CHAPTER 1

Introducing the Remittances-to-Development Agenda

Migration, Remittances, and Development — Three Vignettes

This book explains how migrant remittances became a development tool around the turn of the new millennium. This was the active accomplishment of policy entrepreneurs and experts intent on transforming the way that people around the world viewed and acted upon remittances. The following three vignettes offer an initial glimpse at the actors, historical events, and fundamental contradictions at the heart of this story.

KEEPING THE MONIES FLOWING IN TIMES OF CRISIS

The global financial crisis unleashed in 2008 threatened, among many other things, to erode the high volume of remittances that international migrants send back home to the global South, monies that had come to be seen—as we will see throughout the course of this book—not just as a lifeline for poor families but also as a promising source of development finance. The aggregate amounts of money migrants sent across borders declined in 2008 as a result of the financial calamity, but the declines did not last long. By 2009 global financial flows had stabilized and would start to grow again in the coming years. How did this happen? Were migrants somehow immune to the effects of the financial crisis, the crippling unemployment, economic uncertainty, and financial ruin it brought to so many ordinary people the world over? Maybe not. Robert Meins, a remittances expert from the Inter-American Development Bank, one of the most important international financial institutions working at the intersection of migration and development, suggested in an industry newsletter that a whole different dynamic was at work. He explained that:

> The defining characteristic of remittances is that they are seen as a family obligation. Senders are more likely to cut back on their own consumption than to reduce the amount of money they send to their families. Unlike speculative flows or foreign investment, therefore, profit motives do not drive remittance levels. As a result, changing economic or political risks and natural disasters will not negatively impact the decision to send. . . . [Emerging evidence suggests] that immigrants are working longer hours to compensate for lower wages, switching sectors after job loss, responding to labor demand and/or local immigration enforcement by moving from one state to another, and even tapping into their savings to maintain remittance levels. (*Migrant Remittances*, 2008: 8–9)

For experts in the international institutions intent on drawing out the developmental potential of remittances, this was good news. Migrants exhibited the requisite adaptability and willingness to keep the monies flowing. There would be no significant long-term effects of the financial crisis on worldwide remittance flows. Whether migrants themselves—who engaged in these multiple forms of self-exploitation and experienced firsthand the pain and disruption necessary to keep sending monies home—celebrated this reality as much as the remittances experts did is a completely different question.

THE HEROIC MIGRANT AND THE END OF MIGRATION

One of the central promises of change that former Mexican president Vicente Fox made in the run-up to his victorious election in 2000 was that he would govern on behalf of 118 million Mexicans—a number that included the 100 million people residing within the territorial confines of the Mexican nation-state as well as the 18 million *mexicanos en el exterior*, the imagined community of Mexican migrants and their descendants living abroad. In recognition of their economic contributions to Mexico and their continued commitment to the nation, Fox often referred to those *mexicanos en el exterior* as heroes. In this, President Fox was part of an expanding chorus of leaders from major migrant-sending states, from Ireland to the Philippines, who have celebrated the heroic contributions of migrants to their homelands over recent decades. For Fox, this heroic imagery took perhaps its grandest form on December 3, 2000, just three days into the presidency. That day Fox held his first public event and opened the official presidential residence, Los Pinos, for a meeting with migrant leaders. In his official address, the newly inaugurated president waxed eloquent about the spirit and tenacity of the migrant, about the set of characteristics that migrants shared with a curious amalgam of historical figures:[1]

> It is in each humble, poor, successful, and triumphant migrant where we realize the capacity that we carry within us all, that potential that I would almost say is unlimited but which we ourselves sometimes can't see, that we only discover when we are

> facing a challenge and when we begin to struggle to overcome those obstacles and to reach our goals. That is when the true spirit of man comes out, a spirit that we all carry within us.
>
> Just to cite a few of the great figures of humanity: that capacity that Gorbachev had, or Juan Pablo II, or Martin Luther King, or Gandhi, or Mandela, or Walesa, who on their own, because they decided to fight for something big, because they decided to reach for the unreachable—they transformed humanity, they transformed borders, they transformed and they changed chilling and painful realities. That spirit, that capacity is in the soul of each migrant.
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> That is why it was indispensable for us that our first visit here, in Los Pinos, the first formal act, was held with you, because we want to infect ourselves with that spirit, we want to follow your example and we want for all of Mexico, the 100 million Mexican men and women that are living here in our beloved country struggling day in and day out, that wake up each morning to get to work, for all of us to do it with the energy, *con los pantalones, con las faldas* with which you all have struggled and have met with success.
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> (Fox Quesada, 2000b)

And yet, despite this laudatory characterization of migrants, in literally his next breath, Fox spoke of his dream of a nonmigratory future: "We see in the future a dream, and that dream is that every youngster, every adolescent, every child of ours can stay at their family's side, that they can stay here in Mexico, that they can grow, can realize their dreams and their own transcendence here in their homeland." This duality, this schizophrenic portrayal of heroic migrants as the utmost representation of what humanity has to offer while at the same time representing mobility across borders as a social ill to be done away with in the future, continued to be a main theme throughout Fox's administration and that of his successor, Felipe Calderón. It would not be a stretch to say that this contradictory framing has seeped to the very core of Mexican state-policy discourse on migration.

