# Family Neg

## Remittances

### Remittances low

#### Remittances declining now.

The World Bank, 17—source of financial and technical assistance to developing countries around the world. We are not a bank in the ordinary sense but a unique partnership to reduce poverty and support development. The World Bank Group comprises five institutions managed by their member countries (“Remittances to Developing Countries Decline for Second Consecutive Year,” The World Bank, 4/21/17, <http://www.worldbank.org/en/news/press-release/2017/04/21/remittances-to-developing-countries-decline-for-second-consecutive-year)//AS>

WASHINGTON, April 21, 2017 – Remittances to developing countries fell for a second consecutive year in 2016, a trend not seen in three decades, says the latest edition of the Migration and Development Brief, released today during the World Bank’s Spring Meetings.

The Bank estimates that officially recorded remittances to developing countries amounted to $429 billion in 2016, a decline of 2.4 **percent** over $440 billion in 2015. Global remittances, which include flows to high-income countries, contracted by 1.2 percent to $575 billion in 2016, from $582 billion in 2015.

Low oil prices and weak economic growth in the Gulf Cooperation Council (GCC) countries and the Russian Federation are taking a toll on remittance flows to South Asia and Central Asia, while weak growth in Europe has reduced flows to North Africa and Sub-Saharan Africa.

The decline in remittances, when valued in U.S. dollars, was made worse by a weaker euro, British pound and Russian ruble against the U.S. dollar.

As a result, many large remittance-receiving countries saw sharp declines in remittance flows. India, while retaining its top spot as the world’s largest remittance recipient, led the decline with remittance inflows amounting to $62.7 billion last year, a decrease of **8.9 percent** over $68.9 billion in 2015.

Remittances to other major receiving countries are also estimated to have fallen last year, including Bangladesh (-11.1 percent), Nigeria (-10 percent), and Egypt (-9.5 percent). The exceptions among major remittance recipients were Mexico and the Philippines, which saw inflows increase by an estimated 8.8 percent and 4.9 percent, respectively, last year.

“Remittances are an important source of income for millions of families in developing countries. As such, a weakening of remittance flows can have a serious impact on the ability of families to get health care, education or proper nutrition,” said Rita Ramalho, Acting Director of the World Bank’s Global Indicators Group.

### Can’t solve remittances

#### Alt causes to changes in remittances – schooling, country, parental education

Jasso and Rosenzweig 10 Guillermina Jasso is a silver professor of sociology at NYU and Mark R. Rosenzweig is the Frank Altschul Professor of International Economics and Director of the Economic Growth Center at Yale (Guillermina, Mark R., “Remit or Reunify? US Immigrant Parents, Remittances and the Sponsorship of Children,” FRB Atlanta, November 2010, <https://www.frbatlanta.org/-/media/documents/news/conferences/2010/ac-remittances/rosenzweig.pdf>) // SR

4. Estimates

a. Remittances. There are 1,322 immigrant parents who have at least one child aged 16 and above. The first column of Table 9 reports Tobit estimates of the determinants of the total amounts of financial transfers to children above 16 in this sample, with the derived marginals for the probability of a children being provided a transfer (second column) and the transfer amount, conditional on a transfer being made (third column). These results are consistent with altruistic behavior depicted in the model - immigrants with children who have higher levels of schooling are less likely to remit to their children and, if they do, the transfer amount is lower. The estimated marginals indicate that a one standard deviation in average schooling attainment of the immigrant’s children reduces the probability of sending a remittance by 1.6 percentage points, or by 10% and reduces the amount by 4%. Similarly, although the estimate is less precise, for given average schooling, if the children reside in a high skill price country and thus have higher rewards for their skill, the probability and amount of transfers provided are lower. Because only a fraction of the children reside in the home county, the direct skill price estimate is attenuated in this sample. However, it is notable that the higher the proportion of the immigrant’s children resident in the United States, who face a significantly higher skill price, the less likely is the parent to provide a transfer and the lower the levels of transfers.8 Finally, again consistent with altruism, parents with higher levels of schooling, given their children’s characteristics, are more likely to remit and remit more and those with no earnings remit less. The coefficient on actual parental earnings also has a positive sign, but it is not estimated precisely.

We now look at estimates of the probability that an individual child of the immigrant respondent and who is age 17 and above receives a transfer from the parent, based on the subsample of 1,918 children who are neither citizens nor residents of the United States. The first column of Table 10 reports estimates from a specification that includes parental, child and country characteristics, with coefficient standard errors clustered at the country level. While the coefficient estimates conform to the altruism model, and to the immigrant-level coefficient estimates of Table 9 - child schooling and the log skill price have a negative effect on the probability of the child receiving a transfer and parental schooling has a positive effect - the coefficients are imprecisely estimated.

In the second column we report estimates that include a country fixed effect. Here the estimate of the effect of parental earnings on the transfer probability is positive and statistically significant, the effect of the parent-immigrant having no earnings is negative and statistically significant, and the child schooling effect is negative and statistically significant, patterns again consistent with altruism. In the last column the estimates reported are from a specification that include a family fixed effect, in which are impounded all country and parent characteristics, measured or unmeasured. The estimates thus indicate who among of an immigrant’s children are more likely to receive a transfer. And the estimates again indicate that among the children, a child with higher schooling attainment is less likely to receive a transfer from the parent compared to her less educated sibling. The negative child schooling effect is statistically significant at the .04 level (one-tail test) and the point estimate indicates that a one-standard deviation increase in schooling decreases the probability of the child receiving a remittance by 30%.

### Remittances good – climate adaption 1nc

#### Remittance inflows counteracts inequality – resolves food insecurity for poorer people and creates sustainable climate adaptation

Musah-Surugu et al, 18 – Senior Research Felow at West African Center for Climate and Environmental Governance, University of Ghana (Issah, Albert Ahenkan, Justice Nyigmah Bawole, Samuel Antwi Darkwah, 2018, "Migrants’ remittances: A complementary source of financing adaptation to climate change at the local level in Ghana," International Journal of Climate Change Strategies and Management, DOA: 6-30-2018 ) //SS

4.6 Discussion of data

4.6.1 Financing climate change-induced incremental cost related to consumption.

The data gathered support the claims that in times of environmental shocks, remittances provide a significant financial buffer for poorer people (Couharde and Generoso, 2015; World Bank, 2015; Quartey and Blankson, 2004; Findley, 1994). It was noted throughout the interviews with remittance-recipient households that incomes from their traditional occupation are extremely inadequate to provide them with the necessary household needs, and on most occasions, they have largely depended on remittances. It was noted that without remittances, most of these families would face an extreme level of food insecurity and would also be exempted from accessing healthcare, education and vital services considered as “stock adaptation” strategies. The use of remittances for consumptive purposes by families hard-hit by climate change confirms Couharde and Generoso’s (2015) findings that remittances have a significant impact on the West African economies that are highly sensitive to rainfall shocks. Finally, the data again confirm the argument that a large proportion of remittances are spent on consumption, which has relatively minimal impact on long-term adaptation goals, as over 50 per cent of remittances were largely utilised on consumption-related expenditure.

4.6.2 Undertaking precautionary saving and investment as insurance against climate risk.

Using remittances for precautionary savings and investment could increase the riskbearing capacity of vulnerable households against climate change shocks (Couharde and Generoso, 2015). This is because access to remittances helps rural households to diversify their income tributaries to include non-farm or non-fishing activities. Such diversification is based on anticipation of possible failures in their traditional revenue streams owing to climatic variability. For many rural dwellers, investment helps them to maintain a range of income activities that protect them against expected poor agricultural or fishing season. In SSA, agricultural activities are seasonal and environmental changes are full of uncertainty. As a result, many rural households tend to reduce risk by diversifying into activities with lower covariate risk to make consumption and incomes less volatile. It was also observed within the transitional and Guinea ecological zones of the study area that many non-farming income activities tend to peak during the dry seasons when there is a decline in farm activities, which forces smallholder farmers to diversify their labour. However, it is remittance-recipient households that are more capable of engaging in other incomegenerating activities such as livestock rearing and marketing and retailing during the offseason. The use of remittances to invest in various productive activities such as risk diversification mechanism also confirms some previous studies that are of the opinion that remittances can be counter-cyclical, which could be used to invest in physical and human capital (Cooray and Mallick, 2013).

4.6.3 Financing climate change-induced incremental cost related to infrastructure.

Remittance recipients’ households have on many occasions used their funds to improve or reconstruct their ageing houses and canoes or build new infrastructure in an attempt to boost their adaptive capacity against the impact of climate change. It has been reported that an effectively globalised communication system and lived experiences have provided good climate knowledge to farmers and fisherfolks in Africa (Mertz et al., 2009; Yaro, 2013). As a result, farmers and fisherfolks usually devise means to adapt to expected impacts of climate change and therefore invest some of their income (e.g. remittances) in activities that could boost their adaptive capacity. The data from the respondents show that the decision to invest part of remittances in sustainable activities was based on their awareness of climate change. This finding is consistent with previous studies which show that rural people in SSA have good knowledge of climate change and its related impacts (Mertz et al., 2009; Mortimore and Adams, 2001). Similarly, surveying 11 countries from SAA, Maddison (2007) noted that significant numbers of rural people are aware that climate is changing and therefore find a way to adapt, accommodate or retreat. Evidence from the data also confirms that successful transition from hard-hit disaster homes to a healthy and resilient home in the study areas largely depended on access to remittances. This confirms King et al.’s (2014) claim that remittances support households to reduce their exposure to flood risk by building a flood-resistant infrastructure or relocating to a safer area.

#### **Climate change disrupts food supply and risks global catastrophe – developing resilience is key to prevent extinction**

Baum et al, 15 – Baum is the executive director of the Global Catastrophic Risk Institute, a think tank focused on existential risk. Baum’s research focuses on risk, ethics, and policy questions about major threats to human civilization, including nuclear war, global warming, and emerging technologies (Seth D, David C. Denkenberger, Joshua M. Pearce, Alan Robock, Richelle Winkler, 5-9-2015, "Resilience to global food supply catastrophes," Environment Systems and Decisions, Volume 35, Issue 2, pp 301–313, DOA: 7-1-2018 ) //SS

Many global catastrophic risks threaten major disruption to global food supplies, including nuclear wars, volcanic eruptions, asteroid and comet impacts, and plant disease outbreaks. This paper discusses options for increasing the resilience of food supplies to these risks. In contrast to local catastrophes, global food supply catastrophes cannot be addressed via food aid from external locations. Three options for food supply resilience are identified: food stockpiles, agriculture, and foods produced from alternative (non-sunlight) energy sources including biomass and fossil fuels. Each of these three options has certain advantages and disadvantages. Stockpiles are versatile but expensive. Agriculture is efficient but less viable in certain catastrophe scenarios. Alternative foods are inexpensive pre-catastrophe but need to be scaled up post-catastrophe and may face issues of social acceptability. The optimal portfolio of food options will typically include some of each and will additionally vary by location as regions vary in population and access to food input resources. Furthermore, if the catastrophe shuts down transportation, then resilience requires local self-sufficiency in food. Food supply resilience requires not just the food itself, but also the accompanying systems of food production and distribution. Overall, increasing food supply resilience can play an important role in global catastrophic risk reduction. However, it is unwise to attempt maximizing food supply resilience, because doing so comes at the expense of other important objectives, including catastrophe prevention. Taking all these issues into account, the paper proposes a research agenda for analysis of specific food supply resilience decisions.

1 Introduction

Human civilization is threatened by a range of global catastrophic risks. The severity of such catastrophes is so large (indeed, it may be infinite) that these risks are important even if their probability is low. And so, scholars over several decades have argued that reducing these risks should be an important priority for society today (e.g., Sagan 1983; Ng 1991; Bostrom 2002; Beckstead 2013).1

Several known global catastrophic risks cause harm to human civilization by disrupting global food supplies, threatening severe global food security crises. Volcanic eruptions, asteroid and comet impacts, and nuclear wars all send particulate matter into the stratosphere. The particles spread globally, blocking incoming sunlight, rapidly lowering surface temperatures and reducing precipitation, and in turn lowering agricultural yields (Robock et al. 2009; Xia et al. 2015). A rapid increase in surface temperatures can follow from the abrupt cessation of stratospheric geoengineering, a technology proposed in response to global warming (e.g., Matthews and Caldeira 2007);2 this rapid warming could have similarly harmful agricultural effects. Even without geoengineering, natural climate change could also be abrupt (Lenton et al. 2008; Valdes 2011). Plant pathogens and invasive species, including novel organisms produced through biotechnology, could destroy major classes of crops (Dudley and Woodford 2002; Mann 1999; Saigo 2000). There may be additional risks to global food supplies that have not yet been identified. These unknown risks could relate to environmental change, emerging technologies, and/or some other force.3 Because so many known global catastrophic risks impair food supplies, it is likely that unknown global catastrophic risks would as well. Collectively, these risks make risks to food supplies one of the largest classes of global catastrophic risk.

Ideally, these catastrophes would be prevented, such that there would be no major loss of food. To the extent that these catastrophes can be prevented, efforts to prevent them should be made. However, such efforts may not succeed. Furthermore, some of the risks, such as volcanic eruptions, cannot readily be prevented. Finally, the unknown risks, if there are any, potentially could be prevented, but it is not known how to do so. For these reasons, it is possible that a global food supply catastrophe will occur, despite efforts made to prevent it.

The prospect of global food supply catastrophe suggests a role for increasing civilization’s resilience to such catastrophes. Resilience can be defined as “the ability to prepare and plan for, absorb, recover from, and more successfully adapt to adverse events” (NAS 2012:1). Risk analysts have increasingly recognized the importance of resilience in managing a variety of risks (Haimes 2009; Aven 2011; Park et al. 2013; Linkov et al. 2014), including global catastrophic risks (Maher and Baum 2013; Baum and Handoh 2014). A resilient system is able to retain critical functionality in the face of disruptions, even while it may make adaptations of noncritical attributes. In the face of global food supply catastrophes, a resilient global human system will adapt its food procurement practices to keep people alive and keep civilization intact.

### --xt remittances kt climate adaption

#### **Remittances are better than government-led adaptation measures – provide specialized and localized relief**

Musah-Surugu et al, 18 – Senior Research Felow at West African Center for Climate and Environmental Governance, University of Ghana (Issah, Albert Ahenkan, Justice Nyigmah Bawole, Samuel Antwi Darkwah, 2018, "Migrants’ remittances: A complementary source of financing adaptation to climate change at the local level in Ghana," International Journal of Climate Change Strategies and Management, DOA: 6-30-2018 ) //SS

5. Conclusion and recommendations

In summary, a large proportion of scholarly evidence posits that the marginal effects of anthropogenic climate change are significant and likely to soar over time. The poor are likely to bear the highest risk owing to their limited adaptive capacity. Invariably, SAA countries with deeply rooted levels of poverty would be disproportionately affected, as they constitute half of the world’s indigent (World Bank, 2015). The often-contentious and inconclusive debates at the various conferences of parties that sought to propose funding for climate change show that financing the cost of adaptation among the world’s poor continues to be a nightmare of many development stakeholders. Past global efforts aimed at providing sufficient resources for adaptation have fallen short of expectation. Indeed, disappointing experiences with previous adaptation financing regimes cast doubt on the effectiveness of the highly touted 100 billion new pledge that emerged from Paris in 2015. Similarly, given the level of corruption and institutional failure in many parts of SAA, there are likelihoods that proceeds from the US$100bn and other similar public financial resources aimed at tackling adaptation to climate change are likely not to reach those who critically need adaptation support. It is, therefore, relevant to look into other private sources of financing that have a greater propensity to reach the poorest of the poor.

In this study, it is clear that remittances present reasonable complementary funding opportunity at the local level in Ghana. In comparison to government microeconomic stabilisation policies and other fiscal reforms, remittances could offer faster and costeffective means of adapting to climatic shocks given that government-led programmes often take a post-climate shock approach. Specifically, this study found that significant parts of remittances are used for consumptive purposes compared to investment in stock adaptation projects (infrastructure and investment portfolios). Additionally, it noted that household that invest remittance income in climate resilient enterprises is more likely to reduce their exposure to climate risk over an extended period compared to those that pend their on smotthing their consumption. The study further found that remittances could help close the financial exclusion gaps given the fact that some recipients save their funds with microfinance institutions. Again, there is evidence that remittances absorb part of the economic losses owing to climate-related natural disasters, thereby lessening relief service required from local and central government.

#### **Remittances shield against climate change – solves food and energy security**

Carec, 16 – independent, non-political and non-for-profit international organisation with regional mandate to assist the Central Asian governments, regional and international stakeholders in addressing environmental and sustainability challenges across Central Asian region and Afghanistan (Carec., 3-31-2016, "PRESS-RELEASE. Migration and remittances – as an opportunity for climate change adaptation in Tajikistan,"https://carececo.org/en/main/news/press-release-migration-and-remittances-as-an-opportunity-for-climate-change-adaptation-in-tajikista//, DOA: 6-30-2018 ) //SS

March 31, 2016 the National Stakeholder Workshop “CONNECTING POLICY MAKING TO SCIENCE: Opportunities for migration, remittances and climate resilience in Tajikistan” will take place in Dushanbe. The workshop will be held in the frameworks of the project “Migration, remittances, adaptation and resilience in arid and semi-arid regions of Senegal and Tajikistan”, which is one of the research packages of the multi-country research initiative “Pathways to Resilience in Semi-Arid Economies or PRISE” implemented by CAREC.

Climate change is one of the global concerns of humanity and sustainable development. Cost of no-action may lead to irreversible consequences and losses in many countries, especially in arid and semi-arid regions. Tajikistan is not an exception. Experts estimate that the country is the most vulnerable to climate impacts in comparison with other countries of Eurasia, and is characterized by complicated socio-economic conditions, high level of poverty and dependence on migration remittances. Mountainous terrain (93% of the territory of Tajikistan is covered by mountains) determines the risk of increased frequency of natural disasters due to climate change, and poses a threat to food and energy security.

Nowadays observations suggest that remittances are mostly used to support livelihoods and satisfy basic needs of households. The share of remittances is also used to generate revenues from economic activities, including entrepreneurship, farming, agriculture, etc. On the other hand, there are cases when remittances play a critical role in reconstruction of damaged households after natural disasters. In times of climate change, the frequency and intensity of natural disasters will increase, and require more allocation of migrant inflows to reconstruction activities. In order to avoid episodic peaks in short-term private investments, there is a need to introduce a number of policies and measures, which would provide an enabling environment for the migrant remittances to grow up and be accountable for a long-term climate-resilient development.

#### Remittances are increasing now – but the plan reverses that – increased inflow is uniquely key to adaptation

Bendandi and Pauw, 16 – Bendandi is Policy Officer on migration for the United Nations Convention to Combat Desertification; Pauw an associate and environmental scientist at the Stolkholm Environment Institute (Barbara and Pieter, 2016, "Remittances for Adaptation: An ‘Alternative Source’ of International Climate Finance?," Global Migration, Issues 6, DOA: 6-28-2018 ) //SS

This chapter brings together literature on climate finance and remittances– money sent to families and friends in the origin countries by migrants – and analyses whether remittances could be considered as an ‘alternative’ source of adaptation finance in international climate negotiations. An alternative source means it is neither disbursed by the public sector, nor can it be labelled as ‘private finance’ as there is no objective of having ‘reasonable, relatively quick and predictable returns, at acceptable risks’ (see Pauw and Pegels 2013; 2).

Given remittances’ increasing magnitude and potential to contribute to development, governments have already been employing policy measures to harness the remittance potential for investments with a long-term perspective (Aparicio and Meseguer 2012). Some literature shows that households that receive this type of support have also proven to be more resilient to external stressors including natural disasters (Yang 2008; Mohapatra et al. 2012; Ebeke and Combes 2013).

Migrant investors are distinguished from the traditional private sector because determinants for remitting might go beyond profit making and rates of return. Key drivers for investing in areas of origin include family bonds and networks, and thus altruism, prestige, implicit co-insurance agreements and perspectives of return (Straubhaar and Vadean 2006). The ‘tempered altruism’ or ‘enlightened selfinterest’ that often drive remittance behaviour (Lucas and Stark 1985) makes diaspora investments particularly suitable for adaptation projects. The fundamental difference between individuals or groups either referred to as ‘migrants’ or ‘the diaspora’ lays in the willingness of the act. While migration is voluntary, diaspora is forced, either by physical or economic factors. Moreover, one of the key characteristics of diaspora is summarized by the ‘leaving home and staying in touch’ attitude (CheSuh-Njwi 2015). Throughout this chapter we will refer to the concept of diaspora for the importance of the need to move away from the places of origin and the links maintained with the family members or the ancestral community.

The need for adaptation investments is often concentrated in the water and agriculture sectors, as the livelihoods of most of the people in developing countries depend on these sectors. However, compared to the large investments in energy and transport infrastructures required for mitigation, land-based sectors are far less attractive to ‘traditional’ private investors, particularly if they are in exposed disaster-prone areas. The motivation to finance adaptation thus often needs other drivers than monetary returns.

In this context, the potential for remittances to play a role as an ‘alternative source’ of adaptation finance analysed for the following reasons: (1) the recorded volume of these flows to developing countries -expected to raise up to USD 516 billion in 2016 by the World Bank- has tripled ODA since 2013, which was USD 134.8 billion (OECD 2014); (2) the direct connection with the household level often hard to be reached by public interventions; and (3) the motivation to remit, not only based on returns in profit but also on personal bonds, increasing the likelihood for remittances to be spent in remote areas, where the traditional private sector would not necessary invest and where need for adaptation measures might be higher.

