regulations imposed by the Treasury Department as part of its fight against money laundering, became franchises of these corporations. Moreover, the money transfer services of these corporations are now global as they have expanded their operations to other countries of immigration in Europe and Asia.

Second, the flow of migrant remittances to countries of emigration has proven so reliable and stable that it has become a crucial part in the macrofinancial positioning of these countries vis-à-vis global lending agencies. Since Mexico's sudden devaluation of the peso in 1994, and the subsequent crisis in Asia, capital lending to developing countries has remained depressed and borrowing costs high. Major international agencies have downgraded the creditworthiness of Third World economies, and the possibilities for accessing international finance by these countries have dimmed. Under these conditions, developing countries and international financial agencies have found creative solutions to secure international finance. One such solution is to back loans with future hard-currency receivables, such as remittances, to allow lenders to "break through sovereign credit ceilings and gain access to cheaper [long-term external debt] ... [and] also prevent the large-scale panic that may result when a country's foreign reserves suddenly dry up" (Ketkar and Ratha, 2001). In effect, migrants' solidarity and reciprocity with their loved ones residing in their homeland have become a "hard-currency receivable" used as a "tradable security" to secure foreign loans for economies whose creditworthiness has been downgraded in the international market (Ketkar and Ratha, 2001).

In a typical "future flow transaction" of this kind, the borrowing country sells its future product (receivable) to an offshore agency, which issues the debt instrument to be used as a guarantee for the lenders. Until recently, however, this type of securitization of international lending was done with commodities, such as oil, gas, minerals, and manufactured products. Services, remittances, and taxes are now included. International credit rating agencies (such as Standard and Poor's Rating Services, Fitch IBCA, Duff & Phelps) ranked future flow receivable transactions from most secure to least secure (*see* Table 2). As Table 1 indicates, while crude oil tops the list as the most secure collateral, migrants' contribution to securing international transactions (identified in bold face) is significant. According to aggregate data, remittances alone contributed some 5 percent of the total amount securitized for the 1987–1999 period and are estimated to constitute around 10 percent of the total potential securitized borrowing for Latin America (Ketkar and Ratha, 2001:7).

TABLE 2
RANKING OF FUTURE FLOW-BACKED TRANSACTIONS, FROM MOST SECURE TO LEAST SECURE

- Heavy crude oil receivables
- Airline ticket receivables, telephone receivables, credit card receivables, and electronic remittances
- Oil and gas royalties, export receivables
- Paper remittances
- Tax revenue receivables

Source: Ketkar and Ratha, 2001, based on Standard and Poor's Rating Services, and Fitch IBCA, Duff & Phelps.

This system of finance is relatively new. The first important future flow securitized transaction in a developing country occurred in 1987, when the Mexican telephone company, Telmex, at the time state-owned, securitized telephone receivables. In August 1996, based on the expected inflow from remittances alone, SBC Warburg, Inc. sold $100 million in securities to Banco International in Mexico. The year before, J.P. Morgan Securities Inc. and Merrill Lynch & Company sold $206.5 million in bonds to Banco Nacional de México (Banamex) (Case, 1996). The transactions allowed these banks to issue securitized bonds based on the expected amount of remittances that would enter the system through electronic transfers. Since the Mexican crisis, Latin American borrowers dominate this market. Mexico alone accounts for over one half of these transactions in dollar terms (Ketkar and Ratha, 2001:6).

The new roles that remittances have in international finance and, more generally, the significance of the economic multiplier effects of migrants' transnational living may very well put an old economic axiom on its head: capital mobility follows labor mobility. This time migrants are followed not as a source of cheap labor, but as a profitable market. On the other hand, migrants are unintentionally providing, through their monetary transfers, badly needed hard currency to complement and even subsidize some of the consequences of neoliberal reforms imposed by international financial agencies on developing countries. Migrants' hard currency helps reposition the country in the global financial world, subsidizes the import of goods and services to modernize national industries, and maintains the consumption of foreign goods. Meanwhile, migrants' demand from abroad helps expand a contracted national market for goods and services. Most of this complex array of effects has been missed in most analyses of the economic effects of migration. Some analysts have mentioned them, but mostly as a way to emphasize the significance of migration in general, rather than to delve into their specific empirical dimensions or theoretical implications.

CONCLUSION

Existing research has produced a wealth of knowledge on the size and effects of transnational migration on the development of sending communities. However, the research agenda has been half full. Significant dimensions have been neglected, some because of their newness, others because of the dominant analytical focus on one-way effects – that is, the north-south flow of migrant monetary resources "benefiting" localities and countries of origin. As this article has shown, the economic effects of migrants' transnational living are much more varied, multidirectional, and consequential than thus far acknowledged.

This does not mean, of course, that the old research agenda should be dropped altogether. Further investigation is required, although with new or at least added emphases. Specifically, the relationship between corporate capital, migrants' transnational living, and state-sponsored neoliberal policies should be investigated in light of the processes outlined above. An abundant literature already exists on the role of the state of origin, especially regarding the granting of special rights to migrants to promote their integration into the national project and to ensure the steady transfer, control, and use of their remittances (*see* R.C. Smith, 1998; Guarnizo, 1998; Landolt *et al.*, 1999). Much less is known about the way in which official neoliberal reforms and economic restructuring in sending countries make use of and are articulated with (and even subsidized by) the increasing amount of migrants' money and resources. Similarly, we know very little about how corporate capital vies for the control and exchange of the resources that migrants transfer to their homelands and for migrants' demand for goods and services to sustain their transnational living. Analytically, what is novel and deserves more attention is the fact that a microsocial relation undertaken by people located physically and politically outside the centers of national power and control has become critical for the present and future of countries of origins' macroeconomic stability and positioning in the global political economy.

