

REMITTANCES AND INTERNATIONAL DEVELOPMENT: THE FORCES SHAPING COMMUNITY DEVELOPMENT

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In an era of increasing government austerity (pre-covid) and also reticent spending on social welfare, during the pandemic, this book asks some fundamental questions about the role of remittances in community sustenance and development. Prior similar research has shown that global remittances, are three times the amount of international development aid. Remittance research has recently begun to gain momentum in the academic realm. However, the processes of meaning making, the theorizing of various aspects involving remittances, and policy on remittances are not often treated with much depth. Which is why this book aims to treat remittances as an act of social norm involving individuals, nation states and diaspora groups. The book treats remittances both as an act of individual piety and obligation as well as a sociological fact, which needs to be understood from the perspective of the actors, i.e., the givers and recipients. Using theories of charitable giving, motives of giving, policy analysis and international relations, the authors offer a compelling narrative of how and why remittances occur and its impact on both the giver and recipient. Along with the aim to shed light on this important social reality.

Khan and Merritt's book, *Remittances and International Development*, is the outcome of research carried out by both the researchers, in the areas of charity, philanthropy and remittances. As scholars, they have written about—both individually and together—

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issues of remittances, philanthropy and voluntary action. Though continued to remain curious and fascinated by how individual actions can be key in ensuring collective good.

Remittances are a key part of the debate around international aid and often are ignored by practitioners and scholars, alike. As the World Bank and other agencies studying this phenomenon point out, remittances far outweigh international aid in magnitude. However, their impact is qualitatively different, impacting our world in ways both subtle and not so subtle. As Dr. Dilip Ratha at the World Bank argues:

At more than three times the size of development aid, international migrants' remittances provide a lifeline for millions of households in developing countries. In addition, migrants hold more than \$500 billion in annual savings. Together, remittances and migrant savings offer a substantial source of financing for development projects that can improve lives and livelihoods in developing countries.¹

The book asserts that this dynamic of sending remittances is rooted in various forces that shape the acts themselves: motivations of senders, needs of recipients, government policies and international relations. The research attempts to offer a nuanced theoretical perspective that brings all these forces together, to examine how remittance giving has evolved. This perspective of looking at remittances is what is unique about this book and specifically suggests that scholars should take a grounded approach to examining this lived phenomenon. Rather than using existing concepts and categories to understand it.

Religious motives dominate charitable giving around the world, as several scholars have pointed out (Siddiqui, 2014; Wuthnow, 2008; Bekkers and Wiepking, 2011). The researchers examine the role of ethical and religious notions of charity, through interviews and other data collection measures.

While the focus of the book is on offering a theoretical perspective that is interdisciplinary in nature, utilization of both qualitative and quantitative approaches have been demonstrated. In the pursuit of understanding remittances, cultural and subcultural differences seen through the case study analysis as well as the implemented governmental policies. Available data surrounding remittance giving is illustrated as further evidence of the complexity and intricacies of this phenomenon. Furthermore, the researchers broadly

¹ Leveraging Migration and Remittances for Development | United Nations (oclc.org) (Accessed on November 28th, 2021).

demonstrate the relationship[s] between remittances and public good. This is presented through not only a policy lens, but a sociological lens that includes religion as a construct.

Khan and Merritt delve into the following questions:

1. *What is the reason that remittances have increased in the last two to three decades?*
2. *What are the policy frameworks that nation-states use, to frame the discourse of remittances?*
3. *How have the discourses of remittances changed in the last few years, globally?*
4. *Can we understand the phenomenon of remittances using the framework of charitable giving and philanthropy?*
5. *How do remittances shape the relations between nation-states?*

Each question is answered substantively, employing a mixed-methods approach. Some of the key substantive points made in the book cover, are the following:

Motivations to send and receive - Background

In this chapter, the literature on motivations to send and receive is covered. Given the growing awareness around issues of development, aid and migration, there has been a lot of research on motivations to send. The chapter synthesizes this work and also offers an analysis. Scholars have previously pointed out that the motivations to send and receive money revolve around awareness, ties to the groups involved or some form of affiliation. With the rise of mass media, digital technologies and means of communication, the research suggest that there are norms of solidarity, community building and network formation that goes beyond traditional notions of community. It is argued that remittances can help understand how global activism, solidarity and community building are taking place, around the world. Which is why a closer examination of these phenomenon is crucial if we are to understand how the modern individual relates to others around him/her.

Growth of money transfer: theorizing technology, distance and money

Technology has emerged as one of the bigger forces shaping remittances and giving. A theoretical lens is used to look at how technology is

impacting giving and sending, what implications it has on relationships of donor and recipient. With the rise of firms such as MoneyGram, Western Union and others that are based in the West and act as conduits of transfer of money, this chapter seeks to examine how these firms act as bridges of connection. What role do they play, besides being pure agents of money transfer? Do they lobby the government for fairer and better regulations? Or do they seek to just profit from this basic need of millions, around the world, to send money to their loved ones? Khan and Merritt offer a theoretical perspective of this important component of the remittances landscape. Based on an in-depth analysis and interviews with individuals from the remittances sector, the book offers a critical perspective that delves deep into the relationship between technology, policy and governance. The goal is not to map the historical development of technology, but to offer a sophisticated analysis of how technology, policy and people come together to shape this field.