#### Increased remittance inflow is specifically necessary – it’s predictable, sustainable, and uniquely suited to counter the impacts of climate change

Bendandi and Pauw, 16 – Bendandi is Policy Officer on migration for the United Nations Convention to Combat Desertification; Pauw an associate and environmental scientist at the Stolkholm Environment Institute (Barbara and Pieter, 2016, "Remittances for Adaptation: An ‘Alternative Source’ of International Climate Finance?," Global Migration, Issues 6, DOA: 6-28-2018 ) //SS

10.3 Motivation to Remit and Invest in Adaptation

The International Organization for Migration (IOM) defines remittances as monetary transfers that a migrant makes to the country or area of origin. Most of the time, they are personal cash transfers that can be invested, deposited or donated to a relative or a friend. Although the definition could be broadened further to include inkind personal transfers and donations (IOM 2009), this chapter focuses on financial remittances only both as private cash transfers and as donations to community projects with a potential to be used for adaptation finance.

Some studies find that remittances are driven by self-interest motives of the sender (Bettin et al. 2012). Others suggest that the altruism motive lead in an increase in remittances to compensate relatives for negative shocks (Agarwal and Horowitz 2002). Starting from these considerations on the motivation to remit, this section discuss the potential for remittances to finance adaptation at community and household level and comply with the ‘predictable’, ‘sustainable’, ‘improved access’ and ‘adequate’ criteria.

Predictability Although predictable funding is key for developing countries when formulating adaptation strategies and implementing activities (AMCEN 2011; AGF 2010), it is not further defined by neither the UNFCCC, nor in adaptation finance literature. In the Accra Agenda for Action (AAA 2008), predictability is translated into donors strengthening budget planning, thus providing (1) full and timely information on annual expenditure; and (2) regular and timely information to partner countries on their rolling 3- to 5-year forward expenditure and/or implementation plans.

Analyzing this criterion in terms of remittances’ potential to comply implies looking beyond traditional donors and focus on private and alternative sources. To this end, ‘predictability’ is interpreted not as whether the amount of funding decreases or increases, but on whether recipients can anticipate on future adaptation finance, and plan accordingly.

In this context, remittances have proved to be a more reliable source of foreign currency than other capital flows to developing countries such as foreign direct investment and development aid (World Bank 2005). This does not mean that they are not influenced by sudden factors such as economic crises in host countries (Frankel 2011), but their fluctuations to exogenous is quite predictable. For example, an increase of remittances can be also foreseen in case of economic crises, catastrophic weather events and natural disasters in migrant’s origin countries. This shock-absorbing function is emphasized in early literature on the topic corroborating the hypotheses on the use money transfers as risk-spreading and coinsurance mechanisms at family level (Blue 2004). Lately, this practice has been recognized as a strategy to ‘help mitigate external vulnerabilities’ and ‘increase resilience’.

Sustainability This criterion is distinguished from ‘predictability’ and interpreted as constituted by two aspects: (1) it is replenishes (like a fund) or is self-generating; and (2) it is a stable or increasing flow of financial resources over time. In terms of remittances, the question is whether these are a stable source of finance allowing for medium to long-term adaptation.

In a case study on Morocco, De Haas and Plug (2006) found that bilateral percapita remittance flows from destination countries only started to stagnate or decline after two decades from the onset of migration. Other studies suggest that migrant remittances tend to reach a peak approximately 15–20 years after migration. With these rates, remittances seem to be a more stable and sustainable source of income than more volatile ones, such as FDI or ODA (with disbursement planning up to 4 years).

Remittances can also be examined for their potential to foster investments with a long-term perspective, which is often crucial in adaptation. Adams et al. (2008) describe how remitters’ objectives are divided between the short-term (e.g. food consumption and health needs) and the long-term (e.g. reinforcements of assets and social position). Long-term goals also include income accumulation and increase of economically sustainable livelihood, reduction of exposure to external stresses, food security and more sustainable use of natural resources. As such, remittances have emerged as a key source of livelihood differentiation. Moreover, these flows are also used to protect people from the destabilizing effects of absent or ill-functioning markets, failing state policies and a lack of stateprovided social security (de Haas 2007). For example, an empirical analysis by Giuliano and Ruiz-Arranz (2009) suggests that migrants compensate for the lack of development of local financial markets using remittances to ease liquidity constraints, channel resources toward productive investments and hence promote economic growth in the long-term.

Improved Access should help to use finance more effectively and efficiently. In the context of adaptation, the ultimate goal of improved access is to reach the most vulnerable people. Concrete steps for direct access and enhanced direct access are taken by the Adaptation Fund and the Green Climate Fund (GCF). According to Ayers (2011), vulnerability to the global risk of climate change is locally experienced, which she calls the ‘adaptation paradox’. Current governance of funding relationships is often accountable to contributors of climate finance rather than to the most vulnerable people that experience climate change impacts locally (ActionAid 2007). Rather than a discussion on the institutional settings allowing for improved access, under this criterion this chapter thus focuses on whether the most vulnerable and poor have direct access to finance from remittances.

Although mobility has been recognized by the IPCC as a common strategy for climate change adaptation, it is well known that international migration requires a certain amount of resources and remains too costly for the poorest. Those who cannot afford to undertake travels abroad normally engage in internal migration sending remittances likewise to those left behind. The amount, though, is not comparable to international flows, because of the lower wages and currency. However, the distinction between internal and international remittances is very important for adaptation purposes, as those who migrates internally have more opportunities to visit their families and more control on the use of remittances at home as compared to those who have migrated internally.

Evidence exists that these flows are more likely to reach remote areas than private investments motivated by profit-generation. For example, in Ghana and Burkina Faso remittances are used to increase resilience in vulnerable rural areas by supporting adaptation within the farming sector, for instance through the purchase of agricultural inputs (Deshingkar 2011). When ‘improved access’ is intended as ‘easier access’, including lack of intermediation, it is more straightforward to examine their impacts. For example, building infrastructure through ODA tend to be several time costlier than it would have been if it was funded by local resources, as foreign aid often requires hiring of international consultants (Acharya 2003). The outcome of the 2015 Finance for Development conference, the Addis Ababa Action Agenda, commits to lowering the transaction costs of remittance flows. If this would be achieved, access to remittances will be even easier.

Adequacy Literature generally interprets ‘adequacy’ in terms of quantity. For example, Action Aid (2007), Müller (2008), Christiansen et al. (2012) and Flam and Skjaerseth (2009) refer to sufficiency to cover relevant costs or the inadequacy of adaptation funding compared to the estimated costs. Indeed, van Drunen et al. (2008; 16–17) write that under the Convention, ‘adequate (…) funds were meant to help developing countries meet the agreed full incremental costs’. The question is whether remittances could complement the resources allocated by traditional donors contributing to cover adaptation costs in developing countries.

According to the World Bank, the recorded annual flow of remittances (USD 516 billion) might be a significant underestimate: informal remittances are estimated to be higher in the range of 10–50% of recorded remittances (Ratha 2003; El-Qorchi et al. 2003). When analysing remittances through their amount, it can be noted how they form a considerable part of the wealth of several countries. For instance, in Mexico remittances are the second largest source of revenues after oil exports (Aparicio and Meseguer 2012). In other countries in different parts of the world, remittances are a vital source of income: they amount to 48% of Tajikistan’s GDP, 25% of Lesotho’s and Nepal’s, and 24% of Moldova’s (World Bank 2013).

In certain specific situations, a share of such flows can help to alleviate the impacts of climate change, for example to deal with natural disasters. As shown by the recent evidence in Haiti, it is possible to see that remittances can actually meet the needs for incremental funding better than foreign aid, which seems less sensitive to shocks (David 2010). Remittances seem to have a stabilizing effect in most developing countries vulnerable to environmental changes: by providing a form of private insurance (ex post risk management strategy) and/or by promoting ex ante risk preparedness (ex ante risk management strategy). This hypothesis was tested by Combes and Ebeke (2011) on a large sample of developing countries (113) observed over the period 1980–2007. The results highlight that remittances dampen the marginal destabilizing effect of natural disasters, in particular where remittance ratios comprise 8–17% of GDP. For remittances, adequacy is not only to be seen in terms of resource quantity, but also for their capacity to effectively flow under particular circumstances, such as climatic risks preparedness and relief.

To summarize: although climate negotiations address adaptation finance at global and national levels and remittances’ are not straightforward pledges to adaptation, to some extent they can be considered predictable and sustainable financial flows that can support the most vulnerable people. In fact, under certain circumstances (e.g. shocks or negative trends) literature shows that remittance- flows increased as an effect of the ‘altruistic’ motivation at the base of certain remit behaviors. This shows how complicated it is to apply criteria ensued by negotiations among states to decisions taken at individual, household and community level. 10.4 An ‘Alternative Source’ of Adaptation Finance The ten climate finance criteria are clearly directed towards traditional public finance. In their paper, Pauw et al. (2015) use them to analyse the potential to mobilize private finance for adaptation. In this chapter, remittances are discussed for their peculiarities in comparison to other international streams in view of possibly including them among the ‘alternative’ sources.

Scaling Up climate finance means constantly increasing it over time, but the UNFCCC does not define by how much and how fast. The increase from the developed countries’ USD 30 billion pledge for the period 2010–2012 (i.e. USD ten billion per annum on average) to USD 100 billion per annum from 2020 onwards would be a tenfold increase, or an additional 26% each and every year up to 2020. Concerning remittances, this chapter analyses to what extent the flows have the potential to be scaled up for adaptation purposes.

While developed countries can only be expected to scale up climate finance if they are confident that these monies will be spent wisely (AGF 2010; 29), diaspora continue to remit regardless. As a matter of fact, the overall annual flow of remittances to developing countries has nearly tripled since 2000 and is also expected to continue at a rate of over 7% annually from 2012 to 2014 (Kebbeh 2012). Although remittances grow with around 8% per year (OECD 2014), this amount cannot be compared with the necessary annual 26% increase of climate finance. And this potential, cannot be harnessed without the appropriate incentives (e.g. subsidies or tax relief) that make adaptation ‘an opportunity’, diaspora entrepreneurs will continue focusing on traditional sectors (retail, agriculture, etc.) to invest their extra-money.

‘New and Additional’ means that climate finance should be new and additional to Official Development Assistance (van Drunen et al. 2008). It can however be discussed whether it should be ‘new and additional’ to existing, planned or targeted ODA expenditure at the time of the Copenhagen Accord (see Brown et al. 2010). As remittances are not related to a developed-country government budget, it goes without saying that remittances, if used for adaptation purposes, could be recorded as new and additional to former ODA levels. The challenge is to leverage these investments towards adaptation actions and to account for them. Many households might contribute to adaptation without considering it that way (and not knowing that their actions could be supported by further aid devoted for that specific purpose).

#### Remittances key – directly reach the local level and are the most effective method of climate disaster relief

Bendandi and Pauw, 16 – Bendandi is Policy Officer on migration for the United Nations Convention to Combat Desertification; Pauw an associate and environmental scientist at the Stolkholm Environment Institute (Barbara and Pieter, 2016, "Remittances for Adaptation: An ‘Alternative Source’ of International Climate Finance?," Global Migration, Issues 6, DOA: 6-28-2018 ) //SS

10.6 Conclusion

Although there is extensive literature on the impact of remittances on development, little research exists on their potential to support adaptation to climate change. There is a huge and unexplored potential: recorded remittances to developing countries are expected to increase up to USD 516 billion in 2016 (World Bank2014a; even a small part of which could already be a substantial contribution to adaptation. Furthermore, remittances directly reach the local level, and thus potentially to those most vulnerable to climate change that are difficult to reach through existing channels of ODA and climate finance. And finally, remittances offer opportunities for both climate disaster relief and investments in long-term adaptation. But rather than looking at whether remittances constitute effective financial means to address adaptation, this chapter addresses the question whether they could also constitute an alternative source of the annual USD 100 billion international climate finance from 2020 onwards, as was pledged by developed countries under the UNFCCC regime. This is not uncontroversial: even if remittances could constitute an alternative source of climate finance, it is ethically questionable whether financial resources of poor migrants can substitute (public) climate finance from developed countries. But in any case, this exercise helps to better understand what alternative climate finance sources could be. Based on empirical evidence from literature, this chapter thus identified to what extent remittances meet ten adaptation finance criteria as negotiated under the UNFCCC Copenhagen Accord and the Cancun Agreement (see Pauw et al. 2015).

This chapter finds that remittances can meet a number of criteria such as ‘adequate’, ‘sustainable’, ‘predictable’ and ‘improved access’, mostly because they relate to the motivation to invest in countries of origin and, thus, to some extents, to the willingness to protect and support families, friends and communities. It is a matter of personal connection, affection or altruism. Due to these special drivers, remitters are special ‘investors’ that are available to ‘trade off’ profit with wellbeing, development and, potentially, adaptation of those left behind in developing countries. Besides this special feature that remittances might have, these flows remains private flows and, as such, they respond to incentives when considered as stocks of money. Under this lens, criteria such as ‘new and additional’, ‘scaling up’ and ‘prioritize the most vulnerable developing countries’ can be met, but, as any other private source, to be leveraged and channeled towards the aim, there is the need for targeted policies.

Finally, criteria such as ‘mobilizing’, ‘transparency’ and ‘balanced allocation’ are more complicated to be analyzed for the remittance potential to finance adaptation, as they are designed for and typical for public finance. In contrast, remittances are driven by individual interests and market mechanisms and flow regardless to the compliance with these criteria. It is only governments’ responsibility to orient them through effective regulations in an attempt for these criteria to be met. In a first exploration, this chapter found that overall remittances insufficiently meet the ten adaptation finance criteria. Nevertheless, a share of remittances could still meet the criteria and clearly make a contribution not only to adaptation, but perhaps even to international adaptation finance. As a way general forward, the ten criteria in ongoing UN negotiations on climate finance could be altered in order to stimulate alternative sources of climate finance such as remittances. Whether a share of remittances will ever contribute to the mobilization of the annual USD 100 billion of climate finance, and thus constitute ‘international climate finance’ is, in the end, a controversial political decision.

#### Climate change cannot be prevented in the next few decades with any technology – adaptation is critical to ensure survival

Bendandi and Pauw, 16 – Bendandi is Policy Officer on migration for the United Nations Convention to Combat Desertification; Pauw an associate and environmental scientist at the Stolkholm Environment Institute (Barbara and Pieter, 2016, "Remittances for Adaptation: An ‘Alternative Source’ of International Climate Finance?," Global Migration, Issues 6, DOA: 6-28-2018 ) //SS

10.1 Introduction: Remittances and Adaptation Finance

Even the most stringent efforts to reduce greenhouse gas emissions cannot prevent climate change impacts in the next few decades, making adaptation essential (Klein 2010). Developing countries are historically least responsible for the emissions that result in climate change, but most exposed to its impacts. Those most vulnerable to climate change will be the poorest people in migration-prone areas of developing countries (e.g. Ayers 2011). The costs of adaptation in developing countries are difficult to assess, but were recently estimated in the order of hundreds of billions of US Dollars per year (UNEP 2014). Explicit international funding possibilities for adaptation activities however remain limited in scale. The 2009 Copenhagen Accord of the United Nations Framework Convention on Climate Change (UNFCCC) recognized that substantially greater financial resources are needed to support mitigation and adaptation in developing countries. In this Accord and the subsequent Cancun Agreements, developed countries pledge to mobilize USD 100 billion per year for this purpose from 2020 onwards, coming from ‘a wide variety of sources, public and private, bilateral and multilateral, including alternative sources of finance’ (UNFCCC 2010; §8).

The sources of adaptation finance are not well understood. And to the extent that they can be tracked, they do not seem to mobilize the billions of adaptation finance that are needed. Concerning public sources, for example, the Adaptation Fund is often considered to be progressive and innovative. Yet the predictability and sustainability of its future funding are uncertain as it partly depends on the development of the Clean Development Mechanism’s market (Horstmann and Chandani 2011; 435). Its future had to be safeguarded through a public capital injection during COP19 in Warsaw. Developed and developing countries have now pledged financial resources for the newly established Green Climate Fund, which aims to spend 50% of its resources on adaptation, but its project pipeline still needs to be developed. Multilateral and Bilateral Development Banks are increasingly investing in adaptation, but the expenditure remains low compared to mitigation. The discussion on private sources of adaptation finance, or on private engagement in adaptation in general, is in its early stages (Pauw 2014). It remains hard to even identify publicprivate adaptation projects, let alone study the effectiveness, replication or upscaling potential of public-private adaptation interventions (c.f. Kato et al. 2014). Indeed, private financing for adaptation is difficult to track and seems minimal compared to private financing of mitigation (Buchner et al. 2012). What exactly is meant with the third ‘alternative source’ of climate finance has not been clarified.

### Remittances good – fertility 1nc

#### **Increases in remittances empirically correlate to declining fertility**

Naufal, 15 – Assistant Research Scientist at the Public Policy Research Institute (PPRI) at Texas A&M University (George S., November 2015, "Impact of remittances on fertility," IZA World of Labor 2015: 207, DOA: 6-26-2018 ) //SS

ELEVATOR PITCH

The growth in the number and in the size of remittances and the stability of these monetary transfers have made them a prime target for policymakers. Because remittance flows go directly to households in emigrants’ home countries, one has to wonder about their effects on household decisionmaking, particularly in relation to the number of children to have. While this is household specific, when considered at the community and country level, there are significant policy implications for remittance-receiving economies. Therefore, it is crucial to more fully understand the relationship between remittance inflows and fertility rates.

AUTHOR ’S MAIN MESSAGE

It is difficult to assess the effects of remittances and the social and financial links they form between emigrants and households in their home countries. Social links relay the norms emigrants encounter abroad and attach to their remittances; key among these is the number of children families have, which can rise or fall. Financial links economically improve households, which then include fertility decisions and remittances in their financial planning. The latter causes a brain drain as more household members emigrate in search of jobs. The challenge for policy is how to benefit from the stability remittances offer, while countering their impact on demographics.

MOTIVATION

Remittance flows have grown over the past few decades, in terms of their overall size and relative share of the gross domestic product (GDP) of several receiving economies. The illustration on p. 1 shows that between 1996 and 2013, the yearly remittance average was at least $10 billion and as much as $58 billion each, while the average fertility rate declined by approximately 40% over the same period. Figure 1 shows that recorded remittance inflows grew by at least 100% during the 1990s, more than 200% from 2000 to 2010, and even persevered through the 2008 financial crisis. Low-income and lower-middle-income countries recorded the largest remittance growth rates in the 1990s and 2000s. In 2013 alone, the share of GDP attributed to remittances was between 10% and 20% for the top ten receiving countries. But, while remittances to low- and lower-middle-income countries have increased since the 1980s, fertility rates have decreased by at least 11% each decade since then (see Figure 2).

#### **Overpopulation low now but fertility increase leads to extinction – biggest single factor of climate change, ecosystem collapse, pollution, and deforestation**

Katz-Balmes, 16 – undergraduate at Swathmore University (Max, 12-2-2016, "How Overpopulation Leads to Habitat Loss and Mass Extinction," Swathmore College of Environmental Studies, DOA: 7-1-2018 ) //SS

Since the beginning of the Common Era two thousand years ago, the human population has grown exponentially. At the time of Christ’s birth, approximately 200 million people roamed the planet (Southwick 159). That number now stands at about 7.4 billion people and continues to rise (World Population Data Sheet). However, while many believe that the global population will continue to follow this “J-shaped” growth pattern, population increases have actually slowed in recent years in part due to decreased fertility rates. While it took humankind 12 years to add its 6 billionth, 13 years were required to add its 7 billionth, the first time in history that the interval between billions has grown (Wise). But despite the decreased fertility rates, the population should continue to rise until at least 2050. A 2015 World Population Prospects report estimates “an 80% probability that the population of the world will be between 8.4 and 8.6 billion in 2030, between 9.4 and 10 billion in 2050 and between 10 and 12.5 billion in 2100” (Jones and Anderson). In other words, the global population will likely not decrease anytime soon.

What are potential issues with a large, perhaps excessively large, global population? Overpopulation is one of the most pressing problems faced by our society. Around the world, cities are becoming overcrowded, leading to the emergence of dirty slums that lack access to clean water, sanitation, and other basic human needs. Arable land is being replaced by sprawling, suburban developments. Climate change and air pollution are only exacerbated by an increased number of feet on the planet. Habitats are being destroyed. Entire ecosystems are being threatened. In fact, industrialization and overpopulation are helping to facilitate a mass extinction comparable to that of the dinosaurs. According to National Wildlife Federation, in a report titled Population and the Environment, “nearly 20 plant and animal species become extinct every hour” (Effects of Overpopulation).

Along with fueling massive animal extinction, population growth contributes heavily to habitat loss. Around the world, in low-density regions as well as in high-density ones, population pressures create incentive to clear and develop land, in particular forests. Deforestation not only eliminates land and destroys ecosystems, but also fragments and changes many animals’ migration patterns and makes them easier targets for poachers. In addition, the expansion of suburbs further and further away from urban areas clears significant amounts of natural land and puts many animals and plants in danger. To avoid the continuation of these patterns, humans must cease clear-cutting forests and promote vertical development rather than outward development.

