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The migration–development nexus: Rendering migrants as transnational financial subjects through housing

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ABSTRACT

Finance driven growth is providing a new development agenda for migrants' remittances. Although there is a considerable amount of scholarship on migrants' transnational social and economic practices and their potential development impacts in origin and destination countries, the migration–development nexus has yet to be examined as part of the globalising process of economic financialisation of the last three decades. In light of the growing importance of remittances as a source of finance for sending countries, migrant workers have emerged as important agents to be incorporated into the dynamics of the global financial system.

Drawing on empirical data collected at the London–Colombia migration network, this paper explores the Colombian government's efforts to channel remittances to housing and finance and migrant households' (alternative) strategies for accessing housing transnationally. It argues that conceptualising migrants as transnational financial subjects is a useful tool for understanding the latest round of enthusiasm around the migration–development nexus. In particular, the recasting of migrants as agents of development is linked to wider attempts at the institutionalisation of migrants' transnational socio-economic practices. These attempts are embedded in ideologically-driven neoliberal discourses of citizenship that privilege financial markets as the medium for households' socioeconomic reproduction and ambition to exploit migrant households' connection to broader circuits of capital and finance. However, the evidence suggests that Colombian migrant households are resisting these state-assigned financial subjectivities, which points to the government's failure to shape the everyday actions of remitters and their families and thus, the limits and uncertainties of the process of neoliberal financialisation.

1. Introduction

Since the 1970s, growing financialisation has translated into a deepening and expansion of the reach of finance capital over all other areas of the economy as well as into all aspects of social life. Although financialised capitalism is a trait often associated with the Anglo-American mode of development, developing countries are increasingly being drawn, albeit unevenly, into global circuits of capital and finance.

The power of the state and other transnational actors such as international financial and development institutions has been mobilised for the expansion and consolidation of finance's process of capital accumulation and its penetration into processes of social reproduction. In the process, the centrality of financial markets for individuals' and households' socioeconomic reproduction has progressively been incorporated into discourses around poverty-alleviation and development. Given that workers' remittances have become one of the main sources of finance for developing countries in recent years, migrant workers have emerged as one of the most important agents to be incorporated into the dynamics of the global financial system. This has translated into a coordinated effort on the part of international financial institutions and governments in the North and South to establish a discourse that links migration, remittances and development (Datta, 2009). This migration–development discourse is based on the idea that migrants and their (financial) remittances can act as drivers of economic development in migrant-sending countries (Faist, 2008; Portes, 2003). For this purpose, a range of programmes that seek to spur economic development based on the 'proper' use of remittances by channelling them towards 'productive investment' have been established. In this context, migrant-sending governments around the world are taking bold steps to establish and maintain links with their citizens abroad while financial institutions have been driven into a fierce competition to capture a greater portion of global remittances flows.

The increased outflow of people and the increased influx of material (and cultural) goods have not only produced important socioeconomic transformations in thousands of households and

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communities in the Global South but have, in effect, turned migrant workers into one of the main intermediaries in charge of facilitating the flow of money, ideas and subjectivities globally. Against this backdrop, there has been a considerable amount of research detailing the prominence of migrants' transnational socioeconomic and cultural practices and the multiple social, economic, political and cultural transformations they have produced at the family and community levels (cf. Bryceson and Vuorela, 2002; Guarnizo, 2003; Levitt, 2001a). However, much more research is needed in order to understand the complex implications that migrants' multifaceted links with their countries of origin have had at the regional and global levels. In particular, the link between migration and development has rarely been framed in terms of a systematic analysis of the process of financialisation of economic and socio-spatial relations, its uneven geographical development and the role of the state in the construction of migrants as transnational investor subjects.

This paper is an attempt to fill this void. The analysis is grounded on an examination of Colombian migration to the United Kingdom[1] and the Colombian government's attempts to make their citizens abroad an integral part of a reconstituted definition of the Colombian nation. Having recognised migrants as a current and potential economic and political force, the Colombian government has actively embraced the migration–development discourse and has sought to construct migrants as transnational investor-citizens by designing specific programmes to channel remittances to key sectors such as housing and finance. The paper also puts forward a conceptualisation of migrants as transnational financial subjects. It argues that the conception of migrants as agents of development is closely linked to wider attempts at the institutionalisation of migrants' transnational economic practices. These attempts are embedded in ideologically-driven neoliberal discourses of citizenship that privilege financial markets as the medium for individuals' and households'[2] socioeconomic reproduction and displace the responsibility for economic development from the state to its citizens (at home and abroad). By privileging 'productive investment' as the 'right' use for remittances, migration-for-development programmes constitute a medium through which migrant households' connection to broader circuits of capital and finance can be exploited.