THE LIMITS OF MIGRANT INCLUSION

In March 2002 the governments of the United States and Mexico formally announced a new "Partnership for Prosperity." Although U.S.-Mexican relations had cooled following the events of September 11, 2001, as the administration of George W. Bush prioritized its War on Terror over the further integration of North America, the partnership sought to combine the forces of the public and private sectors to foment regional development and expand economic opportunities for individuals across Mexico and the United States—including the inhabitants of the traditional migrant-sending regions of Mexico whose limited economic possibilities could lead to further outmigration.

Government officials in the local offices of the Federal Deposit Insurance Corporation and the Mexican Consulate in Chicago took this initiative and ran with it. Beginning in May 2003 they jointly formed the New Alliance Task Force (NATF) and worked with local banks, credit unions, and community-based organizations to encourage financial inclusion by expanding the financial-education opportunities and banking services available to Mexican immigrants in and around the city. This innovative transnational collaboration bore real fruits. In no time the government officials had dozens of financial institutions involved in the initiative. It served as a valuable conduit to share information about the legality of providing financial services to the undocumented. Its working groups also helped to create innovative new financial products for this community, such as the ITIN mortgage, which relies on an individual

Taxpayer Identification Number supplied by the IRS rather than the Social Security Number—ubiquitous but unavailable to undocumented migrants. But this successful partnership would not last. Anti-immigrant pressure groups challenged the FDIC's participation in a program providing assistance to "illegal" immigrants. Thus began the slow and silent death of the NATF. It would seem that this program to *include* migrants and their monies in the formal financial system escaped the limits of what was possible in a period marked in so many other ways by the tendency to *exclude* the undocumented from the institutions of mainstream America.

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These brief vignettes offer a window into the efforts of various actors who worked to reframe our understanding of the importance of migration, migrants, and their monies for the global economy and, in the process, turned remittances into a development tool. They also illustrate the growing confluence of the transnational engagement policies of migrant-sending states like Mexico and the market-centric development policies of international financial institutions. And finally, they help us see how policies designed to include migrants and their monies within financial markets fit uneasily in a political environment marked in so many other ways by efforts to exclude migrants—particularly the undocumented—from social, cultural, political, and economic institutions. These are the major themes explored throughout this book.

INTRODUCTION

At the beginning of the new millennium a new tool for development suddenly appeared on the global stage: remittances.

These are the monies that transnational migrants, usually poor, "unskilled" labor migrants from the global South, transfer to friends and families back home. Often sent in amounts of little more than a few hundred dollars at a time, the aggregate amount of remittances flowing to the so-called developing countries in 2013 was estimated to be somewhere on the order of 414 billion U.S. dollars (Ratha et al., 2013). This staggering amount of money has led political leaders and policymakers around the world to begin imagining remittances as "an important resource for the development of poor countries" (Iglesias, 2005: x).

To be sure, migration scholars have long debated how their object of study and the remittances generated through the process of labor migration either contribute to or impede development in migrant-sending regions. Significant debates played out in the 1980s and 1990s, for example, between optimistic and pessimistic scholars about the relation between remittances, consumption, productive economic activity, and development in Mexico and other major migrant-sending countries (Alarcón, 2002; Binford, 2003). But something exceptional was happening at the turn of the millennium, as national governments, international development organizations, and groups in civil society ratcheted up the enthusiasm about remittances and their great potential to kick-start development processes in the migrant-sending regions of the global South. As remittances gained visibility in recent years, the existence of earlier scholarly debates was all but ignored, and the potential developmental impacts of remittances were presented as an entirely new discovery.[2] (See Terry, 2005.)

Claims about the impact and importance of this new object of development seemed only to gain steam as the decade of the 2000s unfolded. Across the world, official statistics documented extraordinary growth in migrants' remittance transfers. Scholars and policymakers pointed out how the determinants and essential characteristics of remittances, founded as they are in familial relations and obligations, made them a valuable source of development finance for a variety of reasons. Not least of these reasons was the apparently "countercyclical" nature of remittance flows, which meant that they would tend to rise when needed most, following natural disasters or economic downturns (Ratha, 2003). The euphoria around remittances and development reached such staggering heights that by mid-decade even some analysts close to the World Bank were forced to ask whether remittances had become "the new development mantra" (Kapur, 2005). Certainly, the infatuation with remittances waned somewhat in the aftermath of the global financial crisis initiated in 2008, but not completely. The flows may have momentarily dropped, in some cases precipitously, as declining economic activity meant fewer migrants ventured to the global North, but policymakers around the world continued to pursue opportunities to exploit remittance flows for the purposes of "development."[3]