Deforestation heavily contributes to habitat loss and mass extinction, and our forests continue to thin every year. In 2004, a Population Reference Bureau article stated that since the 1980s, “agricultural expansion, logging, development, and other human activities caused the deforestation of more than 120,000 square kilometers each year” (Meyerson). By contrast, only about 12,000 square miles per year was being reforested. Because of human actions, as well as natural climate shifts, forests today comprise less than half the area they did at their peak (Meyerson).

Overpopulation affects deforestation on a truly global scale, even in relatively uninhabited regions. From deforestation-overpopulation studies to date, a clear correlation exists between extremely low population density and maintenance of forests. Generalizing from these studies, at population densities less than two people per square kilometer, populations generally tend to be able to sustain themselves without agriculture and timber products (Meyerson). However, in many low-density regions, such as in many Amazonian areas, forests are being destroyed despite a lack of people. This would counter the claim that overpopulation leads to deforestation and habitat loss, except for the fact that most of this land clearing results from external factors such as demand for timber or livestock from high population regions of the globe (Meyerson). In order to satisfy the needs and desires of the ever-growing number of humans across the globe, forests continue to be destroyed in areas that do not depend on cleared land for survival.

The developed world also feels the effects of land clearing and habitat destruction. For instance, in Florida, from 1950-2000, the population rose at a rate of four percent annually. To accommodate the rapidly increasing population, almost of a quarter of the state’s land (all forest and wetland habitats) was cleared for human use. According to the Florida Department of Environmental Protection, “in 1990, about 19 acres per hour of forest, wetland, and agricultural land [were] being converted for urban uses” (Effects of Overpopulation). And because of this massive growth, Florida’s ecosystems, on the whole, are more threatened than the ecosystems in all other U.S. states.

Suburban sprawl also contributes heavily to habitat loss and mass extinction. According to the National Wildlife Federation, “The conversion of natural areas for homes, offices, and shopping centers has become one of the most serious threats to America’s native plant and animal species” (Ewing and Kostyack). As the population grows, more land is needed to provide housing and jobs, and development stretches farther and farther away from urban areas. And with increased sprawl likely comes increased habitat loss and degradation. In fact, in the first quantitative study of the sources of animal endangerment in California, scientists discovered that sprawl threatens California’s animals more than any other factor (Ewing and Kostyack). Low-density outward development destroys acres among acres of natural land and destroys the homes of thousands of plant and animal species, putting many in danger of population decline or even extinction.

Habitat loss, in particular deforestation, also fragments and alters animal migration patterns. Not only are animal species unable to survive in the remnants of forested land left behind, but the “fragmentation of forests due to road, agriculture and human settlement development also impacts on wildlife by reducing the corridors used to move or migrate” (Forest Animals Threatened). For example, years of illegal clear cut logging in the Monarch Butterfly Biosphere Reserve in Mexico has impacted the migration corridors for the endangered monarch butterfly. Millions of monarch butterflies migrate to the reserve annually for the winter months, but a thinning forest has the potential to change that as only an intact, continuous forest canopy can protect the monarchs “from both freezing cold during winter storms and from excessive warmth during the days” (“Deforestation in Monarch Butterfly Reserve”).

Deforestation also makes animals easier targets for poachers, as hiding and camouflage become more difficult. For these reasons, many species’ numbers subside and some eventually cease to exit (Forest Animals Threatened). In fact, the Convention on Biological Diversity (CBD) approximates that human-led deforestation in the past 100 years has reduced the number of species living in forests by more than 30 percent (Forest Animals Threatened).

In many countries around the world, overpopulation fuels habitat loss and places many plant and animal species in peril. As the author of the Audubon publication, Population and Habitat: Making the Connection, suggests, “The destruction of the natural world we see across the globe today is “fallout” from the human population explosion that has occurred over the course of the last 50 years” (Effects of Overpopulation). Population pressures require forests to be cut down for agriculture, cleared for development, or harvested unsustainably for human consumption. In addition, rapid growth in the demand for suburban housing has pushed human development farther and farther away from cities, destroying more habitats and endangering more species. To avoid a continuation of the “sixth mass extinction,” humans must stop clear-cutting forests and attempt to promote vertical development rather than sprawl. If we, as a species, don’t change our behavior, other species will continue to die off, biodiversity will be threatened, and ecosystems will be threatened.

### --xt – remittances solve fertility

#### Remittances lower fertility in every region of the world – empirics and most comprehensive studies prove

Anwar and Mughal, 16 – Anwar is an Associate Professor of Economics at Cape Breton University; Mughal is an Associate Professor of Economics and Finance at Pau Business School (Amar and Mazhar, 2016, "Migrant remittances and fertility," Applied Economics, 48:36, 3399-3415, DOA: 6-28-2018 ) //SS

ABSTRACT

This study examines the role of migrants’ remittances in developing countries’ fertility transition. Employing an unbalanced panel of South Asian countries and controlling for various economic and socio-demographic factors, we find that remittances are significantly associated with a lower number of children born to women of childbearing age. This suggests the remittances’ substitution effect to be at play rather than the income effect, and may result from decreased need for children for financing the household’s future needs as well as from better access to healthcare and contraceptive methods available to migrant households. Remittances’ association with fertility appears to be more important than the transfer of fertility norms from migrants’ host countries. The monetary aspects of international migration may therefore be more important for the region’s demographic transition than social remittances.

I. Introduction

The role that international migration and remittances resulting from the process play in the global economy has attracted increasing attention of researchers and policymakers. Although development impacts of international remittances have been extensively examined in a developing country context, such as those on poverty and inequality (Acosta et al. 2008; Adams 1992, 1998; Adams and Page 2005; Lucas 2005; Mughal and Anwar 2012), educational and health outcomes (Edwards and Ureta 2003; Fajnzylber and Humberto Lopez 2008; McKenzie and Rapoport 2011) and workforce participation (Amuedo-Dorantes and Pozo 2006; Funkhouser 1992; Görlich, Mahmoud, and Trebesch 2007; Makhlouf and Mughal 2013), demographic consequences of remittance flows have so far received scant attention.

During the last half century, the developing world has passed through a spectacular period of demographic transition moving from a high mortality, high birth regime towards a stable low infant and child death rates, low birth regime. Migration is one of the key coping strategies in the societies faced with high population growth. Migrants relieve economic pressure on the community by seeking employment opportunities elsewhere. Money sent home by these migrants not only sustains the staybehind households, but can also modify the households’ reproductive behaviour. This can take the shape of either the income or substitution effect. The additional household income that results from migrant remittances alleviates the economic constraints impeding the fulfilment of the stay-behind household’s pent up reproductive desires (the socalled ‘Malthusianism of poverty’), thereby allowing a bigger family size (Abernethy 1996; Stark 1981). Assuming children to be normal goods, higher income would allow an increase in consumption (Becker 1960; Becker and Gregg Lewis 1973). This effect can be termed as the remittances’ income effect on left-behind household’s fertility.

On the other hand, improved household economic prospects as a result of migrant remittances allow parents to develop their financial nest egg and reduce the need for children for ensuring parents’ financial requirements after retirement. This is particularly the case in societies where public social security systems are less developed and the traditional role of children as insurers of parents’ old age security from economic hardship is mostly intact. Lower financial constraints allow parents to focus on children’s human capital development, which leads to a further decrease in fertility in the subsequent generations.

Moreover, better finances provide the migrant households access to previously unavailable medical care and contraceptive protection, and help the households attain the desired fertility level by reducing the risk of unwanted pregnancies. Lower fertility through these channels could be termed the remittances’ substitution effect on fertility (Beine, Docquier, and Schiff 2008 called it the old-age security effect). The overall impact of remittances on household fertility therefore depends on whether the income or the substitution effect dominates, i.e. whether remittances increase the ‘quantity’ or the ‘quality’ of children.

In addition to these monetary impacts of international migration on the migrants’ home-country fertility, migration directly influences the homecountry fertility through social remittances in the form of transfer of reproductive norms and practices prevalent in migrants’ host countries (Beine, Docquier, and Schiff 2008; Fargues 2006).

A handful of empirical studies have examined the role of international remittances in the demographic evolution of developing countries. Fargues (2006) explored the fertility situation of three Mediterranean countries: Morocco, Turkey and Egypt, and found that remittances are associated with lower fertility in the first two and higher fertility in the third one. He suggested that differences in fertility rates of the main destination countries for the migrants from these countries might be the cause of this divergent fertility behaviour. Migrants from Turkey and Morocco mostly reside in Europe where demographic transition is complete, while Egyptian workers mainly live in the states of Persian Gulf where fertility rates have until recently remained high. In a cross sectional analysis of global fertility evolution and international migration, Beine, Docquier, and Schiff (2008) found evidence for a small positive effect of international remittances on home country fertility. However, their study indicates a much larger impact of the transfer of fertility norms. In another cross sectional study, Mughal and Anwar (2014) concluded that the receipt of foreign remittances is associated with lower fertility rates among migrant households in Pakistan, and remittances appear to have the strongest effect on household fertility among all the economic factors examined. Naufal and Vargas-Silva (2009) also found evidence of a negative impact of international remittances on the receiving country’s fertility rates. Examining a panel of 59 developing countries, they inferred a negative relationship between remittances and fertility for the overall sample as well as for Latin America and Africa. However, they did not find a similar robust relationship for Asian countries.

In this study, we examine fertility responses of international remittances in the context of South Asia. The countries that constitute the South Asian region include Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka. South Asia’s significance lies in the fact that it is the world’s top remittance receiving region with $87.5 billion or 25.5% of the $343 billion global remittances received in 2014. The region accounts for about a quarter of the world population, and is host to some of the highest population growth rates in the developing world. Traditional fertility norms still survive in many parts of the region, while focus on children’s education is growing as is contraceptive prevalence, even though access is still patchy and subject to households’ financial resources. As a result, either of the two effects of migrant remittances is possible.

South Asian countries have a diverse migration profile with sizeable migrant communities present in various OECD and non-OECD countries. However, more than half of the region’s migrant stock is located in the Middle East from where bulk of remittance flows to the region originates (United Nations 2013). If remittances to South Asian countries induce fertility changes in line with those in Egypt shown by Fargues (2006), remittances may end up slowing down the region’s demographic transition. In contrast, an opposite effect would suggest that migrant remittances are helping slow down the region’s population growth regardless of the migration destination.

II. Overview of fertility evolution in South Asia

South Asia is among the most densely populated parts of the world. Three of the region’s countries (India, Pakistan and Bangladesh) are among the world’s top 10 populous countries. India is the world’s second most populous country with a population of over 1.26 billion in 2014 (World Bank 2014), while Bangladesh has the highest population 3400 A. I. ANWAR AND M. Y. MUGHAL density of any medium or large-sized country at over 1,203 persons per square kilometre. South Asia’s fertility transition1 began late and the region has lagged behind most other developing parts of the world. Women of child bearing age in the region at an average gave birth to 6.5 children in the 1960s, and can still expect 2.9 children over their lifetime (World Bank 2014). From the 1950s to the 2000s, the mean number of children per woman fell by around 40% in Nepal and Pakistan, by 47% in India, by over 50% in Bangladesh and Bhutan, by 60% in the Maldives and by 65% in Sri Lanka (Véron 2008).

As shown in Figure 1, fertility rates in the region ranged from a low of 2.2 in Sri Lanka to a high of 7.8 in Afghanistan during the 1970–2013 period. In Sri Lanka, the demographic transition started earlier than other parts of the region, and the process in the country is almost complete.2 At the other extreme, Afghanistan has only recently begun witnessing a fall in fertility rates.3 Barring these two outliers, fertility rates in the other six countries of the region are comparable, ranging from 2.4 in the Maldives to 3.6 in Pakistan during the 2005–2009 period4 (Figure 2).

A feature of the region’s demographic evolution is the sharp fertility declines witness in the 1980s and 1990s. Bangladesh and Maldives saw some of the sharpest drops in fertility witnessed anywhere in the world. The total fertility rate (TFR) in Bangladesh fell from 6.3 in 1971–1975 to 3.3 in 1994–1996 (BDHS 1997).5 Remarkably, much of the drop in fertility in South Asia occurred at development levels much lower than elsewhere around the world (Ram 2012; Siddhisena and DeGraff 2009), and resulted from complex social, demographic and institutional changes in the society. For instance, Fertility in Sri Lanka and Southern Indian state of Kerala reached rates seen in OECD countries at per capita income about a tenth of the OECD levels.

Over all, TFRs in the four southern and eastern countries of South Asia are lower compared with countries located in the north and west of the region. At subnational level, fertility rates have fallen at a greater pace in more developed areas, with rural– urban TFR differing by one or two in several countries (Eini-Zinab 2013; Frost 2011; Ram 2012). Fall in birth rates in the region has gone hand in hand with decrease in infant and child mortality rates (Table 1). Pakistan’s infant mortality rate (IMR), for instance, more than halved from over 180 in 1960–70 in 2013, while Maldives’ dropped even more spectacularly from 215 in the 1960s to 8 in 2013.

This sizeable drop in fertility rates witnessed in some of the countries of South Asia was partly the result of sustained government-run family planning programmes and exposure to radio, television and the print media (Caldwell 1982; Cleland 1994). Other major reasons behind the fall in the region’s fertility levels include marriage at later age (particularly that of women), increasing use of various forms of contraception and abortion. Early and universal marriage has historically been the norm in the region, and pre-marital motherhood is rare. Marriage postponement can account for 20–30% of decline in fertility in Pakistan and Sri Lanka (Abeykoon, 2006; Cleland 2001), where female age at marriage reached 23 in 2007. However, in other parts of the region, ages at marriage for women have risen more slowly. For instance, female Singulate Mean Age at Marriage (SMAM) for Bangladesh and India was still 19 and 20 in 2011 and 2006, respectively, with 44.5% of Indian women aged 20–24 years getting married before 18 years (Raj et al. 2009).6 In these countries, progress in contraceptive availability and abortions account for most of the decline in fertility levels. Use of contraceptive methods among women of child bearing age has risen from 13% to 53% in Bangladesh and from 35% to 55% in India. Although Contraceptive Prevalence Rate (CPR) has grown in Afghanistan too in recent years, the country still lags behind other countries in the region with a CPR of under 20% reported in 2010 (AMS 2010).

Across the region, contraceptive use is much higher among literate and educated households. For instance, Pakistani women with at least secondary education are twice as likely to use a contraceptive method as women with no education (PDHS 2008). Tubal ligation, oral contraceptives and condoms remain the most popular contraceptive methods in South Asia. Increase in access to contraceptive methods in the region during the last 50 years has been in great part due to government family planning programmes which have frequently accompanied reproductive health awareness campaigns.

Increased abortion is another cause of fall in fertility across the region. Although the practice is reportedly widespread, its extent is not fully understood because abortion is generally illegal and unrecorded (Véron 2008). In Pakistan, for instance, one in seven pregnancies is reportedly terminated through induced abortion (Sathar and Zaidi 2009). In India, abortion rates have climbed sharply since the widespread availability of sex determination technology, with the child sex ratio in 2001 reaching 126 and 122 in the Indian states of Punjab and Haryana, respectively (Ram 2012). Son preference is widespread in South Asia (Leone, Matthews, and Zuanna 2003; Zubair et al. 2007).

III. Overview of remittance flows to South Asia

During the past four decades, South Asia has been an important region of emigration. Substantial South Asian migrant communities have developed in the Persian Gulf states, Europe, North America and East Asia. Although South Asian migrants residing in all of these four regions send substantial sums of money back home, remittances from the six Persian Gulf states (Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and United Arab Emirates) constitute the largest share of flows to the region. South Asia receives the highest amount of international remittances of any world region, with three of the region’s countries (India, Bangladesh and Pakistan) among the top ten recipients in the world (World Bank 2014). Aggregate remittance inflows to the South Asian countries for the period 1975–2013 are shown in

Figure 3.

Remittance flows to the region exceed foreign direct investments, portfolio investments and official development assistance received by the region, and constitute the most important source of foreign exchange after exports receipts (World Bank 2014). Relative to the size of the economy, the magnitude of remittance flows varies across the region with minor amounts received by countries like Bhutan and Maldives and substantial ones going to Nepal, Bangladesh and Sri Lanka (Table 2). In fact, Nepal receives one of the highest remittance flows relative to the GDP, with remittance flows in 2013 surpassing 28% of the country’s annual output. At the regional level, distribution of remittances has greatly evolved during the past 30 years. In the 1980s, Pakistan received as much as one half of the total receipts, whereas in the 2000s, roughly the same share went to India. Figure 4 shows the countrywise distribution of aggregate remittances to South Asia for the 1975–2013 period. In addition to these officially registered remittances, significant amounts have traditionally been remitted to the region through informal means such as Hundi/Hawala and hand carry.

#### Remittances in South Asia decrease fertility – leads to higher human capital accumulation through more emphasis on education

Anwar and Mughal, 16 – Anwar is an Associate Professor of Economics at Cape Breton University; Mughal is an Associate Professor of Economics and Finance at Pau Business School (Amar and Mazhar, 2016, "Migrant remittances and fertility," Applied Economics, 48:36, 3399-3415, DOA: 6-28-2018 ) //SS

V. Findings

Tables 5 and 6 show various specifications of fixedeffect models. Remittances to South Asia are found to have a statistically significant negative association with the fertility rate. Marginal effects computed from the baseline estimation (Table 5, column 1) indicate that a 1% increase in remittances relative to GDP is associated with a 1.7% decrease in fertility rate of the migrant sending country. The association between remittances and fertility seems stronger and more significant than several other factors, and reflects the prevalence of the substitution effect rather than the income effect. The latter effect which kept fertility rates high in the region’s traditional societies seems to have weakened. The substitution effect leads the households towards lower fertility by raising the opportunity cost of producing and raising children and shifts the quantity–quality equation in favour of quality. Better financial wherewithal resulting from receipts from abroad also improve access to contraceptive methods among home country households which in turn leads to lower fertility.

We also carry out the above estimations by using crude birth rate as an alternative definition of fertility. The results for the baseline specification (column 2) corroborate our main findings. Migrant remittances retain their significant and negative association with fertility . A one percentage increase in remittance flows relative to home country GDP is associated with 0.15% fewer births per 1000 population.

In contrast to Beine, Docquier, and Schiff (2008), we find mixed evidence for a significant transfer of fertility norms from the main host countries of the South Asian migrants as the migration stockweighted host fertility variable often shows no significant association with South Asian fertility rates (even though the sign of the coefficient is usually positive as expected). This is in line with the inconclusive graphical evidence seen in Figure A1. This finding may owe to the fact that South Asian migrant communities, particularly those in the Persian Gulf, are substantial in size and maintain close networks. Moreover, many South Asian guest workers reside in the host countries on temporary, often non-renewable job contracts. Socialization and interaction with the host society is therefore limited. As a result, fertility patterns in the host societies filter through slowly to the home countries.

Weighting the host fertility measure with respect to the male and female migrant stock of the corresponding South Asian country shows that unlike male migration, female migration is negatively associated with home fertility (Table A2). Among other findings, infant mortality shows a significant positive association with the TFR. Decreasing mortality rates in the region are therefore associated with falling fertility rates. This association is also valid for under 5 mortality (Table 6, column 1).

Likewise, the association between the share of child bearing women in the population is expectedly positive, though mostly insignificant. Alternatively, another age-related variable: the dependency ratio shows a significant positive association with TFR (Table 6, column 6). This throws light at the role of South Asia’s young demographic profile. Median ages in the eight South Asian countries are low (for instance, median age of Afghans is only 15 years (ElBadry and Swanson 2012), and women’s age at marriage are barely above 18 (19 in Bangladesh, 20 in India). Gradual maturing of South Asian population (and hence smaller proportion of under 18) should predictably be related with decline in the region’s fertility rates.

On the other hand, contraceptive prevalence seems to be playing its expected role: improved availability of birth control methods is negatively associated with fertility rates, even though the relationship is not universally significant.

Female labour participation’s association with fertility, however, is strongly significant, implying that increased access to work in South Asia during recent times has contributed to reduction of fertility rates in the region.

In contrast, per capita national income shows a significant positive association with fertility, suggesting that at the early stage of economic development experienced in the region during the previous decades, more income does not seem to have helped reduce net population growth, as the resulting rising survival rates might have compensated for the decrease in birth rates in the region. The relationship is similarly valid if lagged per capita is instead used to take into account a possible time lag in fertility response to improving average household income (Table 6, column 5).8

Education shows an intuitive association with fertility, as primary school enrolment rates have a significant and negative relationship with the TFR. Girls’ primary education is likewise related (Table 6, columns 1 and 2). The association also holds in the case of net primary enrolment rates (column 3). The relationship between education and fertility does not appear to go beyond the primary level as the association with secondary school enrolment (column 4) is statistically insignificant.

In addition to the above described parsimonious specifications, we consider several extensions to the baseline model by including other explanatory variables and alternative variable definitions:

Changes in government policy on population welfare and birth control may significantly influence the fertility rates through concerted media and social awareness campaigns. We construct two dummy variables that take the value of one for a particular year if policies for checking population growth and reduce fertility are in place during that year. Findings suggest a strong helpful role of government policies in lowering fertility rates in South Asia (Table 5, columns 3 and 4). As already discussed in Section II, sustained family planning policies, especially in Sri Lanka, Bangladesh and India, played an important role in the remarkable drop in fertility levels witnessed in the region during the last three decades.