The study of the articulation between migrants' transnational living and capital mobility offers exciting analytical new vistas on the economics of transnational migration, particularly regarding the relationship between migration and development. The often neglected, albeit crucial, salience of migrants' steady long-distance loyalty to family, friends, and community for global neoliberal restructuring is evident. On the one hand, the transfer of migrants' monetary remittances, archetypal expression of such sociocultural ties, has become a flourishing global business controlled by large corporations. On the other, using the future of remittances as a security to upgrade the creditworthiness of highly indebted countries is not only an indication of the economic global import of labor mobility, but also a clear expression of the creative malleability of capitalism to accommodate to new circumstances to reproduce itself. While, for the most part, migrants are still unaware of their tremendous economic power (or at least unable to make use of it), what seems clear from these processes is that characterizing the mobility of labor as a mere reaction to capital mobility (to be pushed and pulled around) seems inadequate under the new conditions created by capitalist globalization and global migration. If we are to understand and critique the economic aspects of transmigration, then we have to take into account the dynamic role of capital in "following" the lead of labor (rather than the other way around).

Despite the complex and unforeseen macroeconomic effects of transnational living, it would be unwarranted to confer it a subversive and independent character vis-à-vis the state and corporate capital. As the evidence presented reminds us, we continue to live in a capitalist world organized around a global system of nation-states. Despite hopeful prescriptive writings about the alleged autonomous and stateless character of transnational practices, there is no evidence that migrants are escaping either a capitalist or a nation-state-centered logic. Transnational relations are neither free nor are they necessarily liberatory. Indeed, we should guard against unrestrained optimism about the possibilities of transnational living. Despite their apparent fluidity and ability to create new social spaces, one should bear in mind that, like any other type of social action, transnational practices and relationships are embedded in and simultaneously affect historically and geographically specific sociopolitical and spatial hierarchies and contexts. These local contexts affect (*i.e.*, may limit, encourage, empower, disable) transnational actions, making them, for the most part, trans-local (*i.e.*, local-to-local) relations.

Migrants' search for profits across borders is bounded by sociocultural relations, discourses, and practices, as well as by desires and claims for social recognition and status in migrants' places of origin and destination. In this sense, such practices are not impervious to social and economic inequalities inherent in the system. Paradoxically, instead of escaping the control of the state and corporate capital, migrants' cross-border engagement provides opportunities for further capitalist expansion and the reproduction of old inequalities. Some migrants, especially the better-off, often succeed in taking advantage of interstitial spaces to empower themselves. The majority, however, have been unable to overcome power asymmetries. Class, gender, and regional asymmetries outlive transnational practices from below. Perhaps more importantly, these asymmetries themselves are being changed, not eradicated, by transnational living. To put it more boldly, transnational relations from below are altering the face of capitalism. They are not eliminating traditional inequalities and not merely reinscribing them, but changing them, making them more supple and subtle in some cases and more brutal and constricting in others. Sociologists should thus use their empirical findings to consider the effects of transnational practice on capitalism in the *longue durée*.

Evidently, all depends on whether transnational actions become the most common practice among migrants and are sustained over time. However, even if transnational living and its concomitants were to die with the first generation, as long as south-north migration continues and globalization persists, there is no reason to expect that transnational living will disappear. These issues should compel further sociological interest in the character and evolution of migrants' transnational engagement in light of the persistent and powerful role of the state and corporate capital in shaping the landscape of global possibilities. The co-optation of migrants' enormous contributions by the state and corporate actors points to the formation of novel forms of social control and profit extraction in the global economy. While corporate interests vie for the control of migrants' monetary transfers and their demand for goods and services, states of origin and destination, as well as multilateral agencies and international NGOs, also try to control migrants' monetary transfers allegedly to maximize their developmental potential.

In the last instance, the question is who benefits from migrant resources and how they affect the rules of the game. For example, while transnational entrepreneurship indeed represents a new type of entrepreneur, the question is what structures of power these new entrepreneurs affect and create and what kind of constraints and potentials this kind of economic endeavor entails. Although first-generation males appear to be the dominant actors in this field, it is not clear whether such domination is structurally determined or merely a historical juncture in transnational entrepreneurship development. Whether or not transnational entrepreneurship will endure beyond the first generation and expand to include more female migrants is an open question. There is a need for both comparative and longitudinal quantitative and qualitative data to establish more firmly the structures, determinants, contextual effects, and long-term effects of transnational enterprise. Similarly, knowing how much money migrants remit and how that money is sent and used is important. But in order to determine the economic dynamics of transnational migration, it is imperative to learn more systematically about the geography of remittances (*i.e.*, variation across places of origin and destination) and the sociology of remittances (*i.e.*, sociodemographics and power relations along class, gender, and generational lines of senders and receivers across different contexts).

In the United States, a good deal of migration research has been devoted to the so-called historic region of emigration in Mexico (*i.e.,* the Western Central states, especially Guanajuato, Michoacán, Jalisco, and Zacatecas).

Many generalizations have been made from case studies and local studies about both the Mexican case and migration more generally. More attention should be devoted to regional comparisons within countries of emigration and to cross-national comparisons, including important countries of emigration such as El Salvador, Guatemala, Colombia, Ecuador, Peru, the Dominican Republic, Jamaica and Haiti in the Western Hemisphere, as well as mainland China, South Korea, Vietnam, India, and the Philippines in Asia.

More comparative and longitudinal research is also needed across subnational regions, countries, and genders. These should compare the experiences of contemporary migrants from the same sending regions and countries moving to different countries and regions in the industrialized north. These are just some of the queries future research can fruitfully address.

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