The primary concern of this book is to explain how these private resources, these paltry sums of money from some of the world's least affluent people, came to be so widely seen as a public resource, as a promising source of development in the new millennium. To do this, I untangle and examine the discursive and political practices of a variety of actors from across multiple geopolitical scales, whose intellectual work and on-the-ground efforts helped to generate a consensus around the view that remittances constituted a promising development tool and around a preferred set of market-based policy solutions that promise to spur development by incorporating migrants and their monies into global financial markets. This consensus forms what I term the "remittances-to-development agenda" or R-2-D agenda. Given that the U.S.-Mexico "remittance corridor" (Hernández-Coss, 2005) has been a leading canvas on which this policy construction has been sketched, significant attention is given to the making and implementation of this agenda in North America.

The market-based policy solutions at the core of the R-2-D agenda are not the only alternatives available to policymakers intent on exploiting cross-border migration and the resources it generates for developmental purposes in migrant-sending regions and countries. Another much-celebrated policy option relies less on the abstract forces of the market and more on the collective agency of migrants themselves to promote development back home. Mexico pioneered public policy seeking to capitalize on migrants' collective agency (and resources) with its Tres por Uno matching-grant program, designed to channel funding toward community-development and public-infrastructure programs in migrant-sending villages and towns. (See Goldring, 2002; Merz, 2005; Fernández de Castro, García Zamora, and Vila Freyer, 2006; Michael Peter Smith and Bakker, 2008; Iskander, 2010.) The success of the Tres por Uno program came not simply from its policy design but, perhaps more important, from its ability to foster lasting relationships between migrant leaders and state officials. This would facilitate an "interpretive" policymaking process with state officials and migrant leaders working together to co-produce the matching-grant program (Iskander, 2010).

Similar dynamics of state officials' "acting with" migrants (Iskander, 2013: 169) underlie other historical successes in remittances and development policy, such as the Moroccan government's successful initiative in the 1970s to bring migrants' remittance transfers into the formal banking system and to use these monies to fund major national development projects. The success of "Operation Moroccan Workers Abroad," as that program was known, relied on an extensive "strategy of accompaniment," through which government officials developed trust with migrants, came to understand the barriers impeding their use of the formal banking system, and helped migrants to overcome those barriers (Iskander, 2013).[4]

These types of policies certainly face their own difficulties in solidifying the nexus between migration and development. The Tres por Uno program, for instance, has sometimes been criticized for prioritizing projects that respond to the desires of absent migrants—funding the construction of rodeo rings or the beautification of town plazas, for example—more than to the lived realities and needs of current residents. It would not be difficult, however, to imagine modifications to such public-private partnerships that would make their development aspirations more strategic and bring migrant remittances and public resources together for more focused infrastructure projects designed to foment community and economic development in the areas where it is needed most.

But this type of public-private partnership, based in a mutual respect for the collective agency of migrants and for government, has not been popular with the purveyors of the R-2-D agenda. In this age of market fundamentalism, any policy option calling for extensive and high-profile government actions to lead the drive toward development is seemingly off the table. The policy entrepreneurs[5] driving this agenda have promoted instead market-based policies that would rely on the agency not of organized migrants or enlightened government officials but of financial institutions seeking clients and profits in a competitive market to achieve the elusive connection between migration and development.[6] Despite the market-fundamentalist rhetoric, the design and application of such market-based solutions—ironically enough—would itself require significant governmental work. As we will see below, such governmental work included *knowledge work* to reimagine the importance of migration and the remittances it generates for development in the global South; *policy design and diffusion work* drawing up and spreading various policies that promised to incorporate migrants and their monies within financial markets and institutions as a means of promoting (financial) development; and the *work of subject formation,* both teaching officials in banks and credit unions about the benefits to be had from offering financial services to migrants and remittance recipients and providing migrants, their friends, and families with the financial education and literacy they would need to act as good financial subjects.

Analyzing these various forms of governmental work, *Migrating into Financial Markets* illustrates how the proponents of the R-2-D agenda have helped to spread the image of migrants' remittances as a promising if underutilized tool for development. It also shows their success in laying out a preferred set of market-based policies that have largely displaced alternative policy approaches. Such achievements, however, do not mean that the agenda and its associated policy program have been an unqualified success. As we will see over the course of the book, the effects of all the governmental work animating the agenda have been uneven. Even if the agenda's proponents may have been successful at getting the world to view remittances as an enticing pool of untapped capital that could be leveraged by financial markets and institutions, the market-based solutions that they advocate have not (yet?) reached their promise.