On the other hand, policies on healthcare represented by the public health spending to GDP ratio and per capita health expenditure seem to have little association with total fertility (columns 5 and 6). Similarly, the proportion of rural population in the country’s population is taken as an indicator of changing spatial distribution of the population (column 7), and the ratio of industrial and services sectors value added to that of agriculture taken as an indicator of changes in the economy’s structure (column 8) both appear to have no significant relationship with home countries’ fertility.

Table 7, columns 1–3, shows specifications with different remittance variables. Employing per capita remittance amount in place of remittance to GDP ratio (column 1) does not affect the significant negative relationship between remittances and fertility. Squares of the two remittance variables are included in addition to the two respective variables (columns 2 and 3). The squared variables exhibit opposite signs reflecting the non-linearity of the remittance– fertility relationship.

Columns 4 and 5 show estimations excluding outliers. India is South Asia’s largest and most populous country, accounting for around 70% of the region’s annual output. Afghanistan, Bhutan and the Maldives, on their part, are small economies with few available observations. The three countries together account for 58% of the missing observations in the dataset. Controlling for these outliers does not compromise the gist of our findings. An interesting finding from the estimation excluding India is that host country TFR’s association with home country TFR is stronger in the smaller countries. This is probably because several of these countries have proportionally large migrant communities and may therefore have a greater exposure to host country social and reproductive norms.

Remittance are likewise found to be significantly and negatively associated with fertility in the firstdifferenced model (columns 6 and 7). The relationship maintains its statistical significance even though several variables are no more significant. We also obtain Arellano and Bond, and System GMM dynamic panel estimations. The remittance–fertility association obtained is again similar to the baseline finding (estimations not shown).

To sum up, we find strong support for the substitution effect of migrant remittances on homecountry fertility. This finding is robust across specifications, variable definitions and econometric techniques. Nonetheless, the evidence needs to be considered with a major caveat: The analysis is based on a dataset with a large number of missing observations, and relatively little data are available on some indicators (particularly those pertaining to policy or educational attainment).

VI. Concluding remarks

Population growth rates in developing world have been high during the last half century. South Asia’s population, for instance, has grown from 573.2 million in 1960 to over 1.69 billion in 2014 (World Bank 2014). This study examined the role of international remittances sent by South Asian overseas migrants in the region’s fertility evolution during the 1970–2014 period. We found that remittances have a significant association with decline in the region’s fertility rates. This association is similar to the one found by Fargue (2006) for remittance inflows to Morocco and Turkey and unlike the one found in the case of remittances to Egypt. We propose that this helpful relationship may be due to rising opportunity cost of producing and raising children as household incomes increase thanks to migrant remittances which may be pushing the quantity–quality paradigm in favour of quality. This highlights international migration’s helpful role in the demographic transition of the developing countries of South Asia, which exerts itself mainly through the monetary channel of remittances and not through transfer of social norms from the host countries as suggested in previous studies. These findings suggest that by contributing to the decline in the region’s high fertility rates, migrant remittances to South Asia participate in the human capital accumulation through higher emphasis on education. International remittances can therefore be considered a useful flow of resources which contribute to the receiving countries’ future economic development.

#### Remittances hinder fertility – substitution effect, education opportunity costs, mitigated poverty costs

Naufal, 15 – Assistant Research Scientist at the Public Policy Research Institute (PPRI) at Texas A&M University (George S., November 2015, "Impact of remittances on fertility," IZA World of Labor 2015: 207, DOA: 6-26-2018 ) //SS

Remittances can decrease fertility through financial channels

Most of the channels discussed above positively contribute to fertility. Under certain circumstances, however, the same channels can decrease the number of children households decide to have. This is because remittances can have a substitution effect on fertility that is opposite to the income effect. For instance, receiving households can spend a portion of this new money on developing the human capital of the members still at home. Human capital development means investing in resources that increase human (labor) productivity, the most common types of investment being education and training, nutrition, and health care. Here, households invest in the quality of the current household members as opposed to investing in their quantity. In this context, a large share of remittances is usually spent on consumption needs of the receiving household and also on non-durable goods, such as food and clothing. The portion spent on health services could include family planning procedures (like contraception) and other medicines, such as life-saving vaccines and antibiotics. With remittances, members of the receiving household can now afford better nutrition and can see a medical specialist if the need arises. Affording medical care and nutritious food is the first component of human capital development. Affording contraception directly controls the number of children; affording other medical care and nutritious food improves child health and lowers infant and child mortality rates. Lower mortality is a contributing factor to a decline in fertility rates as families can depend on the fact that more (if not all) of their children stand a better chance of surviving into adulthood.

Besides health services, remittance inflows are also spent on education. Arguably, education is a key predictor of demographic change. This is because this type of human capital development provides people with the knowledge and skills they need to seek new labor market opportunities and, therefore, increases labor force participation. But it also contributes to the opportunity cost of having and raising children. If emigrants contribute money to their non-migrating family members so they can improve their likelihood of joining the local labor force, remittance inflows would then lower fertility rates as women opt to enter into employment rather than giving up incomes to have and care for a higher number of children. Further, remittance inflows provide money to the receiving household so the remaining (non-migrating) children can attend school. This can be part of a long-term strategy to send a new generation of household members to work abroad, so school attendance becomes a long-term investment strategy to ensure future remittance earnings. Moreover, with the money remittances provide, households can now afford to hire labor from outside and rely less on child labor. This allows children to attend school instead of working and also reduces the household’s need to have more children to supply future workers.

Both types of spending—on health and education—increase the human capital of the non-migrating household members and lower fertility rates. In addition, the role of remittances in financial development also has an impact on fertility rates. Remittances offer a new way to finance investment, thus avoiding the existing liquidity constraints among households that cannot secure enough credit to invest in schemes that could increase their incomes [8]. Remittance monies are spent on consumption (including health and education expenses), but they also become savings or investments. When emigrants send remittances home, savvy household members now have liquidity to invest in small businesses (self-employment), local real estate, and/or other available investment schemes. For instance, the share of small- and family-run business owners in Cuba who are remittance recipients ranges between 50% and 70% [6]. These businesses offer new employment opportunities for women, therefore increasing the opportunity cost of child rearing, the same way educating women does, and also can be seen as substitutes for investing in children. Hence, in the sense that remittance inflows allow for other (than children) investment opportunities, they will also contribute to lower fertility rates.

Furthermore, evidence from countries in Latin America, Asia, and sub-Saharan Africa [9] suggests that remittance inflows have mitigating effects on poverty. Poverty is commonly referred to as one of the fundamental predictors of the quality of child health, infant and child mortality, and fertility rates. The literature on the effects of remittance inflows on poverty is quite large and covers geographically diverse areas.

In addition, remittance inflows increase the emigration likelihood of family members left behind. Among those potential future emigrants, the most educated and skilled are more likely to move abroad in search of better jobs [10]. So, one way remittance inflows increase the prospects of emigration is through improving not just the quantity but also the quality of household members’ education [11]. In this way, remittance inflows actively shape emigration into a brain drain, which in turn has the potential to reduce fertility rates in labor-exporting countries [12].

#### **Decline in fertility good – key to economic growth, higher labor force participation, and productivity – most recent and comprehensive study proves**

Karra et al, 17 – Assistant Professor of Global Development Policy at the Frederick S. Pardee School of Global Studies at Boston University (Mahesh, David Canning, and Joshua Wilde, May 2017, "The Effect of Fertility Decline on Economic Growth in Africa: A Macrosimulation Model," Population and Development Review, Volume 43, Issue S1, DOA: 6-30-2018 ) //SS

The demographic transition from high mortality and high fertility to low mortality and low fertility is well underway around the world and has started in sub-Saharan Africa in recent decades. There is evidence that the decline in fertility, which accompanies the latter stages of the demographic transition, creates the potential for a demographic dividend and a window of opportunity for economic growth. In addition to the increase in income from the decline in youth dependency rates and the rise in working-age share of the population, the decline in fertility promotes changes in behavior that can lead to higher income. Lower fertility can induce higher labor force participation rates, particularly for women. Reduced youth dependency rates may also lead to increased investment in the health and education of each child, thereby increasing children’s productivity when they enter the workforce. Changes in fertility and age structure may affect national savings rates and investment. Finally, there may also be a positive feedback effect between the demographic and economic transitions, whereby fertility decline induces improvements in health, education, female labor market participation, and economic growth, and these improvements in turn lead to further reductions in fertility and additional economic benefits.

While cross-country regression models suggest positive effects of fertility and age structure on economic growth (Barro 1991; Bloom and Canning 2008; Mankiw, Romer, and Weil 1992), these aggregate models do not usually identify the channels through which fertility works, and they often lack the ability to model country-specific factors in detail. An alternative approach, which we follow in this study, is to construct a macrosimulation model of economic growth and to parameterize the mechanisms in the model from microeconomic studies along the lines used by Moreland et al. (2014) and Ashraf, Weil, and Wilde (2013). Our approach is based on the work of Ashraf et al. (2013), who examine the economic effects of fertility decline through changes in age structure, female labor force participation, investment in children’s education, and increases in the capital–labor ratio. In our modeling, we add three key mechanisms that have not been previously considered in this body of work. We then conduct a decomposition analysis to assess the relative impact of each of these added mechanisms, as well as other included channels, on key outcomes.

#### Fertility decline key to multiplying fast growth – especially in the context of developing nations

Karra et al, 17 – Assistant Professor of Global Development Policy at the Frederick S. Pardee School of Global Studies at Boston University (Mahesh, David Canning, and Joshua Wilde, May 2017, "The Effect of Fertility Decline on Economic Growth in Africa: A Macrosimulation Model," Population and Development Review, Volume 43, Issue S1, DOA: 6-30-2018 ) //SS

Conclusions

We estimated the effect of a decline in fertility on economic growth in Nigeria using a demographic–economic macrosimulation model and improved on previous modeling approaches by incorporating four previously ignored channels: the effect of fertility on savings; a feedback from education to fertility; the effect of fertility on health; and the effect of a more realistic three-sector model with market imperfections, which are prevalent in the developing world.

Given our goal of providing a more comprehensive understanding of the relationship between fertility decline and income growth, a natural question to ask is how the additional channels that we add change the results previously found in the literature. Adding these new channels means that lowering the total fertility rate by one child per woman almost doubles income per capita by 2060, which is twice the size of the effect found by Ashraf, Weil, and Wilde (2013). Relative to previous approaches, our model predicts larger positive effects of fertility decline which, in turn, contribute to faster economic growth. Our contribution is to show the relative effects of these channels and to examine how much adding these channels adds to forecasting economic growth and how the timing of the effects differs across channels. Through this simulation exercise, we conclude that these previously ignored channels are perhaps even more important than the more traditional channels that have been considered to date. In the short to medium run, the main reason for the higher income effects in our model is the larger share of the workforce that moves into the modern sector of the economy when fertility is low. In the long run, lower fertility increases female education, which in turn lowers fertility in the next generation and produces a multiplier effect from any initial change in fertility.

Our results are tied to assumptions that govern the model’s structure and dynamics. Our model is thus more useful for the insights it may provide into underlying processes and their interactions than for the predictions themselves. Including additional mechanisms in such a model adds realism but also increases complexity and risks decreasing the transparency of the findings. To make our model as transparent as possible, we include a full description of its structure and assumptions in Appendixes 1 and 2, and its parameterization in Tables A1 and A2.

We recognize that while our projections for the effects of fertility reduction are roughly double those that have previously been predicted, our estimated effects are generated by relatively large reductions in fertility (one birth) over a relatively short period of time (15 years). While such significant declines in fertility have been observed in settings where strong family planning programs have been implemented, one may ask whether it is realistic to assume that similar programs and policies can replicate such results in sub-Saharan Africa, where ideal family size and desired fertility are higher than in other parts of the world (Bongaarts 2011). Clearly, family planning programs have costs and the programs cited here were expensive (Simmons, Balk, and Faiz 1991). Nevertheless, even the most expensive family planning programs have been shown to be cost-effective when compared to other interventions, even without considering their effects on economic growth (Simmons, Balk, and Faiz 1991; Schultz 1992; Cleland et al. 2006; Hughes and McGuire 1996).

Like Ashraf, Weil, and Wilde (2013) and others, we acknowledge that the economic growth brought about by fertility decline would not be sufficient to help a developing country “vault into the ranks of the developed” (National Research Council 1986). With that said, we argue that asking whether fertility decline alone could determine a country’s path to economic growth and development was never an appropriate question to begin with. It is clear that there are many determinants of economic growth, and it is also clear that demographic change brought about by a reduction in fertility is one of these determinants. We would also highlight institutional factors, such as good governance, a market-based economy, openness to international trade, public investment in infrastructure and education, and improvements in total factor productivity as additional important mechanisms in a holistic view of economic development. Even if fertility were to decline and income per capita were to roughly double as we predict, it would still not be enough to close the estimated 30-fold gap in income per capita between rich and poor countries. To close such a gap would require several doublings in income per capita (United Nations Conference on Trade and Development 2002). However, while not the whole story, our model suggests that reducing fertility can make a substantial contribution to economic development in Africa.

### --xt fertility impacts

#### **Mass consumption of resources ensures ecosystem collapse – extinction**

Gertz, 16 – New York-based journalist who reports on the environment and science, climate change, and conservation (Emily J. Gertz, 10-26-2016, "Mass Consumption Is Causing Mass Extinction. Can We Stop Ourselves?," TakePart, http://www.takepart.com/article/2016/10/26/mass-consumption-causing-mass-extinction-wildlife//, DOA: 7-1-2018 ) //SS

Populations of wild animals have plummeted 58 percent in the past four decades as humans have pushed them into ever-smaller habitats or killed them for food and financial gain, according to a new report from a leading environmental group.

World Wildlife Fund researchers said the losses could be reversed over the 21st century by systematically factoring the value of nature into how we produce and consume goods and services, as well as adopting farming methods that work with ecosystems rather than against or in spite of them.

WWF compiled data on more than 14,000 populations of 3,706 vertebrate species for the latest edition of its biennial Living Planet Report and found that global populations of amphibians, birds, fishes, mammals, and reptiles sank by an average of 58 percent between 1970 and 2012. These populations could drop another 9 percent by 2020 based on current trends, the report stated.

Freshwater wildlife populations dropped a dramatic 81 percent—meaning that for every 10 pond frogs that existed during Richard Nixon’s first term in the White House, there were fewer than two at the beginning of Barack Obama’s second.

Terrestrial and marine species populations dropped by 38 percent and 36 percent, respectively, over the same period.

The leading driver of wildlife population losses has been food production—overfishing and natural habitats converted to crop and grazing land—followed by pollution, invasive species, and climate change. All five threats are symptoms of overconsumption of natural resources, the report stated, which has far outstripped the capacity of ecosystems to restore the fertile soil and clean water that support wildlife as well as human health and welfare.

“Humanity currently needs the regenerative capacity of 1.6 Earths to provide the goods and services we use each year,” the report noted, and the short-term goals of most economic systems offer no incentive to change.

But case studies included in the report suggest that if a longer view is taken, there are many ways to provide for human welfare while also conserving biodiversity.

One example is the recent removal of two hydroelectric dams along Washington state’s Elwha River. The restoration of free-flowing water has spurred a return of the river’s chinook salmon, a keystone species for the region’s freshwater and forest ecosystems that is also prized spiritually, culturally, and as a food source by the native Klallam people.Populations of wild animals have plummeted 58 percent in the past four decades as humans have pushed them into ever-smaller habitats or killed them for food and financial gain, according to a new report from a leading environmental group.

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“The Elwha is an example of where we estimated what’s the value of a free-flowing river,” said John Loomis, an expert on environmental economics at Colorado State University, “especially to salmon and to tribal values—both economic and cultural values—and included that in the environmental impact statement” for the project.

That changed “the nature of the debate from being one of the economy versus the environment,” he said, to one that links the two and demonstrates that they are interconnected.

“The question is going the next step and saying, ‘These ecosystem services have dollar values,’ ” said Loomis, who conducted an analysis of the dams’ removal that found taking them down would generate $3.5 billion in noneconomic benefits. “Once we incorporate those, we see that doing agriculture the cheapest way possible, or producing goods in the most profitable way, doesn’t incorporate these environmental costs. We need to shift our production and consumption to account for these costs [and] not squander that natural capital by treating it as having zero value.”

In another case study, the report noted Malawi’s switch from subsidizing chemical fertilizers to agroecology farming methods, which apply ecological principles to agriculture. For instance, combining crops to increase plant and soil diversity doubled or tripled harvests of maize, a staple crop for the country’s poorest citizens.

“The more we design that system to be similar to how nature’s designed, the better chance of that agricultural part of the landscape functioning as the natural landscape does in supporting wild animals,” said Steve Gliessman, a professor emeritus of environmental studies at the University of California, Santa Cruz, and cofounder of the nonprofit Community Agroecology Network. The group works with farmers in developing nations to adopt agroecology, which also entails creating stable markets and getting more equitable compensation for their crops. Gliessman’s research was cited in WWF’s report.

Environmental groups can’t protect wildlife “just by putting up fences and walls that keep people out of natural areas, and ignore the pressures beyond those fences that drive people into those areas,” he said. “We’ve found that diversified farms in coffee plantations in Nicaragua and Mexico, [with] multiple layers and multiple species in the canopy, helps provide habitat and, if bordering a reserve, takes pressure off the reserve.”

In the United States, agricultural policies are a barrier to agroecology, and “a lot of the externalities caused by modern farming, like soil erosion or wildlife loss, aren’t factored in,” Gliessman said. “Most of the farm bill supports the opposite. I like to say it should be a food bill that integrates agroecology and a different incentives and awards system. In the U.S., right now we can do it only mostly through consumer awareness.”

#### **Adverse population growth leads to extinction – overconsumption, climate disruption, and habitat destruction**

Ehrlich, 17 – Bing professor of population studies emeritus and president of the Center for Conservation Biology at Stanford University (Paul R Ehrlich, 7-11-2017, "You don’t need a scientist to know what’s causing the sixth mass extinction," The Guardian, https://www.theguardian.com/commentisfree/2017/jul/11/sixth-mass-extinction-habitats-destroy-population/, DOA: 7-1-2018 ) //SS

One should not need to be a scientist to know that human population growth and the accompanying increase in human consumption are the root cause of the sixth mass extinction we’re currently seeing. All you need to know is that every living being has evolved to have a set of habitat requirements.

An organism can’t live where the temperature is too hot or too cold. If it lives in water, it requires not only an appropriate temperature range, but also appropriate salinity, acidity and other chemical characteristics. If it is a butterfly, it must have access to plants suitable for its caterpillars to eat. A lion requires plant-eaters to catch and devour. A tree needs a certain amount of sunlight and access to soil nutrients and water. A falciparum malaria parasite can’t survive and reproduce without Anopheles mosquitos in its habitat and a human bloodstream to infest.

The human population has grown so large that roughly 40% of the Earth’s land surface is now farmed to feed people – and none too well at that. Largely due to persistent problems with distribution, almost 800 million people go to bed hungry, and between one and two billion suffer from malnutrition. As a consequence of its booming population, Homo sapiens has taken much of the most fertile land to grow plants for its own consumption. But guess what? That cropland is generally not rich in food plants suitable for the caterpillars of the 15,000 butterfly species with which we share the planet. Few butterflies require the wheat, corn or rice on which humans largely depend. From the viewpoint of most of the Earth’s wildlife, farming can be viewed as “habitat destruction”. And, unsurprisingly, few species of wildlife have evolved to live on highways, or in strip malls, office buildings, kitchens or sewers – unless you count Norway rats, house mice, European starlings and German roaches. Virtually everything humanity constructs provides an example of habitat destruction.

The more people there are, the more products of nature they demand to meet their needs and wants: timber, seafood, meat, gas, oil, metal ores, rare earths and rare animals to eat or to use for medicinal purposes. Human demands cause both habitat destruction and outright extermination of wildlife. So when you watch the expansion of the human enterprise; when you see buildings springing up; when you settle down to dinner at home or in a restaurant; you are observing (and often participating in) the sixth mass extinction.

The expanding human population not only outright destroys habitats, it also alters them to the detriment of wildlife (and often people themselves). The more people there are, the more greenhouse gases flow into the atmosphere, and the greater the impacts on wildlife that require specific temperature ranges.

And thne more people there are, the more cities, roads, farm fields, fences and other barriers preventing wildlife from moving to areas of more favourable temperature or humidity in a rapidly changing climate. Less recognised, but perhaps even more dangerous to both people and wildlife, is the increasing toxification of the entire planet with synthetic chemicals. Growing populations want myriad more items of plastic that often leak toxic chemicals: more cosmetics, cleansing compounds, pesticides, herbicides, preservatives and industrial chemicals. Many of these novel chemicals mimic natural hormones, and in tiny quantities can alter the development of animals or human children, with potentially catastrophic consequences. As with climate disruption, this is one more case of human overpopulation threatening civilisation.

So we don’t really need the evidence meticulously gathered and analysed by the scientific community showing the unusual and accelerating extermination of wildlife populations – and ultimately, species – to know that human population growth is a major and growing driver of the sixth mass extinction, just as it is with the related accelerating climate disruption. It will take a long time to humanely stop that growth and start the gradual shrinkage of the human population that is required if civilisation is to persist. All the more reason we should have started a half century ago, when the problem first came to public attention.