Remittances by numbers: How much is sent and where

In this chapter, the focus is purely on the quantitative aspects of giving, looking carefully at the numbers. Focus is placed on the three countries of interest: India, USA and Mexico. While we know that remittances are roughly three times in size as the international development aid (World Bank 2020), the authors seek to contextualize these numbers in the changes ongoing around us. The quantity of remittances varies across time and location, there are certain trends that have emerged in the past few years. This chapter contextualizes these debates and makes sense of how they have evolved. What are the causes of these changes and how might they change in the future? These are a few of the questions the authors seek to answer in this chapter.

Policy and remittances: Security dilemmas and human needs

This chapter looks at the policy around remittances and giving. Humanitarian aid policy and remittances giving have been adversely impacted by the regulations around remittances. This chapter offers a critical case analysis of countries where sending and receiving money can mean the difference between life and death, and how these are examined. The authors seek to understand how policy shapes practices. Especially in the context of humanitarian aid, in disaster and crisis situations, the authors seek to understand how remittances play a crucial

role and what policy changes are needed for an effective response from the diaspora communities.

Discourse of remittances: How it shapes praxis in India, USA and Mexico

In this chapter, Khan and Merritt purely discuss the discourses of remittances and how it shapes practices of migration. Do migrants influence remittances behavior of others? How does the discourse of remittance shape the lives of those who are dependent on the money sent? Examination of this as well as the sustainability of continued remittances, both the giving and receiving, is included in this chapter. It delves into the social paradigm that is created through the remittance relationship. While also paying respect to the differences in cultures including, though not limited to faith differences.

Case studies: India as a receiver and USA as a sender

Using India and the US respectively as paradigmatic examples of the largest recipient and sender respectively, the authors take a close look at the dynamics of how remittances came to be. This includes historically and sociologically. The chapter looks at the forces that shaped remittance behavior in each country and future implications. Through review of documents, interviews, and first-person anecdotal evidence, this chapter relies heavily on the individual and the experiences gained or lost from remittances.

Remittances and the Persian Gulf nations

With the rise of the oil and natural gas income, rich Middle Eastern states appeared as magnets for migrant workers, which resulted in the phenomenon of the guest worker booming since the late 1970s. With this, we have also seen the rise of remittances to South and South-East Asia, where a majority of the migrant workers are from. The authors offer an up to-date analysis of how the changing economy in states such as Qatar and Kingdom of Saudi Arabia, with the ongoing political and economic upheavals, might impact the remittances landscape and its mean for the recipient states. While it is also worthwhile to examine how their own economies might change. As the resource, rich Gulf States shift their positioning in the global landscape from being a magnet for fortune seekers to become hubs of innovation. The chapter provides an

understanding of how this shift may impact the millions of people working there, who are the primary remittance senders.

With the COVID pandemic and subsequent stoppage of migration inflows into the Gulf countries, there has been a change in the patterns of remittances. Which is why the manner in which the governments of the region have supported migrant workers or not, needs updating.

Remittances as subaltern philanthropy

We frame remittances as ‘subaltern philanthropy’ or philanthropy by the poor and marginalized towards others. Even though remittances giving to the ‘in group’ is what happens mostly, there are instances when it exhibits philanthropic characteristics of addressing the ‘common good.’ This chapter critically examines how remittances can be seen as a new form of solidarity among people who are marginalized. This new perspective has not been explored and examined in much depth. Khan and Merritt argue that this perspective of examining remittances dispels many stereotypes. Finally it brings greater clarity to why people send money to their relatives or friends in the country of their origins.

Remittances and International Development: The forces shaping community development (2021) offers an applied dive into the phenomenon of remittances. Remittances that are occurring across the globe and are impacting activities in everyone’s backyard. The contribution of this book review to the Special Issue ‘*Cross-border philanthropy in the Islamic world*’ include a furthering perspective on the interactions between local and global philanthropy. This with a particular insight into the private money transfers between India and Saudi Arabia as well as India and the United States of America. These country-to-country interactions are an example of diaspora philanthropy that is part of community and international development as well as sustainability. Furthermore, this book illuminates the typologies of diaspora communities while placing the understanding as a person’s identification with their country of origin and their livelihood in their host country.

Finally, as the month of Ramadhan begins in April, and its observance is visibly seen in Muslim majority countries, we can also see an uptick in both philanthropy and remittances. Typically, there is a rise in remittances sent by migrants around festivals, and Ramadhan is no exception. This sending and receiving of money sums up all that one can say about obligations towards one another and one’s identity. With money as a mediating factor, one can understand how human relations

are being shaped and re-shaped by a closer examination of remittances. This book makes a compelling case as to how.

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