CONTEXTUALIZING THE REMITTANCES-TO-DEVELOPMENT AGENDA

In order to provide a broader contextualization for the emergence of these policies and practices, the remainder of this introduction discusses two prominent features of the contemporary global political-economic terrain that help to situate the recent (re)discovery of remittances by development policymakers and practitioners. These broader contextual features are: (1) the state-led transnationalism (Goldring, 2002) of migrant-sending states looking to exploit transnational migration as a development strategy; and (2) the continuing dominance of market fundamentalism (see Somers and Block, 2005; Block, 2007; Block and Somers, 2014) in the arena of international-development policy and practice. As these two dynamics increasingly came together by the early 2000s they helped cement the R-2-D agenda's consensus around the importance of remittances, their strategic value as a tool for development, and the types of market-based policies and institutional changes necessary to turn their potential developmental impacts into reality.

MIGRATION, STATE-LED TRANSNATIONALISM, AND DEVELOPMENT

Since 1995, the government of the Philippines has celebrated a "Migrant Heroes Week" every June. In an expression of just how profoundly the heroic migrant has changed official representations of the territoriality of the Filipino nation, a government official speaking at an event opening the festivities in the year 2000 proclaimed, "Philippine territory goes beyond what we once knew. It extends now to Australia, to the United States, and [so forth]. What used to be Bayang Filipino [Filipino Nation] is now

Mundong Filipino [Filipino World]" (quoted in Rodriguez, 2010: 78). A similar discourse on heroic migrants and the extraterritorial extension of national boundaries can be observed across a number of other migrant-sending countries as well. Consider the case of Ireland. When the country's president-elect, Mary Robinson, took office in 1990 she painted a portrait of Ireland and its citizens stretching all across the globe. In her inaugural address, Robinson stated, "there is a vast community of Irish emigrants extending . . . throughout the continents of North America, Australia, and of Europe itself. There are over 70 million people living on this globe who claim Irish descent. I will be proud to represent them" (quoted in Levitt, 2001: 195). These rhetorical gestures, and the policy interventions migrant-sending states undertake to implement these visions of an unbounded national community, raise an important question about whether and how contemporary transnational migration has come to undermine the nation-state's presumed triple correspondence between sovereignty, territory, and political community.

This question has been the object of a vibrant academic debate over recent decades among students of migrant transnationalism.[7] Although scholars may argue over the causes and consequences of these recent policy innovations, there is little disagreement that something significant is under way when migrant-sending states become engaged in extraterritorial political activities designed to cultivate and maintain ties with their migrants living abroad. While these efforts may not serve to completely delink the nation-state, with all its powers and capabilities, from its territorial moorings, they do appear to extend extraterritorially the (trans)national development project, the boundaries of national identity and community membership, and the rights and responsibilities of citizenship. What is driving migrant-sending states to pursue such extraterritorial projects? What types of policies give life to these projects? And how have they dovetailed into the R-2-D agenda?

The extraterritorial policy initiatives of migrant-sending states, aimed at fomenting and reproducing transnational livelihoods among migrants, have been analyzed by a number of authors using varied conceptual language to describe the policies, from "state-led transnationalism" (Goldring, 2002) to "global nations" (Levitt and de la Dehesa, 2003) and "diaspora engagement" (Gamlen, 2008). These conceptual distinctions notwithstanding, analysts generally agree on the content and objectives of these policies. The policies are aimed at encouraging migrants to both successfully incorporate within destination societies and to maintain a variety of intensive and ongoing connections with the homeland. This is part of a strategy of sending states to manage the "perils and promises of emigration" (Fitzgerald, 2009: 19). The exact institutional mix of transnational-engagement policies varies across sending countries, as Gamlen's (2008) cross-national comparison amply documents, but they usually include some combination of policies inducing migrant investment in the homeland (Goldring, 2002; Saxenian, 2006; Iskander, 2010), granting dual nationality and extraterritorial political rights (Itzigsohn, 2000; Martínez Saldaña, 2003; Itzigsohn and Villacrés, 2008; Michael Peter Smith and Bakker, 2008; Escrivá, Bermúdez, and Moraes, 2009), offering expanded government services abroad (Délano, 2009), and cultivating continuing identification with the homeland (González Gutiérrez, 1999; for a general discussion of these policies, see Levitt and de la Dehesa 2003; Østergaard-Nielsen, 2003; and Gamlen 2008).

Explanations for the turn to state-led transnationalism tend to center on the political and economic interests of sending states. Political interests can be understood as driving the turn toward transnational-engagement policies in a number of different ways. The adoption of state-led transnationalism is often an effort to shape the sending state's emigrants into an effective ethnic lobby within the polity of the receiving state, a lobby that can advocate on behalf of the interests of the sending state within the receiving polity (de la Garza and Pachon, 2000; Østergaard-Nielsen, 2003). In addition, as these policies have become increasingly prevalent in recent decades, there may be political pressure from the international arena for sending states to mimic the efforts of other states, adopting policies that have become an international norm (Levitt and de la Dehesa, 2003). Luis Guarnizo and Michael Smith (1998) emphasize the economic aspect, arguing that as a result of global economic restructuring, migrant-sending states have become dependent upon foreign investment, and this leads to a "growing dependence on transmigrants' stable remittances [prompting] sending states to try to incorporate their 'nationals' into both their national market and their national polity by a variety of measures" (Guarnizo and Smith, 1998: 8). The policies adopted by countries around the world to link the economic skills and resources that their emigrants have acquired abroad to economic development back home vary around the world. These include efforts by Mexico and other countries to foment migrants' collective investment in community infrastructure projects (Fernández de Castro, García Zamora, and Vila Freyer, 2006; Michael Peter Smith and Bakker, 2008; Iskander, 2010; Portes and Zhou, 2012); policies by China and India to induce highly skilled, wealthy migrants to help transform the national economy through their investments, skills, and connections (Portes and Zhou, 2012; Eischen, 2013; Yi, 2013); and even efforts like that of Morocco to channel migrant remittances through state-owned banks to help finance large-scale infrastructure projects (Iskander, 2010, 2013).