#### **Overpopulation and rampant consumption leads to extinction**

Barter, 2K (Joseph, 2000, "Global war and the human population problem," The Journal of Social, Political, and Economic Studies, Vol 25, No. 2, pp 241-250, DOA: 7-1-2018 ) //SS

The current threat to life in the biosphere is of overwhelming dimensions.1 The planet is currently experiencing the greatest mass extinction of species since the time of the dinosaurs, 65 million years ago, and it is being caused solely by mankind's massive numbers and industrial activity.2 Most of the species extinction is being caused by rampant destruction of wildlife habitat, such as forests and wetlands. In other cases, species are being deliberately singled out for destruction, as in the case of rhinoceros horn (for Yemeni dagger handles), or tigers and leopards (for traditional medicine in China, Japan, and other East Asian countries), or whales (for Japanese whale-meat shops).

Apart from causing the extinction of thousands of other species by depriving these life forms of their natural habitat, mankind's increasing numbers and industrial activity are causing such great changes to the atmosphere that numbers of concerned scholars are today warning that it is conceivable that all advanced forms of life on the planet's surface could be extinguished in a relatively short time.3 Industrial gasses are poisoning the atmosphere to such an extent that the ozone layer that protects all biological life from extreme radiation is being destroyed. These gasses are contributing to global warming. Signs of global warming are dramatic and ubiquitous.4 And as the masses of Asia increase in number and industrialize, the rate of ecological damage is rising rapidly.

Without denying the possibility that the ongoing explosion of the human population, exacerbated by increasing industrial activity, may result in the catastrophic destruction of the planet's biosphere, it has to be admitted that the human species is at the very least causing a tremendous and irreversible changes in global biodiversity. Of the 5-30 million species on the planet's surface, an estimated 30,000 are currently being exterminated every year.. With each passing year the world becomes a less and less varied and interesting place to be. Mankind is in the process of destroying, in an instant of evolutionary time, the global environment in which it evolved and on which it depends.

At the very least, human overpopulation and increasing industrial activity are causing the extinction of large numbers of other species, and could potentially lead to the biological death of the planet. This destruction began with the advent of modern technology several centuries ago, and accelerated tremendously with the advent of the petroleum age. The human population continues to grow by about 1.3 percent a year, and economic activity (industrial production) is increasing by about three percent per year. With ecologically diverse forests being destroyed at the rate of 16 million hectares per year, the pace of destruction is relentless.

### Remittances good – developing economies

#### Cutting remittances will destroy developing economies

**Fullenkamp 15** – Connel Fullenkamp is an economist and the Director of Undergraduate Studies and Professor of the Practice in economics at Duke University, where he teaches core economics and financial economics courses. He attended both Harvard University and Michigan State University. (Connel Fullenkamp, “Do remittances drive economic growth?”, Future of Economic Progress - Regional Agenda, World Economic Forum, 4/10/2015, <https://www.weforum.org/agenda/2015/02/do-remittances-drive-economic-growth/> // AA)

Dangers of dependence

All this evidence suggests that remittances do play an important role in economies as a consumption stabilizer, and therefore also as an overall economic stabilizer. But this means that **if remittances fall unexpectedly, this could lead to recession**. The world saw some evidence of this after the recent financial crisis, which caused global remittances to decrease for the first time in decades.

In Africa, for example, some countries lost 0.2% to 0.5% of GDP growth because of the decline in remittances. And a few North African countries that were highly dependent on remittances from Europe lost as much as 1% in 2009. Analysis of **central** **Asian economies showed that consumption fell faster than remittances, indicating that the latter’s decline was perceived to significantly reduce household resources.**

This also places fiscal stress on governments as revenues from consumption taxes such as import duties slump. This **limits their ability to plow more money into the economy to counteract the decline in remittances and resulting drop in consumer spending.** Therefore, **remittance-dependent economies can receive a double shock when these payments fall.**

#### Remittances are critical for developing economies and provide long term benefits to the US economy

**Johnson, Ph.D. 10** – (Kristen Johnson, “Many Happy Returns: Remittances and Their Impact”, Immigration Policy Center – American Immigration Council, February 2010, [https://www.americanimmigrationcouncil.org/sites/default/files/research/Remittances\_021010.pdf //](https://www.americanimmigrationcouncil.org/sites/default/files/research/Remittances_021010.pdf%20//) AA)

Each year, immigrants all over the world send, or remit, a portion of their income to their family members living in their home countries. The amount of remittances has increased exponentially over the last decade which indicates that **remittances** are becoming **the largest source of resource transfers from developed to developing countries**. The World Bank estimated that in 2008, **worldwide remittances exceeded $397 billion dollars**.1 **Remittances from the U.S. comprise between one quarter and one half of the global total**, with conservative estimates placing the value around $100 billion dollars.2

We most often think of Mexico, but remittances are important to many countries. Remittances account for nearly a third of national incomes in countries like Tajikistan and Laos, a fifth in El Salvador and Honduras, and nearly 12% in the Philippines.3 **The growing consensus on remittances is that they are critical resources for individuals in developing countries.** Recipients of remittances are often the most impoverished sectors of the population in developing countries. Remittances increase the capacity of poor individuals to consume more goods; facilitate the development of financial infrastructure; and provide otherwise unavailable microfinancing for individuals to start small businesses.

The impact of remittance outflows on countries is less explored. Too often, remittances are viewed negatively because people assume that money sent abroad is bad for the U.S., primarily because the money is not spent within the United States. Concerns regarding remittance flows are often highlighted in recessions and periods of economic challenge because domestic consumer spending is seen as the solution to economic contraction. Superficially, this makes sense; income sent and spent abroad does not stimulate economic growth through consumption in domestic markets.  However, this view of resource flowing in an increasingly globalized world does not accurately depict the financial consequences of remittances on the country of origin. Careful examination of the evidence demonstrates that during periods of economic downturn, when domestic consumption is critical, individuals choose to decrease the amounts they remit, instead spending money on domestic purchases and businesses in the United States. Furthermore, **remittance outflows likely provide long term benefits to the U.S. economy. Remittances boost the consumption of U.S. exports, resulting in expansion of U.S. business and trade competitiveness.** Ultimately, sending money abroad expands the consumer base able to purchase U.S. goods, a critical facet in maintaining a strong U.S. economy.

#### Struggling sectors of the US economy remain competitive due to remittances

**Johnson, Ph.D. 10** – (Kristen Johnson, “Many Happy Returns: Remittances and Their Impact”, Immigration Policy Center – American Immigration Council, February 2010, [https://www.americanimmigrationcouncil.org/sites/default/files/research/Remittances\_021010.pdf //](https://www.americanimmigrationcouncil.org/sites/default/files/research/Remittances_021010.pdf%20//) AA)

Remittances Revisited

While **remittances are often viewed negatively as money leaving the U.S., remittances represent the beginning of a chain of economic interactions beneficial to the U.S. economy, rather than a net loss**. Remittances dramatically increase the pool of possible foreign consumers for U.S. goods; individuals are given the means to purchase U.S. exports and exposed to U.S. goods through emigrants.  In the long term, **remittances just may be a major contributing factor in U.S. export goods remaining competitive and finding new markets**.  Remittances comprise a win for both the domestic market and U.S. exporters. Another immediate benefit of remittances is the increase in the profits of financial companies and banks, through increasing reliance on electronic transfers of funds.  Remittances also contribute to the stability of foreign economies, decreasing the exposure of U.S. investors and companies, resulting in higher profits for investors and lowering the cost of doing business for companies. During periods of economic downturn, when domestic consumption is critical, individuals choose to decrease the amounts they remit, instead spending money on domestic purchases and businesses in the United States. In periods of economic prosperity, remittances boost the consumption of U.S. exports, resulting in expansion of U.S. business and trade competitiveness. Ultimately, **remittances yield surprising benefits to the U.S. economy**, primarily in sectors where it is most needed.

#### Remittances are key to sustainable growth - solve debt, unemployment, lack of ag equipment, and boost business investments

**Ratha Ph.D. 13** – Ratha heads KNOMAD, a World Bank initiative organizing data and knowledge on migration, heads the Migration and Remittances Unit at the Migrating Out of Poverty Initiative of the Department for International Development of the United Kingdom and has a Ph.D. from the Indian Statistical Institute. (Dilip Ratha, “The Impact of Remittances on Economic Growth and Poverty Reduction”, Migration Policy Institute, Issue No. 8, September 2013 //AA)

C. Impact of Remittances on Sustainable Economic Growth

In cases when **remittance income helps to bring families out of poverty, its beneficiaries can exert less time and energy scrambling for their basic sustenance and are more free to engage in pursuits that collectively stimulate sustainable economic growth** in the sending community and country. The safety net, or “**consumptionsmoothing**” effect, of remittances allows households to engage in high-risk but possibly more profitable economic activities that reduce poverty, and that in the absence of migration would have been difficult to achieve. **The overall national economy may also benefit from the increased investment that remittances facilitate**. Research conducted in the Philippines, Mexico, and other countries suggests that receipt of remittances is associated with greater accumulation of assets in **farm equipment**, higher levels of **self-employment**, and increased small-**business investments** in migrantsending areas. In sub-Saharan Africa, international remittances are correlated with higher levels of computer and **Internet access**. Migrant remittances raise domestic savings and improve financial intermediation, which can improve growth prospects for the **country overall**.27 Overall, however, the extent to which countries benefit from remittances is closely related to the strength of domestic institutions and the macroeconomic environment.28 Issuing diaspora bonds or remittance-backed securities can help developing countries relieve financing constraints. In times of crisis, migrant investors are expected to be more loyal than other foreign investors that lack personal ties to the country, and the former may be especially interested in financing infrastructure, housing, health, and education projects.29 Israel pioneered the diaspora bond in 1951, and has raised $35 billion since its introduction.30 Future flows of remittances can be used as collateral by governments and private-sector entities in developing countries to raise financing in international capital markets. These innovative financing mechanisms can be used to raise funds for development projects such as low-income housing or water supply**. Factoring the remittance inflows correctly into macroeconomic analysis is also likely to improve remittance-receiving countries’ credit rating and external debt sustainability**. Changes to the World Bank International Monetary Fund (IMF) Debt Sustainability Framework starting in 2009 allow countries that receive large flows of remittances — equivalent to more than 10 percent of their GDP and 20 percent of exported goods and services — to carry a higher level of debt.31 Still, the merit of remittance flows might lie more on increasing the level of income for the poor rather than the growth of the economy as a whole.32 The primary gap in evidence regarding remittances’ development impact is the lack of research supporting their positive impact on economic growth. In general, the inconclusive results of the impact of remittances on economic growth are largely due to the difficulty of separating the cause from the effect: if remittances react countercyclically to growth, then the negative relationship between the two is a result of reverse causality running from growth to remittances, not vice versa.33 Some studies have found remittances to have negative impacts on currency valuation and labor market participation. Empirical evidence from Latin America and Cape Verde suggests that remittances can lead to exchange rate appreciation, which can reduce the competitiveness of the tradable sector, the so-called “Dutch Disease.”34 Still, remittances are less likely than natural resource windfalls to result in persistent exchange rate misalignment, while the exchange rate implications of relatively stable remittance flows are likely to be easier to manage than a comparatively abrupt shock due to a natural resource windfall.35 Overall, studies focusing on the labor supply response of the remittance-recipient households tend to find that remittances lower work efforts and hence reduce long-term growth.36 Yet, **other studies find that remittances improve financial access and financial development and therefore stimulate growth**.37

#### Remittances are the key link between migration & development – grant access to healthcare, education and gender equality

**Ratha Ph.D. 13** – Ratha heads KNOMAD, a World Bank initiative organizing data and knowledge on migration, heads the Migration and Remittances Unit at the Migrating Out of Poverty Initiative of the Department for International Development of the United Kingdom and has a Ph.D. from the Indian Statistical Institute. (Dilip Ratha, “The Impact of Remittances on Economic Growth and Poverty Reduction”, Migration Policy Institute, Issue No. 8, September 2013 //AA)

Migrants’ remittances to their country of origin --- which totaled US $401 billion in 2012 and are growing fast --- represent a **major vehicle for reducing the scale and severity of poverty in the developing world. Besides pure monetary gains, remittances are associated with greater human development outcomes across a number of areas such as health, education, and gender equality.** This **money acts as a lifeline for the poor**, increasing income for individuals and families. Research on the impact of remittances in particular settings shows such effects as lower school dropout rates and increased average birth weights for children born to remittance-receiving families.

There are also **positive spillover effects**, with some of the expenditures and investments made by remittance-receiving households accruing to entire communities. And unlike other monetary flows, **remittances are countercyclical** --- family members abroad are likely to be even more motivated to give in times of hardship, even if their own financial situation has deteriorated as well. In this way, remittances are a form of insurance, helping families and communities weather external shocks.

For many countries, remittances dwarf official international aid. The inflow of foreign exchange from migrants increases the home country’s creditworthiness and may allow them to secure more favorable terms of debt service, as lenders perceive a lower risk of default. Since 2009, the World Bank has revised its analysis of how much debate a country can carry at various levels of risk to include remittances, so that countries with high remittances inflows can borrow more.

While migration can have both positive and negative economic, social, and cultural implications for countries of origin, **remittances are the most tangible and least controversial link between migration and development.** Policymakers can do much more to maximize the positive impact of remittances by making them less costly and more productive for both the individual and country of origin. Migrants pay transaction costs, on average, of 9 percent of the amount they remit. While increased competition among institutions that provide money transfer services has produced substantial progress in reducing these costs in high-volume remittance corridors, prices remain high in low-volume corridors, such as between Japan and Peru. Beyond reducing costs, which puts more money directly into the hands of migrants who send and/or families who receive remittances, measures to ensure that the recipients of these funds have access to other financial services, such as micro insurances (especially health) or education financing would go a long way to boosting development outcomes. The technology for linking remittances directly to such programs exists, but practice has fallen behind because of public policy barriers. While governments cannot tell migrants and their families how to spend their own money, policymakers can put in place sufficient incentives and mechanisms for migrants and their families to invest remittances in capital-accumulation projects (involving both human and physical capital) that are beneficial to the whole economy.

### Remittances good - war

#### Remittances prevent civil wars – serves as an economic smoothing mechanism

Regan and Frank 14 Patrick Regan is a Professor of Political Science at the University of Notre Dame and Richard Frank is a lecturer at the Australian National University’s School of Politics and International Relations (Patrick and Richard, “Migrant remittances and the onset of civil war,” Sage Journals, 2/24/14) // SR

Civil wars

Civil wars have long been thought of in terms of competing centers of authority within one country (Tilly, 1978). Models of the movement from political stability to armed civil conflict generally focus on the aggregation of economic and social grievances into a mobilized and armed opposition. The conditions that lead to grievances sufficiently intense to generate armed insurgent activity remain a topic of research, but various aspects of deprivation (relative or absolute), inequality (land or income), income shocks and avarice provide the foundation of our understanding of the institutional and personal motivations behind grievances (Collier, 2000; Gurr, 1970, 2000; Midlarsky, 1988). General economic models of rebellion have been articulated by Grossman (1992), Azam (2001), Bates (2001), Gates (2002) and others. Most scholars, however, recognize that individual grievances alone are insufficient to generate an armed rebellion; some vehicle must help mobilize communities of people around a common set of grievances.

A substantial body of empirical research finds that national wealth is one of the strongest predictors of civil war onset (Collier and Hoeffler, 1998; Fearon and Laitin, 2003; Hegre and Sambanis, 2006; Sambanis, 2002). Interpretations of this empirical correlation, however, range from low state capacity to higher levels of material grievances. Our interpretation of per capita gross domestic product (GDP) as a predictor of civil war onset is consistent with the notion of low state capacity, but we posit that the functional importance of low state capacity is how it constrains states’ ability to offer political and economic concessions in response to opposition demands (Gartner and Regan 1996; Moore, 1998; Regan and Norton, 2005).

Moreover, civil wars often break out along cultural lines, even though the evidence suggests that ‘‘ethnic’’ and ‘‘non-ethnic’’ wars have similar pedigrees (Sambanis, 2001). Gurr’s (1970, 2000) work points to cultural status and discrimination based on ethnic or religious identification as important civil war determinants. Discrimination based on cultural characteristics can also increase a group’s ability to mobilize against the government by disproportionately encouraging grievances among a homogeneous population (Gurr, 2000). Many multiethnic countries survive the tumultuous seas of domestic politics, but when combined, ethnic dominance and economic deprivation can lead to groups coalescing around their common identity and common cause (Collier, 2000).

Mobilization can be facilitated by recourse to cultural ties (Ross, 2007), firmly held grievances (Weinstein, 2007), cross-border affinities (Salehyan, 2009), and community or kin relationships (Petersen, 2001). Moreover, biologists see kinship or group identity as forming a key element in the survivability and fitness of groups in relation to other groups (Wilson, 2002). Game theoretic models of cooperation also suggest that within-group behaviors facilitate survivability (Axelrod, 1997). Put differently, kinship patterns are associated with group fitness, remittances can be viewed in terms of kinship support, and mobilization can be driven by strong kinship ties.

If economic grievances can be linked to rebellious activity or civil war then mechanisms for smoothing economic difficulties should influence both the ability and willingness of aggrieved citizens to take up arms. That is, communities rely on welfare provisions from the state, and to the extent that these provisions are constrained, insufficient or poorly targeted, local populations have increasing incentives to mobilize against the state. Migrant remittances help dampen the shocks from economic instability, which can in turn reduce the pressure on the government from political opposition.

Migrants and their remittances

In 2010, there were an estimated 215 million people—or about 3% of the world’s population—working in foreign countries (World Bank, 2011). By World Bank estimates. formal remittances from foreign workers amounted to US$372 billion in 2011, and may account for as much of 30% of the GDP of recipient countries (World Bank, 2011). Roughly two-thirds of this amount went to developing countries. This level of remittances is over twice the amount of global official development assistance (ODA) in the same year and almost two-thirds of foreign direct investment. Research finds that the home countries gain more from remittances than they lose in lost tax revenue from emigration. Adelman and Taylor (1990) calculate that Mexico’s GDP jumps by US$2.69 to US$3.17 for every dollar received.

By way of comparison, ODA is distributed by governments to governments and any transmittal to individuals must go through the recipient government. Foreign direct investment (FDI) is another form of financial transfer, but in this case money flows from private industry to private or government industry. Distributions to individuals or villages and towns are a function of the vagaries of economic production through jobs and other forms of infrastructural development tied to industrial enterprises.

One of the key conceptual differences between these various financial transfers lies in how they are transmitted to the local level. In the case of migrant remittances, money is transmitted from individuals—often a relative—to individuals, forging a closer link between demand for and impact from remittances than more official transfers might provide. ODA and FDI generally operate at the macro-economic level and often take years of budgeting and planning before they are implemented. The difference in mechanisms is so extreme that Miguel (2007) calls for a special program within the US foreign aid apparatus to (on an emergency basis) target the individual level as a means of forestalling political instability. Put differently, he calls for aid to work much like migrant remittances do, where short-term increases can be manipulated and targeted locally.

Formal and informal remittances

Migrant remittances are transferred via either formal or informal mechanisms. This distinction is critical for our argument, and we stress that we focus exclusively on formal remittance mechanisms. Formal remittances are transferred through existing financial institutions, which are regulated, and ultimately subject to state-level decisions. Western Union is one of the largest examples of institutions that handle remittances. An individual in one country deposits money, which is then transferred either through a bank or a Western Union office in the recipient’s country, where someone else picks up the funds. Not only is the transmission transparent, but the office in the recipient country is subject to the policies of that country. US efforts to shut down transfers to Islamic organizations linked to terrorism can be seen as an example of how formal remittances can be controlled by placing constraints on the financial institutions (Financial Action Task Force on Money Laundering, 2003; Elu and Price, 2012). Informal remittances, on the other hand, circumvent these institutional chokepoints by sending cash by hand, by courier or by local agents in the host and home countries. This is not always clandestine or nefarious in intention, simply another mechanism for kin to transfer money to their relatives.

The World Bank estimates informal remittances might reach the level of 50% of those transmitted through formal mechanisms (Ratha, 2003), while the IMF estimate is 35–75% (Freund and Spatafora, 2008). Conventional wisdom and some scholarship posit that remittances provide a potential source for rebel recruitment and arming, and as such constitute one of the facilitating mechanisms behind rebellion (Collier, 2000; Elu and Price, 2012; Gunaratna, 2003). Examples of informal remittances into civil war environments include the support of the Irish Republican Army from expatriates in the USA, the support of Eritrean rebels by the Eritrean diaspora, and support in Canada for in Sri Lanka’s LTTE.

To date, the civil war literature has more often than not seen diasporas as a source of rebel start-up financing. We argue that those who postulate a rebel-funding role from diasporas are focusing on informal remittances, reflecting the smaller of the two remittance types (Collier, 2000; Collier and Hoeffler, 2004a). Since the informal approach is not subject to the same level of state interdiction or regulation, this informal stream may indeed be a source for the funding of rebels. However, because informal remittances are outside any mechanism to record amounts or recipients, we have no way to verify or comparatively examine such claims. Regardless of how informal remittances play out, our argument and empirical tests center on formal remittances and how they influence civil war onset.