To develop this argument, this article is divided into three main sections. The first draws on recent debates on the political economy of neoliberalism to explore the role of the state in producing investors-citizens and how these subjectivities are being incorporated into development discourses that link North–South economic and sociospatial relations through remittances. The second section places recent dynamics in the Latin American remittances market in the wider context of the migration–development discourse. The last section uses the Colombian government's remittances-for-housing programmes to explore the construction of migrants as transnational financial subjects. It contends that Colombian migrant households' resistance to embrace their state-assigned financial subjectivities by employing alternative strategies for housing acquisition and finance illustrates the government's failure to shape the everyday identities and actions of remitters and their families and thus, the limits and uncertainties of the process of neoliberal financialisation. This paper draws on empirical data collected at both ends of the London–Colombia migration network between 2008 and 2009. It consists of a mixed-method framework that includes in-depth semi-structured interviews, participant observation and analysis of secondary qualitative and quantitative data. A total of 58 interviews were conducted with a range of actors such as labour migrant households, academics, local leaders, NGOs representatives, government officials and members of private entities involved in the remittances and construction businesses. The focus here is mainly on a few of the migrant households and institutional actors interviewed and the insights gained by acting as participant-observant in a housing fair for Colombian migrants in London.

2. Migrants as agents of development: financial subjectivities and transnational migrant flows

2.1. Construction of subjectivities under neoliberalism

The dominance of neoliberal development economics as a discourse has opened new fields for the construction of economic subjects (Cooke, 2004; Escobar, 1989, 1995; Kothari, 2005). Neoliberal economic forms have become the norm and have been expanded through deregulation to allow for the penetration of the private sector into all spheres of the socioeconomic landscape. However, at the same time, there has been a new (somewhat disguised) wave of regulation to guarantee that the new policies and practices adopted take the desired and expected form. As Peck and Tickell (2002) have argued, although markets constructed under the model of neoliberal economic globalisation are considered highly unregulated, they implicitly follow a set of rules and standards, a sort of "metaregulation" (cf. Peck et al., 2009b). These dynamics signal the "roll-back" and "roll-out" of neoliberalism, respectively, the mobilisation of state power for the dismantling of the Keynesian welfare apparatus and the creation of new forms of technocratic economic management and invasive social policies (Peck and Tickell, 2002: 388–389).

This reading of the socioeconomic and political implications of neoliberalism points to the recent reconfiguration of the relationship between state and society and the way in which the state exercises its ideology through the market. In the Global North, as well as in many parts of the developing world, this has translated into the state taking an active role in the creation/production of investor subjects. As Langley (2007: 74) has argued: "the neoliberal state plays not only a supervisory role in relation to the market but also stimulates, promotes, and shapes subjects who, self-consciously and responsibly, further their own freedom and security through the market in general and the financial market in particular".[3] In other words, the state has not only allowed the involvement of the private sector into areas previously reserved for itself but has also sought to shape the socioeconomic practices of its constituency according to a narrowly-defined, market-promoting notion of citizenship. Clearly, since the turn towards neoliberal political-economic practices in the 1970s, financial markets occupy a pre-eminent place in this market-centred notion of citizenship. In this sense, Epstein (2005) has argued that the increasing importance of financial capital – financialisation – is constitutive of wider processes of neoliberal globalisation and Harvey (2005: 33) has suggested that, at the global scale, "neoliberalization has meant the financialization of everything" (Peck, 2004).

[1] Over four million Colombians (around 10% of Colombia's population) reside abroad and the UK is their second most favoured destination in Europe. Approximately 70,000 Colombians live and work in London and the UK is the fourth biggest source of remittances to Colombia (Guarnizo, 2008; Banco de la República, 2010).

[2] The terms household and family are used interchangeably in this study. The positioning of households as targets of social policy has made equating family with household a common practice, especially in Western societies (Bryceson and Vuorela, 2002). In addition, given that this study links both ends of the migration network, the understanding of transnational household employed includes those members of the unit (nuclear and extended) who have stayed behind and remain connected with the migrant through kinship, economic and social ties.

[3] A similar conceptualisation of the neoliberal state has also been put forward by Peck (2004) and Mitchell et al. (2004).