Understood as driven by the political and economic interests of sending states, state-led transnationalism can come across as an effort at strategic repositioning, something of a counter-hegemonic project of peripheral and semiperipheral states to improve their positions within the capitalist world-system. Such a portrayal implies that these policy complexes—and the transnational practices they encourage among migrants—may run counter to the interests of more dominant receiving states in the global North.[8]

Recent scholarship has endeavored to undermine these and similar suggestions that state-led transnationalism policies promoting migrant reincorporation are antithetical to the interests of the receiving states and civil societies, questioning the common assumption that immigrant incorporation and transnational engagement are mutually exclusive political possibilities (Oboler, 2006; Portes, Escobar, and Arana, 2008; Michael Peter Smith and Bakker, 2008). A continuing engagement with the homeland does not need to work against incorporation and integration into social and political institutions in the receiving country if we recognize the possibilities for a "simultaneity" of experience and practice across borders (Levitt and Glick Schiller, 2004). Survey research on Latino migrant organization in the United States finds that "migrants and their organizations carry on their everyday activities along parallel tracks that do not appear to contradict, but actually support one another. Transnationalism and political incorporation proceed simultaneously, as local happenings interact seamlessly with those in the home countries" (Portes, Escobar, and Arana, 2008: 1085). This supports the findings of other case-study research demonstrating the compatibility of homeland

and hostland political practices and orientations, as migrants are increasingly acting politically on both sides of the U.S.-Mexico border, living their lives "in terms of and/also rather than either/or possibilities" (Michael Peter Smith and Bakker, 2008: 204).

But what about the economic aspect? Is state-led transnationalism antithetical to the economic interests of receiving states and civil societies? Apparently not. At least not if we look at the actions of receiving states in recent years. As scholars of transnationalism have gone about their work of demonstrating the compatibility of transnational engagement and immigrant incorporation, sending states pursuing state-led transnationalism have increasing found common cause with officials from receiving states—as well as policy entrepreneurs from within international development institutions—in their efforts to connect migrants and their monies to their (trans)national-development projects. At the level of state and international elites, the fears and accusations about the perils of migrant transnationalism, about the necessary incompatibility of state-led transnationalism with the interests and objectives of the migrant-receiving states of the global North, appear to hold little sway. What explains this increasing policy convergence? On the one hand, state leaders from both North and South appear convinced that the promotion of development in migrant-sending countries and regions will generate more expansive economic opportunities and thus eliminate the economic-push factors thought to compel outmigration. Shared action by sending and receiving states can be seen as the pursuit of a win-win scenario where achieving policy success would mean expanded economic opportunity and development in the global South along with a reduction of (unauthorized) migration into the global North. On the other hand, and perhaps more important, migration and development policy have proved fertile terrain for actors across multiple scales of political authority to respond to recurring preoccupations with global poverty, inequality, and injustice with "market-based solutions" that would extend rather than reverse neoliberal globalization.

THE WASHINGTON CONSENSUS AND BEYOND: THE CONTINUING SIGNIFICANCE OF MARKET FUNDAMENTALISM IN DEVELOPMENT POLICY AND PRACTICE

The neoliberal reforms that swept the world from the mid-1980s forward became known as the "Washington Consensus." This term was used to signify the "set of rigid strictures that mandated privatization, deregulation, and liberalization" (Roy, 2010: 15) for the debt-strapped countries of the global South reliant on the assistance of international financial institutions in the aftermath of the 1980s debt crisis. The tenets behind this Washington Consensus, as Stiglitz (2001) has pointed out, were deeply marked by market fundamentalism, a faithlike belief in the power of markets to solve all manner of social ills (see Block, 2007); these policies were derived from the belief that "it is government interventions that are the source of the problem; the key to transformation is 'getting the prices right' and getting the government out of the economy through privatization and liberalization" (Stiglitz, 2001: xiv). The impact of this neoliberal transformation was devastating for most people in the global South, as privatization, liberalization, deregulation, and austerity resulted in the simultaneous loss of both jobs and state subsidies on basic necessities, with little return on the rosy promises of accelerated economic growth and generalized well-being (Davis, 2006; McMichael, 2012).