Remittances and economic cycles

Evidence suggests that remittances are remarkably stable. Of five types of foreign exchange inflows—FDI, non-FDI private capital inflows, exports, official aid and remittances—the International Monetary Fund (2005: 73) finds that remittances are on average the least volatile. Remittance flows are also counter-cyclical (Frankel, 2009; Singer, 2010; Singh et al., 2011). ‘‘In those countries and in time periods where growth is relatively weak’’, the International Monetary Fund (2005: 73–76) argues, remittances increase both because ‘‘emigration increases and because workers already abroad increase their financial help to families back home’’. Thus, two factors are potentially at work in driving up remittances during hard economic times. First, recessions or other forms of economic stress can encourage those that can move abroad to do so. Second, those already abroad frequently increase the amount they send back to their families to help mitigate the worst of their families’ economic hardships (Agarwal and Horowitz, 2002; Page and Plaza, 2006). Economic stresses can go beyond price volatility and can present increasingly difficult times for state institutions that transcend the ability of normal financial flows to moderate.

For example, survey research finds that Philippine migrants’ remittances replace roughly 60% of economic loss owing to economic shocks, suggesting that, in spite of their overall stability, remittances are an effective mechanism for smoothing economic downturns (Frankel, 2009; Yang and Choi, 2007). Yang and Choi’s panel design uses a household survey with a rainfall-induced shock as an instrument for income decline. During periods of such income decline the demands on social welfare resources by individuals and groups would be at their highest, while at the same time the ability of the state to provide those resources would be most constrained. Absent a financial accounts buffer, the state would confront difficult choices. The easiest among this constrained set of choices may be to cut social welfare provisions, a policy often advocated by international lending institutions (Stiglitz, 2002). The cumulative effect of these counter-cyclical remittances should be to reduce the risk of political instability and civil war that is generated by social welfare contraction. Remittances are often intended to compensate for poor economic conditions in the home country, and therefore should have a negative relationship with income growth (Acosta et al., 2008; Chami et al., 2005; Singh et al., 2011).

Remittances often have a compounding effect at the micro-level on growth and development by increasing the recipients’ funds to spend on consumption, education and other human capital accumulation (Acosta, 2006; Adams and Cueceucha, 2010; Calero et al., 2008; Rapoport and Docquier, 2005; Ratha, 2003; Yang, 2006). The long-term micro-level effect has macro-level consequences through the development of a state’s human and physical capital (International Monetary Fund, 2005: 72). Researchers are thus converging on evidence that remittance flows are large enough to play a role in encouraging macro-economic growth and development (Carling, 2005; International Monetary Fund, 2005; Keely and Tran, 1989; World Bank, 2006), and we posit that this economic impact has political ramifications in terms of government stability.

Remittances can also have a long-term impact in reducing poverty. Adams and Page (2003: 21–22) argue that individual remittances have a demonstrable macro-level ability to help decrease poverty, and they find that, in their data on 74 developing countries, ‘‘a 10 percent increase in the share of remittances in country GDP will lead to a 1.6 percent decline in the share of people living on less than $1.00 per person per day’’. Adams and Page suggest that remittances increase personal income and as a result decrease the number of structurally poor or severely impoverished members of a society (see also Fagan and Bump, 2006; Page and Plaza, 2006).

Remittances and civil war onset

We approach the moderating effect of remittances on civil war from the premise that most, but not all, civil wars result from grievances that can find their roots in economic hardship. That is, people are motivated to demand change when they endure forms of structural poverty, often triggered by income shocks; they are mobilized during these periods by entrepreneurs who can exploit this motivation. We recognize that political or social cleavages are important aspects of the grievance and mobilization process, but that economic distributions are often a function of political access and therefore social cleavages. We also recognize that these are not independent conditions within any one society. Moreover, civil wars generally require a sustained period of grievances born of hardship before a sufficient level of mobilization can occur that would pose a challenge to the state. Some type of trigger is often necessary to solidify opposition resistance (Harff and Gurr, 1998), and sharp economic downturns can provide one type of trigger (Miguel et al., 2004).

While contemporary scholarship has not provided a sufficient empirical foundation for understanding the temporal sequence by which grievances and triggers interact to facilitate mobilization around an armed strategy for political change, we posit that longer-term structural conditions create the motivation to organize in opposition to government policy and that shorter-term economic and political constraints provide the immediate opportunity to rebel. That is, mobilizing for an armed insurgency is risky and holds out a low probability of achieving its desired goals. Under these conditions opposition entrepreneurs can exploit the economic conditions to mobilize rebels in support of their cause, and there is greater willingness on the part of each individual to do so. Such economic crises also make it easier for rebel leadership to purchase rebel labor (Azam, 2001; Collier, 2000; Gates, 2002; Grossman, 1991). If the effects of economic stress fall disproportionately on a particular identity group—for example a minority already at risk (Gurr, 2000)—then the mythologies and common narratives can create a source for economic hardship that appears rooted in deliberate state policy (Ross, 2003). We also see economic crises and political demands to redress economic constraints acting in concert.

At the core, our argument is that economic crises which generate political demands lie at the foundation for the motivation to rebel. That is, neither poverty alone nor weak state capacity will be sufficient to push disadvantaged groups into the ranks of rebel organizations. Difficult economic conditions exacerbated by persistent economic strains can turn the tide between enduring hardship and supporting rebel movements. Persistent economic struggles can be thought of in terms of a grind that threatens the status quo level of subsistence, at worst, or one that pushes otherwise comfortable conditions closer to the margins.

In industrialized countries inflation is generally moderated by structured increases in wages, what we commonly refer to as cost-of-living increases. However, in countries without the labor structure or government capacity to offset increasing inflationary pressure with rises in income, inflation poses a harsh economic poison at the individual and societal level. Moreover, inflation for one year can be more easily addressed by government or industrial policy, but as inflation persists at high levels over extended periods, people can get pushed towards the margins and remedial policies become less adaptable. Economic decline also poses hardships on those closest to the margins, where declining domestic production leads to reductions in labor demands, and ultimately economic hardship at the individual level.

Economic recession in any one year—as with inflation—can be mitigated by policy and expectations, but chronic economic contraction poses more serious problems, both for the individual and for the state. Economic and political instability are linked processes. We know from prior research that political institutional instability is a strong predictor of civil war, where anocracy and transitions through an anocratic condition impose greater risks on the state (Hegre et al., 2001; Regan and Bell, 2010). That is, political instability precipitates mobilization of an armed opposition group seeking to challenge the state for authority. The specific components that lead to instability within the institutions of government are less clear. We argue that economic instability and political institutional instability are linked, such that during harsh economic times the political institutions that already face an increased risk of civil violence confront pressures from two sides: the political elite dissatisfied with access to the political process, and the public dissatisfied with its economic plight.

In the face of political and/or economic difficulties, mobilization by the opposition is necessary for the onset of civil war. A government has policy mechanisms that can reduce the motivation to rebel, particularly policies that influence economic conditions or the distribution of national resources. If a civil war is less preferred than stability, then the smoothing of poor economic conditions by the increased influx of migrant remittances is in the interest of the individual recipients, as well as the government. Put differently, in spite of economic and political conditions that push toward civil war, external remittances can work to counteract these internal pressures by providing welfare payments that the government can no longer— or chooses not to—provide. Moreover, the state has an interest in facilitating the transfer of remittances, at least through formal institutions, which they can regulate.

Continuing to provide for basic social welfare by smoothing economic contractions may be one of the keys to political stability in the most at-risk countries. While we do not propose a theory of migrant remittances, we postulate that expatriate family members remit out of both obligation and concern (Agarwal and Horowitz, 2002; Amuedo-Dorantes and Pozo, 2006; Yang and Choi, 2007). During economic hardship family members living abroad would prefer a local sacrifice in return for increased security for their families ‘‘back home’’ over other options. Panel studies tend to confirm this trend (Chami et al., 2005; Clarke and Wallsten, 2003; Rapoport and Docquier, 2005). Therefore, states have an incentive to permit, if not encourage, remittances from migrant workers during difficult economic times. Furthermore, since rebellion is both risky and costly, those families who are most burdened by economic downturns have an incentive to try to increase remittances from relatives during times when their status quo is jeopardized.

State capacity has many aspects, including but not limited to counter-insurgency efforts (Hendrix, 2010; Sobek, 2010). If economic or political grievances are at the core of insurgency movements, then letting market forces smooth economic declines might be less costly than counter-insurgency programs. Given the choice between policies that contribute to stability by facilitating externally generated social welfare payments (remittances) or counterinsurgency initiatives to snuff out rebellious movements, a policy of encouraging migrant remittances would be more economically efficient as well as socially altruistic.

There are two related components to our argument. The first is that economic instability contributes to the motivation to rebel against the state. Absent a grievance, rebellion is too costly given expectations of potential payoffs. Second, migrant remittances serve as an economic smoothing mechanism by which the impact of economic triggers is muted, therefore reducing the risk of civil war by moderating the incentives to participate in armed struggle. More directly, increases in migrant remittance will decrease the probability of observing a civil war during periods of economic and political stress. Two testable propositions derive from our argument: first, a more general expectation is that as a country’s migrant remittances increase, the likelihood of a civil war onset decreases. From this perspective we would expect annual changes in remittances to be a significant predictor of the likelihood of civil war onset. Second, and more specifically, as migrant remittances increase during periods of crisis, the likelihood of a civil war decreases. That is, migrant remittances have their greatest impact on civil war when they act in a counter-cyclical manner to economic performance. In the most entrenched economic downturns increases in remittances will reduce motivations to rebel.

#### Remittances undermine authoritarian party regimes and lower the risk of civil war – creates a spillover of civic and democratic values

Escriba-Folch et al. 15 Abel Escriba-Folch is an Associate Professor at the Department of Political and Social Sciences of Universitat Pompeu Fabra (Abel, Covadonga Meseguer, and Joseph Wright, “Remittances and Democratization,” International Studies Quarterly, 2015, 571-586) // SR

The Political Consequences of Remittances

Remittance flows to developing countries amounted to $325 billion in 2010, according to the World Bank, and continue to grow.5 Foreign remittances have exceeded official aid flows and non-FDI private capital inflows to low- and middle-income countries since the late 1990s (Chami, Barajas, Cosimano, Fullenkamp, Gapen, and Montiel 2008:12). We see the same patterns in autocratic regimes. Further, remittance inflows are on average less volatile than other non-tax resources—such as oil rents and foreign aid.6 Figure 1 shows that average oil income in autocracies remained steady through the 1990s and increased in the past decade as oil prices rose. While remittances also rose with oil prices in the 2000s, foreign aid to autocracies has not evidenced the same spike. The rise of remittances in the past two decades means that some countries’ economies have become increasingly dependent on these flows. In countries as diverse as Albania, Lesotho, Haiti, and Jordan, remittances constitute more than 15 percent of GDP. Do these flows have political consequences for receiving countries?

Relying on previous sociological and anthropological work, political scientists now explore how patterns of transnational engagement influence political attitudes and behaviors in home countries as well as how emigrants exert “voice” after “exit” (Hirschman 1978; Goodman and Hiskey 2008; Iskander 2010; Careja and Emmenegger 2012; Meseguer and Burgess 2014). Abundant case studies show that emigrants engage in the politics of their home countries (Levitt 1998; Kapur 2010). Yet, we know little about the macropolitical consequences of this transnational engagement for sending countries, as most studies focus on one country—mainly Mexico—or use individual-level data.

One group of studies uses survey data that asks respondents about their migratory experience—including receiving remittances—and political behavior. Other research examines how remittances affect electoral outcomes, such as voting for incumbent parties. Whereas the first set of work finds that emigration has a demobilizing effect, the second shows that remittances generally reduce electoral support for incumbent parties and thus may further political change. Extant research therefore associates remittances with both decreased political mobilization and increased political change at the same time. In this section, we review the mechanisms for these two opposing effects and then, in the next section, discuss how these mechanisms influence the prospects of democratization in different autocratic contexts.

Using a variety of surveys based on Mexican respondents, Perez-Armendariz and Crow (2010), Goodman and Hiskey (2008), and Germano (2013) find that emigration experience reduces certain types of political behavior, such as voting, talking about politics, punishing incumbent parties in elections, and seeking political information. Two mechanisms may explain these findings. First, Goodman and Hiskey (2008:170) posit that having relatives abroad and receiving remittances reorient individuals toward transnational political activities as they rely more on families and less on the state to satisfy their needs. Second, and more importantly, remittances may insulate recipient households from domestic economic conditions and thus reduce economic grievances. Remittances usually accrue to households in countercyclical patterns, which help to smooth domestic economic shocks and consumption volatility. This might reduce dissatisfaction with the incumbent regime and preclude political change, perhaps by lowering the risk of civil war (Regan and Frank 2014:5–8).

In contrast, other studies contend that remittances foster political change, and even democratization, via three main mechanisms: an income effect, contentious mobilization, and social learning. First, remittances increase recipient households’ income, which in turn augment resources necessary for political participation, such as time and money. One version of this argument posits that additional non-labor income in the form of remittances makes individuals less dependent on the state’s clientelistic spending, prompting individuals to reduce their electoral support for incumbent parties or to engage in other forms of participation such as protests. For example, using municipal election data in Mexico, Pfutze (2012, 2014) tests the social learning and the income mechanism but only finds support for the latter: Remittances reduce turnout for the ruling Partido Revolucionario Institucional (PRI) in municipalities where the PRI was entrenched. Similarly, Diaz-Cayeros, Magaloni, and Weingast (2003) show that a higher percentage of a municipal population living in the United States—a proxy for remittances—is associated with municipality defection from the PRI and voting for the opposition.

Second, remittances may support particular candidates and parties in receiving countries or finance protest activities back home.7 Remittances thus influence domestic politics in sending countries when they directly fund opposition political groups. Migrant diasporas, for example, are a key source of financing for some domestic rebel groups, which increases the feasibility of an armed uprising and, as a result, raises the likelihood of civil conflict (Collier and Hoeffler 2004: 565, 568). Using survey data from sub-Saharan Africa, Dionne, Inman, and Montinola (2014) show that individuals who report receiving remittances are more likely to participate in protests but less likely to vote than those who report receiving no remittances. In more institutionalized polities, remittances finance legal opposition parties and thus increase their capacity to challenge the incumbents in elections.8 Others find that emigrant remittances increase the resources available for collective challenges to the state, increasing the risk of civil war (Miller and Ritter 2014).

Third, remittances may involve the transfer of “social remittances,” which consist of the flow of new ideas, values, and behaviors from migrants to their sending countries (Levitt 1998). The transfer of social remittances occurs through long-distance cross-border interactions, face-to-face cross-border interactions, and migration information networks (Levitt 1998; Perez-Armendariz and Crow 2010; Perez-Armendariz 2014). Thus, contact with emigrant relatives may increase participation and dissent through a process of social learning via the spillover of civic and democratic values, which alter the distribution of political preferences and behaviors in sending communities (Pfutze 2012, 2014; Perez-Armendariz 2014). For example, Perez-Armendariz and Crow (2010) find that knowing migrants—whether friends or relatives— increases political participation as well as dissatisfaction with incumbents in Mexico.

Most current research focuses on how remittances influence politics in new democracies and specifically Mexico (Goodman and Hiskey 2008; Perez-Armendariz and Crow 2010; Tyburski 2012; Germano 2013; Perez-Armendariz 2014; Pfutze 2014).9 However, research on the political influence of remittances need not be restricted to democratic settings (Diaz-Cayeros et al. 2003; Pfutze 2012). The only paper that examines remittances and macropolitical change using a broad sample of autocracies is Ahmed (2012), which examines two types of foreign income together: aid and remittances.10 This study posits that autocracies use aid to finance patronage (an income effect) and that as remittances increase private consumption, governments divert expenditures from the provision of welfare to private spending (a substitution effect). Both mechanisms result in extra resources for regimes to fund patronage. However, as noted above, inflows of aid—if fungible—accrue directly to the state while individual remittances accrue largely to households. Hence, these two income flows may have distinct (even opposite) effects on democratization. Moreover, by focusing on how autocracies differ from democracies, this research ignores the question of how regimes in different autocratic contexts benefit from or are harmed by remittance flows. The next section discusses the proposed mechanisms linking remittances to the prospects of democratic change in different autocratic regimes and advances a theory to explain why remittances further democracy in party-based dictatorships.

Remittances and Autocratic Regime Survival

Are some regimes more vulnerable to workers’ remittances? Autocratic regimes differ along many dimensions, such as the size of their support coalition (Bueno de Mesquita, Smith, Siverson, and Morrow 2003), the group from which elite supporters are selected (Geddes 1999), and the extent to which they co-opt potential opponents with policy concessions (Gandhi 2008). These characteristics influence a regime’s durability and its vulnerability to domestic and foreign shocks. We argue that foreign remittances reduce citizens’ dependence on government transfers and public goods and thus destabilize autocracies. By giving individuals and households an exit option from the regime’s patronage network, remittances sever the clientelistic link between voters and incumbent dictators causing defections from their support coalition. Further, by increasing the resources of opposition parties and groups, remittances may increase the capacity of these parties to challenge the regime in autocratic elections.

These mechanisms, we argue, are more likely to occur in dictatorships that hold multiparty elections regularly and rely primarily on broad-based distribution of goods to purchase the loyalty of large coalitions and deter investment in the opposition. Concretely, remittances should reduce voters’ dependency on state-delivered goods and thus undermine dominant-party-regimes’ capacity to mobilize political support.

Dominant-party-regimes are dictatorships in which “a party organization exercises some power over the leader at least part of the time, controls the career paths of officials, organizes the distribution of benefits to supporters, and mobilizes citizens to vote and show support for party leaders in other ways” (Geddes 1999:124). The latter two features help us understand how remittances weaken these regimes. Dominant-party dictatorships tend to have broader and deeper support coalitions than other regimes. Their survival therefore depends not only on institutionalized power-sharing agreements and the provision of private goods to top party officials and other elites (patronage), but also on the delivery of (often local) public goods to large segments of the population (clientelism) aimed at mobilizing mass support (Bueno de Mesquita et al. 2003:87; Magaloni and Kricheli 2010; Malesky, Abrami, and Zheng 2011). Thus, parties not only serve to channel elites’ demands and credibly share power with significant groups, but also work as large clientelistic machines through which benefits are distributed in an effort to mobilize supporters (Magaloni 2006:15, 65–66; Greene 2007:40, 2010; Pepinsky 2007:143; Levitsky and Way 2010:66–67).11 The party’s ability to politicize public resources, transforming them into patronage goods, enhances its capacity to organize the distribution of benefits to supporters (Greene 2010:808). This usually results in party-regimes having large public sectors (Desai, Olofsgard, and Yousef 2009:111; Greene 2010).

The party monopoly over state resources makes it possible for the regime to control access to public housing, social services, property, fertilizers, subsidies, scholarships, jobs, and even food. And, most importantly, it allows the incumbent to make this access conditional on support for the regime party. This ensures that important segments of society depend on the regime economically (Magaloni and Kricheli 2010). Benefits to citizens also take the form of private goods. For example, the People’s Action Party’s (PAP) public housing programs in Singapore are a key source of support and votes for the regime since 1960. During elections in Malaysia, workers from the ruling party, the United Malays National Organization (UMNO), visit rural households to dispense cash payments to supporters and deter opponent mobilization (Pepinsky 2007:144). But most commonly, the benefits delivered from dominant parties take the form of targeted public goods and services. In Malaysia, federal politicians distributed grants for rural development to local clients to reward support for UMNO (Pepinsky 2007:146). Blaydes (2011:74) shows that during Mubarak’s rule in Egypt, areas that voted for the opposition saw little improvement in sewerage and water coverage between the mid-1980s and 1990s. The PRI in Mexico systematically directed PRONASOL funds, mainly consisting of public works targeting municipalities, to ensure voters’ loyalty in contested municipalities and withdrawn from those supporting the opposition (Magaloni 2006:68, Chapter 4).

Individuals receive targeted benefits and public goods and services in exchange for supporting the regime. This support may entail tacit acquiescence or party membership, but also often involves endorsing the ruling party in elections. Elections are not uncommon in dictatorships; indeed, a majority of dictatorships held multiparty elections in the past decade (Gandhi and Lust-Okar 2009; Hyde and Marinov 2012). Almost all dominant-partyregimes hold regular national elections, and these regimes hold elections more frequently than other types of autocracies (Geddes 2003). Autocrats use elections to deal with different kinds of threats and intend to win them (Gandhi and Lust-Okar 2009). Consequently, among other strategies such as voter intimidation and restrictions on opposition parties, party-regimes exploit their resource advantage to fund clientelistic practices— where ruling parties exchange votes for material benefits and services—and to enjoy a privileged economic and media position during electoral campaigns (Dixit and Londegran 1996; Magaloni 2006; Greene 2010).

The previous section identified three mechanisms through which remittances may foster political change: severing clientelistic links between citizens and the ruling party; increasing funding for opposition parties and groups; and social remittances, or the spillover of civic and democratic values. Our hypothesis suggests that remittances should undermine autocratic survival in dominant-party-regimes principally through the income effect of remittances and possibly through an increase in resources available to opposition parties. We argue that remittances weaken party-regimes by reducing citizens’ dependence on clientelistic transfers and thus increase their economic autonomy, namely their “ability to earn a living independent of the state” (McMann 2006:28). By increasing private income, remittances reduce the marginal utility of state-provided targeted benefits as well as local public goods and services.