As a result of these devastating impacts, the strict policy mandates of this Washington Consensus came under increasing fire from both grassroots movements and policy insiders by the late 1990s. Movements and activists from across the global North-South divide were beginning to come together in movement spaces to directly contest the neoliberal project and to begin imagining and constructing alternatives. These movement spaces included protests designed to disrupt negotiations over global trade rules, such as the 1999 protests at the World Trade Organization's ministerial meetings in Seattle, as well as gathering spaces where activists met to share experiences and contemplate alternatives to neoliberal globalization. Examples of the latter included the Inter-Continental Encounters for Humanity and Against Neoliberalism organized by the Zapatista movement in Chiapas, Mexico, in 1996 and across Spain in 1997 (de Angelis, 1998) and the meetings of the World Social Forum, originally held in Brazil beginning in 2001 (Ponniah and Fischer, 2003; Jackie Smith, 2004; de Sousa Santos, 2008).

In addition to this grassroots opposition, prominent mainstream voices like those of the former World Bank chief economist, Joseph Stiglitz, criticized the International Monetary Fund (IMF) and its Washington Consensus for their market fundamentalism and for their prohibitions against government interventions that might help correct market failures (Stiglitz, 2002) and ameliorate the pain inflicted on the citizenry. This growing criticism led Stiglitz and others within the World Bank to begin talking about the emergence of a "post–Washington Consensus" (Stiglitz, 1998; see also Roy, 2010: 15–16) that, they hoped, would strip market-fundamentalist beliefs away from development policy. Growing recognition of the failure of neoliberal policies even forced some of the main architects of the neoliberal policy agenda, such as John Williamson, the originator of the term "Washington Consensus," to acknowledge that "the results of the past decade [had] been disappointing" (Williamson, 2003a: 327) and to begin contemplating alternatives.

The erosion and decline of the Washington Consensus in the early years of the new millennium would not, however, lead to a retreat from market fundamentalism in global-trade and development-policymaking arenas. Far from it. A 2003 publication penned by John Williamson and other prominent policymakers and political entrepreneurs working in and on Latin America illustrates the dominant direction that policymaking took in response to the deep criticisms levied upon the neoliberal agenda of the 1990s and shows the staying power of market fundamentalism. Summarizing the new consensus among these prominent policymakers, Williamson advocated for new actions to "complete, correct, and complement" the reforms of the 1990s (Williamson, 2003b: 18). The actions prescribed to Latin American governments involved fully implementing the first round of recommended neoliberal reforms, including a full liberalization of labor markets; undertaking a new set of "second-generation" institutional reforms; and addressing the need to pursue not economic growth at any cost but growth with equity (Williamson, 2003b: 18).

Jamie Peck and Adam Tickell (2002) provide us with valuable conceptual language to understand this moment, this extension and deepening of neoliberal reforms. They identify the existence of multiple phases of neoliberalization, which they understand as an active process rather than a reified state. The first of these phases was that of "roll-back" neoliberalism, characterized by the dismantling of state institutions of social protection and economic regulation or, in their words, a "pattern of deregulation and dismantlement." A second phase involves "roll-out" neoliberalism, which they define as "an emergent phase of active state-building and regulatory reform" (Peck and Tickell, 2002: 384). The recent efforts to "complete, correct, and complement" (Williamson, 2003b) the neoliberal policies of earlier years are clear demonstrations of this phase of "roll-out" neoliberalism on the global scale.

This doubling-down on neoliberal reforms is strikingly reminiscent of what Karl Polanyi (2001) argued so many years ago: that advocates of economic liberalism regularly resort to the claim that its failures are due to incomplete application, to governments' unwillingness to swallow the medicine and allow for the unfettered operation of the self-regulating market. According to economic liberals, the problems generated by the application of their radical philosophy are not due to the dangers inherent in the self-regulating market itself, but instead "interference with [the competitive] system and interventions with [the self-regulating] market are responsible for all our ills" (Polanyi, 2001: 150). Much like the nineteenth-century economic liberals analyzed by Polanyi, in the face of the repeated failure of market-fundamentalist-inspired policies, today's economic (neo)liberals advocate not a retreat from their policy agenda but the further extension and deepening of their preferred policies.

This continuing commitment to market fundamentalism can be seen in the development industry's widespread embrace over recent years of "private-sector development," a strategy of using business and entrepreneurship to alleviate poverty—striving, as the common refrain goes, to "make markets work for the poor." As a 2009 report from the United Kingdom's Department for International Development (DFID) frames it, there is a growing consensus that the standard policies of market liberalization are not enough to adequately address global poverty. If we want to address this latter objective, the report argues, "it is now widely accepted that specific measures are needed to ensure that the poor participate. Growth needs to be made available to all in order to address rising inequality, and provide opportunities and the capability to participate in markets" (DFID, 2009: 15).

Private-sector development can take on a variety of different meanings. In some cases it is invoked as a means of suggesting that "private enterprise belongs at the very center of the development enterprise" (Brainard and LaFleur, 2006: 2) because the private sector is the true "engine of growth," and it is "broad-based growth which generates the jobs and incomes which get people out of poverty" (DFID, 2009: 9–10). For others, the private sector's main contribution to development is its capability to expand markets and bring needed goods and services to the global poor, who represent a low-margin but highly profitable mass of consumers and clients at the "bottom of the pyramid" (Prahalad, 2004). Another formulation suggests that a main contribution of the private sector to development is its ability to transmit the values and practices of business—particularly its efficiency—to the global-development arena (Hossain, Mehta, and Wolcott, 2010: 15–16). Each of these formulations of private-sector development, despite their differences, carries the taint of market fundamentalism, centering the power and agency of markets and private industry to do good in the world and deemphasizing the historical and structural causes of global poverty and inequality.

Within this broad constellation, the most prominent formulation of private-sector development and its potential for improving the lives of the world's poor is undoubtedly the field of microfinance. The microfinance approach is at the center of what Ananya Roy (2010: 45) terms the "Washington Consensus on Poverty," a new common sense that "promotes a market-based approach to poverty." At the core of this Washington Consensus on Poverty is the idea that the democratization of finance holds the key to poverty alleviation and progressive social transformation; that providing access to credit and capital will serve to unleash the inherent entrepreneurial energies of the poor and allow them to work their own way out of poverty and misery.[9]

Urban land-titling schemes are another much-celebrated form of private-sector development. These seek to regularize land-ownership among inhabitants of informal housing settlements, thus providing the world's poor with documentation of formal ownership that could be used as collateral, granting them access to financing and unlocking their inherent entrepreneurial potential (de Soto, 2000). One of the major proponents of this strategy has been the Peruvian neoliberal economist Hernando de Soto, whose popular writings have given the topic a wide audience. With support from the World Bank, in the mid-1990s de Soto's Institute for Liberty and Democracy undertook a large-scale land-titling pilot project in Peru that would eventually regularize nearly one million irregular plots (Mitchell, 2009: 390). Although the pilot project carried out in Peru did not have its intended effects—there was not a significant rise in beneficiary households' access to business credit—this empirical outcome did little to undermine support and advocacy for this market-based solution, as land-titling programs were circulated among policymakers and economics teachers around the world as models of best practice (Mitchell, 2009). In the end, the ideological commitment to market-based solutions, to rugged-individual entrepreneurialism as the solution to rampant poverty, trumps any empirical test of the effectiveness of private-sector development.

It is in the context of this dominance of market-based solutions in the discourse and practice of global development that we must place the emergence of the R-2-D agenda and its construction of remittances as a development tool. Doing so generates an understanding of contemporary migration and development policy that differs substantially from much of the critical scholarship that has amassed in recent years. The meticulous scholarship of Natasha Iskander, for example, has valuably identified the processes through which successful migration and development policies were constructed in Mexico and Morocco in decades past. As noted above, the key to successful policymaking in these places was an "interpretive" rather than an "analytic" process: policymakers did not start with a preset policy objective but got involved in "interpretive engagement," working to develop trust in migrant communities and leaders, to construct relationships with migrant leaders, and to learn from one another in ways that would allow them to co-produce successful policy (Iskander, 2010, 2013).

This is a compelling description of the processes that gave life to successful migration and development policy in the past. However, it does not provide much leverage in the present context. In the chapters to come I aim to show how the most prominent migration and development policies circulating throughout the globe in the new millennium—those emanating from the R-2-D agenda—are driven by an *ideological commitment* to market fundamentalism, not by an analytic or interpretive policymaking process. The policy entrepreneurs promoting these market-based policies from within global development agencies, policy think tanks, and nongovernmental organizations, as well as migrant-sending and migrant-receiving states, are involved in the continuing "roll-out" of neoliberal globalization, bringing it to previously ignored and excluded domains. Complementing other forms of private-sector development, the R-2-D agenda aims to extend the institutions, products, and subjectivities of global finance into the transnational social spaces created and inhabited by migrants, their families, friends, and loved ones through the promotion of a series of market-based solutions that promise to leverage the extraordinary sum of "newly discovered" migrant remittances for development.

RESEARCH METHODS AND DATA COLLECTION

The R-2-D agenda is a complex object of study that demanded a multimethod research approach tracing across multiple sites the transnational forces and multiscalar processes involved in its constitution and application. The multiple sites for research included the policymaking spaces of international financial institutions, U.S. and Mexican state agencies, and nongovernmental organizations where the R-2-D and other migration-oriented policy agendas are being formulated; and the sites where the R-2-D agenda is being put into practice in North America. During fieldwork carried out in 2008 and 2009, I collected documentary, interview, and participant-observation data documenting the design of the agenda and its implementation in North America in those spaces where elite policymaking comes face-to-face with migrant communities on the ground.