This argument builds on the stylized fact that remittances increase household consumption to acquire goods and thus represent a substitute for goods provided by the regime. Existing research shows that recipient households use remittance income to finance private consumption but also as investments in education, health, agriculture, and business (World Bank 2006a,b; Fajnzylber and Lopez 2007:23–33; Chami et al. 2008). Additionally, remittances enable citizens to obtain local public goods that substitute for government welfare and infrastructure expenditures. For example, Adida and Girod (2011:17) find that Mexican households use remittances to purchase access to public services, such as sanitation and clean water, undermining the state monopoly on the provision of these goods. In Yemen, during the 1970s, local cooperatives used remittances to invest in road construction, schools, clinics, and farming projects (Chaudhry 1989:133–134). In Senegal, migrant associations (dahiras) use remittances to fund projects and social services in their communities of origin “without having to rely on state intervention” (Diedhiou 2011:6). These examples suggest that remittances provide households and individuals with an “exit” from the regime’s clientelistic network (Diaz-Cayeros et al. 2003; Ahmed 2011; Pfutze 2012).

Two requisite conditions underpin the logic of the income effect: (1) Remittance recipients care about ideological preferences, and (2) the regime cannot substantially expand its budget by extracting revenue from remittances, which they then use to buy political support from remittance households. The first condition is a standard assumption in models of clientelism, where voter utility is a positive function of income and a negative function of support for the regime/incumbent party as captured by the distance between their own ideological position and that of the party they support. Hence, clientelistic transfers decrease (to zero at the limit) as an individual’s support for the regime increases or as the voter’s ideology moves closer to the incumbent party’s position. Transfers, in these models, are the price the regime pays to alter the individuals’ political behavior.12 As Magaloni and Kricheli (2010:128) argue, “[c]itizens with alternative sources of income can better afford to make ‘ideological investments’ in democratization and oppose the regime.” Likewise, McMann (2006:28) posits that “economic autonomy” explains citizens’ willingness to challenge local authorities instead of self-censoring their preferences. Further, clientelistic networks easily trap poorer voters, as lower incomes reduce the price the regime must pay in exchange for support. Substantial evidence suggests that remittances benefit the poor and help reduce poverty.13 By increasing income and thus the monetary value of transfers needed to buy support, remittances weaken state clientelism, lowering the marginal utility of such transfers and increasing the importance of ideological preferences in voting and other political decisions.

The second condition is that the regime does not substantially augment its resources by capturing remittances, which are then used to offset the increase in the price of continued support. Numerous studies agree that remittances are largely nontaxable (Chaudhry 1989; Abdih et al. 2012; Ahmed 2012; Pfutze 2012, 2014). The World Bank (2006a:93), for example, notes that “[m]ost remittance-receiving countries today do not impose taxes on incoming remittances.” In practice, governments rarely tax remittances directly because they are highly elastic to the tax rate as remitters can easily evade formal controls (Eckstein 2010). Thus, directly taxing remit tances is likely to result in fewer remittances sent through formal channels (Freund and Spatafora 2008). For this reason, we follow the extant research in suggesting that remittances are generally not taxable and do not substantially increase nondemocratic governments’ revenues.14

Empirical tests of this argument in Mexico show that remittances decrease votes cast for the incumbent and benefit the opposition by weakening of clientelistic ties (Pfutze 2012, 2014). Dahou and Foucher (2009:17) concur, noting that “[t]he shift of the Senegalese economy from groundnuts to migration and its increasing dependence on resources generated abroad could be seen as the final stage in the process of ending the hegemony once enjoyed by the state over Senegalese society.” Senegal transitioned to democracy in 2000 when the incumbent Socialist Party lost the presidential election. However, we lack systematic tests of this argument for a large number of autocracies.

Thus, we expect remittances to increase the likelihood of democratic transition. We should find the strongest support for this expectation in dominant-party dictatorships as opposed to other autocracies because the former typically (i) have organized opportunities for collective action and the expression of dissent, particularly via elections and (ii) have broader and deeper support coalitions comprising poor households in which we expect the income effect of remittances to operate most strongly. To explore the proposed mechanism linking remittances to democratization, we further examine whether remittances alter electoral behavior in autocracies in a way that punishes the incumbent.

First, weakening clientelism permits individuals to revise their evaluation of the government and express their true preferences about the regime. When the utility of registering disapproval of the regime—given remittances—is larger than that of supporting it, expressing dissent cannot be too costly. On one hand, dominant-party-regimes are both less repressive (Davenport 2007) and more likely to have regular, institutionalized mechanisms for leadership turnover that typically occur through elections (Geddes 2003). If the ruling party loses an election, this generally leads to a democratic transition. In other regimes, in contrast, destabilizing dissent more often entails contentious collective action (Ulfelder 2005).

Second, dominant-party-regimes have broader winning coalitions than other autocracies and politicize public resources to mobilize support. To retain power, the regime party typically wins elections. Broader support coalitions in these dictatorships are more likely to contain poorer households that rely on remittances. In many countries, the share of households that receive remittances is substantial.15 Further, the positive income effect of remittances may not be limited to direct recipients, as foreign income can have multiplier effects leading to improvements in the living conditions of non-migrant households as well (World Bank 2006a: 70, 95). These spillover effects increase “environmental economic autonomy” (McMann 2006:31–34). Through the income mechanism, remittances undermine clientelistic ties and make some individuals and localities more likely to manifest disapproval or withdraw their support for the regime party. Elections reflect the loss of political support from the coalition, as a decline in turnout for the incumbent party may lead to electoral victory for opposition parties, as occurred in Mexico and Senegal in 2000.

Other dictatorships—particularly personalist regimes— also rely on the distribution of benefits to supporters, but they are more likely to have a relatively small coalition comprised mainly of individuals with family and ethnic ties to the leader (Geddes 2003:72–74). In contrast, party-regimes more often co-opt large groups of potential opponents into the support coalition or rely on large preexisting organizations such as labor unions or independence movements (Bratton and van de Walle 1994; Geddes 1999; Smith 2005). In personalist dictatorships, which typically have smaller support coalitions than party dictatorships, this group is less likely to contain poorer individuals whose main income comes from remittances. The political support of relatively lowincome supporters is therefore less likely to be necessary to retain power in non-party-based regimes. Further, benefits accruing to each member of a personalist coalition are private goods and thus substantially larger (Bueno de Mesquita et al. 2003:129–132). It is therefore less likely that utility from remittances exceeds the benefits obtained by supporting the regime. Thus, even though patronage politics is central to the logic of personalist rule, we do not expect remittances to undermine the patronage links between regime supporters and the dictator in personalist regimes.16 In military regimes, patronage may be present too but it is not the main instrument such regimes use to retain power. Rather, repression and institutional power-sharing between branches or factions within the military are the most significant instruments (Davenport 2007; Geddes, Frantz, and Wright 2014a).

There may be other mechanisms through which remittances enhance the prospects of democratization, particularly in dominant-party-regimes. However, these mechanisms are likely to strengthen our argument. For example, migrant diasporas directly influence political events in sending countries by disseminating information, framing political issues, financing candidates and parties, as well as by lobbying foreign governments and international organizations. As O’Mahony (2013:805) notes, “[p]olitical contributions may be given directly to parties by migrants or passed on to politicians by migrants’ families.” Thus, remittances work in conjunction with migrant diasporas that help finance and mobilize domestic opposition groups.

The influence of augmented political resources for opposition mobilization should differ across autocratic contexts as well. Regular elections in dominant-partyregimes often pit legal opposition parties against the incumbent. The ruling party wins these elections because it enjoys resource advantages thanks to its monopoly access to public resources and state-controlled institutions such as the media (Magaloni 2006: Chapter 1; Greene 2007:5–6). Excluded from such resources, opposition parties benefit from foreign contributions, increasing their ability to compete for office, thus facilitating democratic transition. Hence, in dominant-party-regimes, remittances undermine the resource advantage ruling parties enjoy by providing opposition groups with funds they are unable to generate domestically.

For example, in Ethiopia, opposition parties that boycotted the 1995 and 2000 elections won 172 seats in the 2005 parliamentary election, while the ruling EPRDF retained “only” 327 seats—more than 150 fewer seats than it had won in the 2000 election. As Lyons (2007:540) emphasizes, “[t]he two main opposition coalitions that participated in the May 2005 elections had clear roots in the diasporas of North America and Europe.” In fact, most of the campaign funding for one of the main opposition coalition groups, the Coalition for Unity and Democracy, came from diaspora communities (Arriola 2008:120).

In contrast, in regimes that are less likely to have regular and competitive mechanisms for leadership succession, remittances may simply increase the capacity of outside groups to forcibly oust the regime. In autocratic contexts where opposition groups and parties are banned, diaspora funds thus finance insurgencies (Collier and Hoeffler 2004).17 While remittances in these cases may increase the prospects of a forced, or even violent, regime change, these regime ousters usually lead to a subsequent autocracy and not to democracy (Geddes, Wright, and Frantz 2014b).

Finally, emigration also fosters social learning by transmitting ideas and information about social norms, including democratic values, to those left behind (Levitt 1998; Perez-Armendariz 2014). However, the social learning mechanism would operate provided emigrants settle in advanced, well-governed democracies, which is far from the rule in many developing countries (World Bank 2011:12). Further, emigration—rather than economic remittances—should be a better measure of transferring values because migration is more likely to reflect political preferences as citizens leave when they dislike the state of political affairs at home (Hiskey, Montalvo, and Orces 2014). Thus, their departure may decrease turnout for the incumbent (Pfutze 2014). Addressing the multiple mechanisms through which emigration may influence democratization requires timeseries data on emigration, but existing data are low quality, with poor coverage for most autocratic countries.18 Yet, we acknowledge that emigration can be a potentially confounding variable and show that the influence of remittances is robust to controlling for net migration, which is the best available measure given our research design.

### Remittances good – Africa

#### Remittances vital to improving economic prospects and human capital development in Africa

**African Leadership 18** – (“Remittances: An Overlooked But Important Economic Driver in Africa”, African Leadership, <http://africanleadership.co.uk/remittances-overlooked-important-economic-driver-africa/> // AA)

[chart omitted]

The forces of globalization and migration have become particularly potent on the global economic scene in the last two decades and they don’t appear to be slowing down. Globalization despite all its shortcomings, improves foreign direct investments, boosts the transfer of technical expertise, and enhances human capital development. Migration despite all clamor against its tendency to engender stress on social amenities, helps to sustain economic growth in host countries and bolsters remittances in the countries of origin.

In 2015, global remittances to developing countries were estimated at $440B, the number dropped 2.4% to $429 billion in 2016. Economists estimate that remittances might have grown by 3.3% to $444 billion in 2017. In fact, **remittances to Africa has outpaced foreign aid**, since the year 2000 (see chart below) **a sign of improving economic prospects in Africa**.

[chart omitted]

However, many African governments tend to underplay or ignore the role that remittances play in their local economies and in the GDP growth of their countries. This piece looks at how remittances are making a difference on the global economy with a special focus on their impact on the economies of the African continent.

The effects of Remittance on originating economies

Improvement in economic consumption

**Remittances increase the economic power of recipient families to boost their economic consumptions**. South African families that receive remittances from families abroad tend to have **more** disposable **income** and they **spend significantly more** than average on food, shelter and clothing. An increase in spending power in turns helps people to **upgrade their standard of living** and get on a **faster track out of the poverty trap** and its attendant woes.

Increased investment in human capital development

**Remittances help to boost investments in human capital development**– often beyond the level of the capacity building efforts of the government. Families that receive remittances tend to spend a disproportionately large part of such income on education than from other income. **Families that receive remittances are more likely send their kids to better schools, invest more in girl-child education, and pursue more education beyond high school.**

Expansion of local economic base via SMEs

**Remittances also help to boost the local economic base by serving as startup funding and expansion capital for local businesses and SMEs.** Many people who send money to families back at home encourage the setting up of businesses in agriculture, real estate, and trading among others. Such business investments in turn help the families to increase their sources of income and build more wealth. Such businesses also hire workers to reduce the prevalent unemployment and they provide income to the government in form of taxes and levies.

Threats to remittances and its impact on African economies

One of the biggest challenges facing migrants in transferring home for the improvement of the standard of living for the people back at home is the high cost of remittances. After working multiple odd jobs, braving the winter cold at ungodly hours, it can be disheartening to pay huge transaction costs to banks just to send money back home.

The World Bank notes that “the global average cost of sending $200 remained flat at 7.45 percent in the first quarter of 2017” whereas economists submit that Sustainable Development Goal (SDG) target of 3% is essential to keep the impact of remittances. In sub-Saharan Africa, the costs of sending remittances could be as high as 9.8% making the region the highest cost region.

Thankfully, people abroad who are to relatives back in Africa now have options and they don’t have to bear the high costs imposed traditional financial institutions. When transferring money to South Africa, you may want to read reviews and patronize some recommended companies who facilitate international transfers at a lower cost and at a faster pace than local banks.

It is important of the good of the African continent that governments start taking proactive measure to ensure that the flow of remittances from abroad continues unhindered. Rita Ramalho, Acting Director of the World Bank’s Global Indicators Group notes that “**Remittances are an important source of income for millions of families in developing countries. As such, a weakening of remittance flows can have a serious impact on the ability of families to get health care, education or proper nutrition,”.**

### Remittances good – Mexico

#### Remittances are crucial to the Mexican market which spillsover to boosting US exports, competition, and exchange rates

**Johnson, Ph.D. 10** – (Kristen Johnson, “Many Happy Returns: Remittances and Their Impact”, Immigration Policy Center – American Immigration Council, February 2010, [https://www.americanimmigrationcouncil.org/sites/default/files/research/Remittances\_021010.pdf //](https://www.americanimmigrationcouncil.org/sites/default/files/research/Remittances_021010.pdf%20//) AA)

Remittances Allow Immigrant‐sending Countries to Spend More on U.S. Exports

Accounts of how remittances are spent vary substantially across existing studies and literature. The general consensus is that **remittances increase consumption in domestic markets**, whether on necessary consumer goods, luxury items, or even investment in non‐publically funded education or the creation of small businesses.  Asia receives the largest total sum of remittances, although Latin America and the Caribbean remain large recipients as well.

[image omitted]

Regardless of how they are spent, remittances represent an increase in the resources available to households, allowing the poorest parts of the population to increase their spending on consumer or other goods. Remittances allow households to purchase goods they would otherwise need to produce, increasing the market for even basic household goods and increasing the available labor supply as individuals are able to focus on outside employment rather than household production. Mexico provides a good case study. Remittances to Mexico reached their peak in 2006, at nearly $6.2 billion dollars, and in 2007, Mexico was one of the top three global remittance recipients.4 Remittances constitute 2‐3% of Mexico’s GNP, and represent one of the largest inflows of foreign capital into the country.5

Studies of remittance inflows in Mexico show that **remittances have the largest economic impact in poorer southern Mexican states**. Up to 80% of funds received in those states go to household expenses such as food, clothing and other goods.6 In order to facilitate economic development efforts, the Mexican government has facilitated the use of remittance funds in micro enterprise efforts, resulting in investment in small business enterprises by Mexican remittance recipients. For the poorest 10% of the population, remittances make a key difference in purchasing capabilities.

Economists call family spending on individual consumer goods and services—including rent, food and clothing purchases, recreational activities, and transportation services—household consumption expenditure. The poorest 30% in Mexico, largely due to remittances, are approaching nationally average levels and spending 23% of household expenditures on food and 5% of household expenditures on clothing.7 This indicates that the poorest sectors of the population are shifting from subsistence to purchasing household goods. The increase in purchasing increases the demand for goods and services which, in turn, increases the portion of the population that actively participates as market consumers. With an increase in poorer sectors of the population participating in market activity and consumption, demand for goods and services increases. The chart below indicates national per capita averages of household consumption expenditure in Mexico from 2000‐2009.

[image omitted]

Increases in per capita spending on individual resident household goods and services correspond closely to the pattern of remittance flows, with remittance levels increasing until 2007 and declining in 2008‐2009.

This is good for U.S. exports.  Increases in household revenues increase the demand for goods and the ability to purchase imported goods.  Export increases from three states that comprise over half of U.S. trade with Mexico also increased substantially from 2005‐2008; Texas realized $50 million in exports to Mexico in 2005 which rose to $62 million in 2008, with an increase of 10.9% from 2007 to 2008 alone.  With even larger increases albeit smaller total exports, Arizona increased exports from $4.7 million in 2005 to $5.9 million in 2007 and a 12.9% increase from 2007‐2008, and California increases exports from $17.2 million in 2005 to $20.4 million in 2008, and an increase of 14% between 2007 and 2008.8

**Mexico is an increasingly important market for U.S. exports. Increases in Mexico’s ability to purchase consumer goods increases the demand for goods produced in the United States**, both as consumer purchases (for example clothing, electronics, and other items) and in building business and financial infrastructure that accompanies economic expansion.

Individuals with increasing income may wish to purchase a broader variety of goods that are cheaper to import due to the technological requirements of production. Exports from developed countries often consist of manufactured or high tech or luxury goods that entail high startup costs for domestic producers. For example, civilian aircraft, engines and parts and electronic integrated circuitry comprise some of the highest value in exports, comprising over 10% of total export value in California and Arizona.  In Texas, oil and machinery to support oil extraction are the highest value exports.

**Remittances are inflows of foreign capital that can increase human and physical capital accumulation in developing countries**.  In other words, remittances allow the current and future work force to acquire additional education and training.  Thanks to remittances, children can stay in school longer instead of having to work, and families can invest more in skill development and training.  Families are also able to save money and make purchases that increase their productivity, with investments ranging from tractors and mechanized production to computers and technological assets becoming accessible for an expanding population. These increases in spending can often increase demand for non‐tradable goods, such as water and electricity, or goods that are not easily imported.  In developing countries, remittances are most often received by low and middle income people. These individuals are the most likely to increase their consumption in household items, transportation, communication and non‐tradable goods. Large increases in non‐tradable good demand can increase prices, as larger segments of the population either gain access to or increase their use of non‐tradable goods. **This increase in prices creates upward pressure on the local currency and increases real exchange rates. This has the effect of increasing the competitiveness of foreign goods and increasing their consumption.** Given that **Mexico is a critical market for U.S. exports**, this is great news for U.S. manufacturers.

Remittances may also change the type of consumption taking place.   High income earners in developing markets already have access to non‐tradable goods. However, increases in income do increase the demand for status or luxury items, including everything from processed food items to expensive jewelry. In other words, remittances make middle class consumption practices practical for populations that are otherwise precluded from these spending opportunities.

By exposing migrant populations to a new culture and new things, migration is accompanied by an increased demand for trendy or cultural goods. This is evident in everything from diversification of food items in U.S. grocery stores to the presence of U.S. clothing, grocery items, and food franchises in other countries.  Mexico is a major market for U.S. snack foods and the largest export market for U.S. textiles, which alone account for over $3 billion in exports.9 Remittances, in conjunction with exposure to foreign goods, increase import consumption. Between 2004 and 2008, alcohol exports from the U.S. to Mexico increased in value 334%, and exports of sporting goods, toys and games increased in value 492%.10 Markets for U.S. goods are created by familiarity with the goods accompanied by purchasing power.

### Remittances good - Philippines

#### Remittances are a staple to the Filipino economy, totaling to billions of dollars

**Rowley 17** – Writer at The National (Anthony Rowley, “Remittances remain crucial to Philippines economy”, The National, 10/11/2017, [https://www.thenational.ae/business/remittances-remain-crucial-to-philippines-economy-1.666517 //](https://www.thenational.ae/business/remittances-remain-crucial-to-philippines-economy-1.666517%20//) AA)

OFW = Overseas Filipino Worker

The Philippines is becoming less export-dependent in the usual sense of the term as domestic consumption and investment expand.

But **one "export" that remains critically important is the outflow of Philippine workers to overseas countries from where they send home huge total cash remittances**.

These remittances from countries literally all over the world to where Filipinos fan out in search of work in services or industry were worth US$26.9 billion in 2016 - which was equal to almost one half (48 per cent) of the $56bn of total merchandise exports during the year.

**Middle East countries are the second-biggest source of foreign remittances to the Philippines (after the United States and the Americas), followed by those from Asian countries and from Europe**.

"There was some economic upset last year in the Middle East", which is a popular destination for overseas foreign workers or "OFWs" as they are known in the Philippines, notes Aekapol Chongvilaivan, the country economist in the Philippines office of the Asian Development Bank.

He cites the case of Qatar as an example. "Last year we had some worry that if some workers were sent back to the Philippines it might affect foreign worker remittances but in the first half of this year that has not happened," Mr Chongvilaivan tells The National.

In the January to June period of 2017 "we have seen quite stable remittances and one interesting thing is that the Philippine peso is quite depreciated now, which means the same amount of [local currency] remittances are actually higher amounts in pesos", he adds.

Total remittances back to the Philippines from OFWs reached just over $16bn in the first half of this year, some 5 per cent up on the comparable period in 2016, says the national statistics agency. Most of this amount - $12.8bn - came from land-based workers and some $3.3bn from maritime Filipino workers, according to the ADB.

Middle East nations were the source of $4.3bn of total remittances (or some 27 per cent) with Saudi Arabia being the biggest component of these remittances at $1.5bn and the UAE coming in second biggest at just under $1.4bn.

**Only the US beats Middle-East as a source of Philippine foreign remittances with a contribution of some $5,4bn in the first half of this year.** In the case of the US, Filipinos working as ship crews account for more than one third of remittances

OFWs working in other Asian countries (many of them as domestic helpers) produced almost $3bn of Philippine remittances in the first half of 2017 or 19 per cent of the total, while from European countries the contribution was $2.2bn or 14 per cent.

"It should be highlighted that **the sources of remittances from OFWs are quite well diversified, making remittances resilient to uncertainties in [individual] regions" such as the Middle East**, Mr Chongvilaivan says.

Overseas **remittances from Filipino workers to their families in the Philippines help to finance** consumption and, in that sense, they can be seen a "driver of domestic demand" in the country, adds Christopher Wood, the managing director and equity strategist at Hong Kong-headquartered brokerage and investment group CLSA.

So the personal sacrifices Filipinos make to, in many cases, leave family behind for many years to work abroad, is a source of benefit for their home country and, in turn, for the relatives who remain.

### AT: Remittances bad - dependence

#### Volatility of remittances mitigates dependency and conspicuous consumption.

Amuedo-Dorantes, 14—Professor, Department of Economics, San Diego State University, USA (Catalina, “The good and the bad in remittance flows,” IZA World of Labor 2014: 97, November 2014, https://wol.iza.org/articles/good-and-bad-in-remittance-flows/long)//AS

Some nuances: Level versus volatility and predictability

For the most part, the remittance literature has focused on the impact of remittance flows, paying much less attention to other aspects surrounding the receipt of the money inflows, such as their frequency, volatility, and uncertainty. Yet, the ultimate impacts of remittances on labor supply or asset accumulation, for example, depend not only on the amount of money received, but also on the regularity. Households that receive remittance flows on a regular basis might better be able to coordinate remittance receipts with necessary expenditures and therefore might be more likely to reduce their labor supply. In contrast, households that receive remittance flows irregularly would not be able to rely on those flows to meet necessary expenses and so might be more reluctant to change their labor supply.

Some studies focusing on Mexico have found that increases in the volatility of remittance income raise the employment likelihood of men and women in receiving households, as well as the hours worked by employed women [10]. To the extent that men are more likely to be working full-time than women, women might be better able to respond flexibly to remittance income volatility by increasing their hours of work. In other words, female labor supply may be used as a buffer against increases in the volatility of remittance inflows. Similarly, the decision to use remittance receipts for consumption or investment might depend in part on their regularity and predictability. Households that receive remittances on a predictable basis will be better able to coordinate their day-to-day expenditure and consumption needs with the receipt of remittances. In contrast, households that receive remittances on an unpredictable basis are more likely to view the inflows as nonpermanent and, therefore, are less likely to include them in their consumption planning. As a result, they might have a greater tendency to save the remittance inflows.

Studies for Mexico have found that a one standard deviation increase in the uncertainty of remittance income raises the likelihood of household spending on asset accumulation by about two percentage points while raising the share of household spending going to asset accumulation by 4–9% [11]. Their findings suggest that both the level and predictability of remittance inflows should receive full attention in the design of policies for maximizing the benefits from remittance inflows into developing economies.

### AT: Remittances bad – money laundering / terrorism

#### No terrorism or money laundering connection

**Vasconcelos, 5 –** Manager of the Multilateral Investment Fund of the Inter-American Development Bank in Washington, D.C. (Paul, “IMPROVING THE DEVELOPMENT IMPACT OF REMITTANCES” UNITED NATIONS EXPERT GROUP MEETING ON INTERNATIONAL MIGRATION AND DEVELOPMENT, July, <http://www.un.org/esa/population/meetings/ittmigdev2005/P10_DeVasconcelos.pdf>

There is related confusion at the political level. For instance, the issue of money laundering for terrorist financing or other illegal activities often surfaces in policy discussions involving migrant remittances. The U.S. Patriot Act, through its various provisions urges banks and other institutions to “Know Your Customer” (see Bair, 2005).

While there is clearly a compelling and legitimate interest in depriving illegal activities of their means of financing, it strains credulity to suggest that migrant remittances play any meaningful role in these efforts. It should be understood that while remittances to Latin America and the Caribbean are large in the aggregate, individually these are very small amounts by standards of international transfers--averaging only $240 per transfer in 2004 (Bendixen and Associates, 2005). Pooling and coordinating such small amounts for illegal uses would be a highly inefficient way to direct or accumulate funds for such purposes.

#### Stopping money laundering can’t solve terrorists—they perform the opposite of criminal money laundering and terrorist attacks are inexpensive.

Krieger and Meierrieks, 11—Third-Year Review/Assistant Professor University of Paderborn AND Ph.D. Economics University of Paderborn (Tim and Daniel, “Terrorist Financing and Money Laundering,” University of Paderborn Working Papers, 6/2011, <http://groups.uni-paderborn.de/fiwi/RePEc/Working%20Paper%20neutral/WP40%20-%202011-07.pdf)//AS>

Not surprisingly, in the aftermath of the 9/11 attacks national and international legislation was introduced to intercept financial flows towards or from terrorist organizations, the most prominent example being the Financial Action Task Force’s “FATF Special Recommendations on Terrorist Financing” which extend the international framework for fighting money laundering by organized crime. In an immediate sense, this appears reasonable because there is a direct link between organized crime and terrorism: most terrorist acts are themselves crimes (Dandurand and Chin 2004). However, although the extended FATF framework includes recommendations dealing with some issues which are specific to terrorist financing, the analogy drawn between money laundering and terrorist financing is still open to debate. On the one hand, it is argued that organized crime and terrorist groups are sufficiently similar (or even converging) to treat them alike and to use a similar set of instruments to disrupt their financial activities. On the other hand, there is a fundamental difference with respect to the “direction” of financial flows: money laundering by organized crime aims at disguising the criminal identity of funds so that they appear legitimate, while terrorist financing has been called “almost money laundering in reverse” (J. Sloan, FinCEN director, cited in: Gouvin 2003: 973) because it is the use of funds that is criminal, whereas its sources and their transfer are often legitimate. This fundamental difference has important practical consequences because money‐laundering prosecutors have to correctly predict a dangerous future use of funds, which turns out to be a difficult challenge and may require close cooperation with counter‐terrorism intelligence.

This difference is aggravated by the fact that the main goals of both types of organizations differ: organized crime is mainly interested in maintaining a stable, but secret “business”, while terrorists want to achieve the biggest possible (political) effect in terms of media attention and destabilization. This, however, can be achieved at rather low cost, so that most terrorist attacks are rather inexpensive. This imposes further challenges for prosecutors as the financial flows they need to detect are usually small. Especially since terrorists are increasingly organized in networks of the Al‐ Qaeda type nowadays, anti‐money laundering instruments may fail to yield the desired success, while at the same time interfering with fundamental civil rights in a problematic way.

### AT: Remittances cause conflict

#### Remittances don’t cause conflict

**Cochrane, 15 -** Feargal Cochrane is Professor of International Conflict Analysis and the Director of the Conflict Analysis Research Centre (CARC), in the Department of Politics and International Relations, University of Kent (Migration and Security in the Global Age: Diaspora Communities and Conflict, google books)

Some scholars have tended to conflate issues such as migrant numbers and the level of remittances together, drawing the conclusion that more remittances have a bearing on the fuelling of warfare (Collier and Hoeffler, 2004). Others have been careful to disaggregate these and have pointed out that remittances are often family to family - rather than individual to organisation - and many of these private subventions go towards alleviating poverty and distress, rather than being channelled into violent militant campaigns (Zunzer, 2004, 28). Collier and Hoeffler's work has been influential within the World Bank and across academic scholarship, and is widely cited within the literature. It functions a little like an econometric version of Anderson's work, by using a slingshot approach which scales up statistical patterns to infer causality. Thus, if an apparent correlation is established between two points, regardless of the specific context, then the macro picture can be used to explain all micro-level behaviours:

Collier's arguments are based on economic correlations calculated from quantitative aggregate data at the global level, but correlation analysis cannot provide a causal explanation about social, economic or political phenomena. Moreover, most of the correlations may reflect mutual or inversed causality or multi-causal relationships in which the supposed cause may be a secondary factor or co-variable.

(Pirkkalainen and Abdile, 2009, 13)

Thus, while large levels of remittance flows increase the capacity for the fuelling of an insurgency or civil war, there is no necessary causal link between the two. Such econometric treatments of migrant remittance patterns and political attitudes towards homeland politics are good at capturing broad snapshots, but are less sure footed at providing more fine-grained understanding (Cochrane, 2007, 228). In addition, such analyses fail to adequately map the patterns of behaviour between different types of diaspora communities across time, in terms of the way in which remittance flows ebb and flow in response to other factors -not least the age of the migrant community and the intensity (or otherwise) of political violence or economic collapse in the home society:

Ongoing conflict and state collapse in the country of origin increase desire to remit for three reasons: The conflict creates specific urgent needs; there are few local structures to address those needs; and the security situation constrains livelihood opportunities. Remitting money to help others migrate is common in a variety of settings, but acquires particular urgency when relatives need to flee armed conflict.

(Carling et al, 2012, 306)

### AT: Dutch disease

#### The Dutch disease effect is small

**Akeel, 16** - A Dissertation Presented to the Faculty of Claremont Graduate University Department of Economics Claremont Graduate University In Partial Fulfillment of the Requirements for the Degree Doctor of Philosophy in Economics (Hatem, “Remittances, Dutch Disease, and Sterilization in Emerging and Developing Countries” Proquest)

The results showed, second, that remittances are not significantly related to the appreciation of the real exchange rate (REER), as shown in Table 13. This result is not particularly surprising given the contradictory evidence from various empirical studies. On the one hand, the study by Lopez, et al. (2007), who analysed a panel of 20 countries from 1990 to 2003, seemed to confirm that real exchange rates appreciated due to remittance inflows and, as a result, widened the current account deficit; thus suggesting that remittances may have been a cause of Dutch disease. Similar results were found by Amuedo-Dorantes and Pozo (2004) for 13 Latin American and Caribbean countries, Lartey et al. (2012) in their a sample of 109 countries between 1992 and 2003, as well as Gazi, Hassan and Holmes (2013), who report a long run relationship between remittance inflows and Dutch disease. Conversely, the findings of others studies are consistent with this study: i.e. that the impact of remittances on exchange rates is generally weak and not statisically significant. Barajas et al. (2010) reported that countries tend to offset exchange rate appreciation and Dutch disease due to remittances by having relatively flexible labor markets (to reduce resource movement effects), more open economies and higher volumes of trade. A study in South African by Gossel and Biekpe (2012) did not find that remittances appreciated the rand. The main culprit of exchange rate appreciation, they argued, was private investment portfolios. This was confirmed by Combes, et al. (2011) who found that portfolio inflows were the most volatile, and had a greater effect on real exchange rate appreciation than either FDI or bank loans. Remittances contributed the least to rising real exchange rates. Similarly, Ben Naceur, Bakardzhieva and Kamar (2012) found that portfolio investment, foreign borrowing, and aid all resulted in some degree of real exchange rate appreciation, while remittances showed not clear pattern of exchange rate appreciation.

The somewhat trite conclusion is that these contradictory findings are probably due to a host of factors operating on economies at different stages of development. These broadly include the amount of remittances (as a percentage of GDP), the flexibility of labor markets, the depth of financial markets, patterns of consumption and investment, and the extent of an economy’s openness and level of trade. Other factors are also at play. Exchange rate appreciation from capital inflows may also depend on the business cycle and the level of excess capacity within a developing economy. The greater the excess capacity the more an economy can absorb remittances without adding inflationary pressures and seeing the currency appreciate. This would apply especially when remittances substitute for deficits on the balance of trade on the current account. Another factor that probably mitigates exchange rate appreciation is the tendency – unlike portfolio inflows – of remittances to rise gradually, allowing the economy to adjust over time without triggering macro-economic instability or exchange rate appreciation. Two other factor that effect the relationship between remittances and exchange rate appreciation are the type of exchange rate regime and the degree of sterilization.

### AT: Food insecurity

#### Remittances help food security

**Regmi, 14** - Graduate Student Department of Agricultural Economics and Agribusiness LSU AgCenter and Louisiana State University (Madhav, “Migration and Remittance and Their Impacts on Food Security in Nepal” <https://ageconsearch.umn.edu/bitstream/162503/2/RegmiEtAl2014.pdf>

We estimated the impact of remittances on the food security of different groups in Chitwan, Nepal: household, adult, and children food security. Our findings indicated the likelihood of improvement in food security status due to remittance is substantial in the study region. We found that income from agriculture and livestock production is limited among most survey respondents because of small landholding sizes, conventional farming practices and lack of sufficient improved input supplies. Households with higher incomes from agriculture and livestock production are more likely to have food security among household members. Surprisingly, the adoption of conservation practices have a negative impact on food security because productive land is diverted for these practices and less land is available for food production. This is consistent with the findings in developed countries where farmers do not adopt best management practices because of the concerns they have to divert the land from productive to environmental use (Gillespie et al. 2007). In addition, this it may be due to the fact that farmers are not aware about the appropriateness of these technology in their own farm situation, and they are adopting them as a farming tradition. On the other hand, our findings suggest that the promotion of hybrid rice/corn varieties can play a crucial role in the food security of children in Nepal. Based on our study result, we strongly recommend that the Government of Nepal and other related stakeholders implement their activities with major focus on household member’s education to overcome the ongoing hunger situation. Education provides employment opportunities and steady income thereby reducing the pressure of food shortage. Remittance as an important source of household income in migrant families is helping to get higher education for family members, making possible to adopt improved agricultural technology and ultimately supporting the better access of household for more diverse quality and quantity of dietary foods. Hence, programs related to effective utilization of remittances income at household level can make a positive change in food security in developing economies. In the long run, remittance income can be used for investments in education and adoption of improved agriculture technology, which will simultaneously help alleviate food insecurity problem.

## Cool Stuffs

### Solvency turn

#### Facilitating the family-based immigration process could decrease the number of permanent immigrants in the US

Gubernskaya and Dreby, 17 – Gubernskaya is an Assistant Professor of Sociology at the University at Albany-SUNY; Dreby is an Assistant Professor of Sociology at the University at Albany-SUNY (Zoya and Joanna, 2017, "US Immigration Policy and the Case for Family Unity," Journal on Migration and Human Security, Volume 5, Number 2, DOA: 6-24-2018 ) //SS

Finally, it is important to note that preserving family unity does not necessarily mean increasing the number of permanent immigrants, and it would be a mistake to assume that all families want to be reunited in the United States. Temporary family separation is almost inevitable, especially in the beginning of highly uncertain immigration process. Additionally, many families today choose global arrangements in which members reside, at least periodically if not more permanently, in different countries (Coe 2014; Stephens 2007). Such transnational families take advantage of new technologies and the availability of temporary visas to maintain family unity despite the distance (Parreñas 2001; Wilding 2006). Making travelling to the United States difficult through expensive and uncertain visitor visa application processes, excessive vetting, and unwarranted scrutiny at the border may prompt some family members to apply for permanent residency or to stay without proper documentation even if they had no previous plans to do so. Allowing for greater flexibility for migrant families may paradoxically decrease permanent settlement in the United States.

### No Solvency- Trump Circumvention

#### No solvency – Trump’s executive agencies are increasing vetting processes and denying requests. Their Kwong solvency card admits this, but adding a preferential category doesn’t change what Trump is doing to increase restriction.

Rosenberg, Reuters reporter covering immigration and correspondent in Latin America, 01/04/18

Mica, Fewer family visas approved as Trump toughens vetting of immigrants: Reuters review, <https://www.reuters.com/article/us-trump-effect-immigration/fewer-family-visas-approved-as-trump-toughens-vetting-of-immigrants-reuters-review-idUSKBN1ET15I>, acc. 7/13/18, VX

NEW YORK (Reuters) - President Donald Trump is ramping up calls on the U.S. Congress to stop legal immigrants from sponsoring extended family members who want to move to the United States, saying so-called “chain migration” poses a threat to national security.

Even without legislative action, however, the number of immigrants approved for family-based visas has dropped this year to the lowest level in more than a decade, a Reuters review of U.S. Citizenship and Immigration Services (USCIS) data shows. The drop has not been previously reported.

The Trump administration has taken a series of measures to more closely scrutinize legal immigration. These steps have been overshadowed by Trump’s more public efforts to crack down on illegal immigration, such as his calls for a wall along the Mexican border and more arrests of people living in the country illegally.

Lately though, Trump has increasingly been taking aim at chain migration, saying it allows a single immigrant “to bring in dozens of increasingly distant relations,” with “no real selection criteria.” He said a Bangladeshi man who set off a homemade pipe bomb in a crowded New York City commuter hub in December was a prime example of the dangers of the system.

Immigration advocates counter that no one automatically qualifies for a visa because a relative is already in the United States. All immigrants undergo security vetting and can face years-long waits before they are given a green light.

The intensified focus on chain migration has been accompanied by an overall slowdown in adjudications of family-based visas, known as I-130s, the Reuters review shows.

The number of approvals dropped by nearly a quarter in the first nine months of 2017 to around 406,000 compared to the same period a year earlier when approvals were more than 530,000, despite a similar number of applications during both periods, USCIS data showed.

The drop was even starker when looking only at I-130s approved for relatives who were not immediate family members. Those fell by 70 percent in the same period, from more than 108,000 in the first nine months of 2016 to 32,500 in the same period in 2017. The entire 2017 fiscal year had the lowest number of approvals for extended family visas since 2000.

USCIS said that since there are a limited number of visas for this category, it prioritizes processing visas that are more immediately available. The agency also said there are normal year-to-year fluctuations in the number of visas that are filed and decided.

At the core of the administration’s long-term policy goal is a belief that immigration should be merit-based.

FILE PHOTO: Protesters hold signs against U.S. President Donald Trump's limited travel ban, approved by the U.S. Supreme Court, in New York City, U.S., June 29, 2017. REUTERS/Joe Penney/File Photo

“Those people are just coming in based on connection to a family member,” the new director of USCIS, L. Francis Cissna said in a telephone interview, referring to chain migrants. ”That lack of selectivity; it takes us away from where we want to go as a country.”

Cissna said no specific policy guidance has been put in place at USCIS to change the way family-based visas are issued. He also said there were no plans to restrict visas for immediate family members and pointed out that approvals of visas and citizenship applications overall are still high.

He has said, however, that his agency is looking closely at all visa categories to root out fraud. USCIS said separately that closer scrutiny could lead to longer processing times.

For example, H-1B temporary work visas for high-skilled workers are facing more hurdles, and applications are receiving far more requests for evidence, slowing down the whole program, according to immigration lawyers and data provided by the government. [nL2N1LY0F5]

USCIS has also put in place new interview requirements for U.S. citizens seeking to bring over their fiancés. In the first nine months of 2017, approvals of fiancé visas dropped by 35 percent over the same period a year earlier, the Reuters data review found.

### No Solvency- Processing Delays/Backlogs

#### No solvency – adding a preference category and changing the cap doesn’t change how fast applications can be processed – increased background and criminal checks uniquely add to this

Poonia**, US immigration lawyer,** 16

(Ashley, WE ARE ALL FAMILY: Broadening the Family-Based Immigration System to Include Extended Family Members,” University of Detroit Mercy Law Review, Vol. 159, Winter 2016, L/N, 07-15-18, EO)

The first is processing delays of applicants’ documents. 142 This type of backlog is related to government processing capacity as well as increased background and criminal checks. 143 According to the Visa Bulletin for September 2015, family-related visa applications were being processed by the United States government as far back as March 1992. 144 A solution to this type of backlog is to give the immigration agency more resources to handle its workload.

145 The table below shows the current priority dates for visas in all preference categories. Four count ries, China-mainland born, India, Mexico, and Philippines have their own priority dates. 146 All other countries have a standard priority date listed in column two.

It is clear from the long wait times that part of the problem is the inefficiency of the system and the inadequate number of the people processing the applications. Once the annual cap for each preference category is reached, the category is deemed oversubscribed. 149 This means that the government agency will not process any more visas that year.

### Plan unpopular

#### Plan’s unpopular- family immigrants are perceived as decreasing wages and taking jobs

Sullivan 17 Michael Sullivan is an Associate Professor of Graduate International Relations with a focus on international migration and the ethics of immigration enforcement (Michael, “Defending Family Unity as an Immigration Policy Priority,” Studies in Social Justice, Volume 11, Issue 2, 369-388, 2017, ResearchGate) // SR

In this article, I make a policy argument to current U.S. citizens and legal permanent residents in defense of family-based immigration programs. Family-based immigration programs currently allow citizens to sponsor a non-citizen spouse, children, parents, and siblings to enter and live in the United States as legal permanent residents. Legal permanent residents can sponsor their spouse or minor children to enter and live in the United States. These sponsorship claims are controversial, especially when they extend beyond the sponsor’s immediate family to include the siblings, adult children, and elderly parents of citizens. The Trump administration has recently proposed scaling back these extended family-based immigration programs (Miroff, 2018). All family-based immigration programs are politically contentious because they have potential costs for immigrants and citizens who are already in the U.S. (Galston, Pickus & Skerry, 2009, pp. 4-5, 10-14). Public policy restrictionists who self-identify as progressives affiliated with the Center for Immigration Studies (CIS) and the Federation for American Immigration Reform (FAIR), with a prominent role in immigration policymaking in the Trump administration, want to both cut legal immigration levels and escalate enforcement (Kulish, 2017). They argue that immigrants not specifically selected for their high levels of education and training – including family-based migrants – undermine the wages and working conditions of disadvantaged citizens (Briggs, 2003).