Research having begun years after the R-2-D agenda had taken shape, the most important data collected were historical—archival and documentary evidence pertaining to the content, consolidation, and diffusion of the R-2-D agenda. I collected and analyzed documents detailing the remittances-related policy models and preferences, funding priorities, and practices of diffusion of the international financial institutions most responsible for elaborating the R-2-D agenda, the World Bank and the Inter-American Development Bank/Multilateral Investment Fund. In order to understand how state-led transnationalism came into convergence with the R-2-D agenda in North America I examined migration-related policy statements and political speeches by Mexican federal officials, focusing largely on the period after Vicente Fox took the presidency in 2000. As Mexican state-led transnationalism policies increasingly involved collaboration with U.S. government agencies in efforts aimed at the financial inclusion of migrants and their monies in North America, I also collected documents and materials from the agencies in both governments most actively involved in these efforts, including the Federal Reserve Banks, the Federal Deposit Insurance Corporation, the Instituto de los Mexicanos en el Exterior, the Banco de Ahorro Nacional y Servicios Financieros, and the Banco de México.

This historical documentary material was supplemented by data acquired through in-depth interviews with some of the central actors involved in the construction, consolidation, and application of the R-2-D agenda. Fourteen formal interviews were conducted with program officers in international financial institutions, officials within agencies of the U.S. and Mexican governments, and with officials in the banks and credit unions in the United States targeting Mexican migrants as potential customers. Half these interviews were conducted in person, while the others were conducted by telephone; each was tape-recorded and transcribed. These semistructured interviews sought to elucidate the dynamics involved in constructing and diffusing the R-2-D agenda and to understand the meaning and value that various public officials attributed to the work they carried out.

Finally, in focusing on the application of the R-2-D agenda in North America I identified various financial-education schemes being directed at migrants and remittances recipients, as well as promotional efforts directed at banks and credit unions. I then sought out strategic sites where I would be able to observe this work in action. These sites included the education and recruitment efforts and events carried out by U.S. and Mexican government agencies and their allies. Engaging in participant observation at these allowed me to informally interview and converse with government officials, bank and credit-union officials, and migrants of various stripes. This provided access to the content of these financial-educational campaigns, their achievements thus far, and the obstacles perceived by these various actors to the recruitment of migrants into formal financial institutions.

NAVIGATING THE CHAPTERS TO COME

Migrating into Financial Markets examines the work of constructing, promoting, and implementing the R-2-D agenda with the aim of enhancing our understanding of the concrete governmental work that has gone into making remittances a development tool, or at least attempting to do so. The chapters that follow analyze the various forms of governmental work—knowledge work, the work of policy design and diffusion, and that of subject formation—carried out by public officials and policy entrepreneurs intent on making the R-2-D agenda a success. Through this work the proponents of the R-2-D agenda extended market-fundamentalist ideas and practices into previously excluded or ignored domains—the transnational social spaces created and maintained by migrants and the remittances that traverse those spaces. It is hoped that the grounded and contextualized examination I offer in the following pages of this extension and deepening of neoliberalization helps to provide a compelling accounting of how the "messy actualities" (Larner, 2000: 14) of neoliberalization played out in this specific project.

The two chapters composing Part One, "The Remittances-to-Development Agenda at the Global Scale," document and analyze the concrete governmental practices carried out by actors within major international financial organizations and development agencies that worked to enhance the visibility of remittances as a potentially attractive tool for development. Chapter 2 examines the work involved in constructing remittances as a financial flow particularly well suited for development in the global South. This chapter is fundamentally about the power dynamics and politics of expertise involved in recent controversies over remittances data, their measurement, compilation, and representation. The chapter examines the work of a small number of policy entrepreneurs within a handful of international financial institutions, development agencies, and think tanks that went into the design and spread of particular measurement and representational practices. Particular attention is placed on these actors' deployment of the "soft power" available to them as officials in reputable international agencies—manifested through grant monies provided to collaborators and public challenges to the capacities and reputations of government officials who initially resisted the power and legitimacy of their new remittances data, measurement techniques, and representational practices—as they sought to standardize remittances data across the Latin American region. The chapter also notes the broader successes achieved by these policy entrepreneurs and their allies with the incorporation of their new remittances measures and instructions within the latest statistical manual published by the IMF.

Chapter 3 then turns to an analysis of the conceptual and policy work carried out by actors within the financial institutions and development agencies after they successfully made remittance flows visible to governmental officials and the international community. This chapter details and unpacks three sets of policies designed and promoted by purveyors of the R-2-D agenda that promise to link remittance flows to development in the global South. These policy constructs suggest that remittances can be linked to development by (1) reducing the cost that migrants pay for remittance transfers, (2) by using remittances to democratize finance, and (3) by constructing new market-based development-finance mechanisms from cross-border remittance flows. The analysis of the significant governmental work required to make these so-called market-based solutions a reality demonstrates the wide gulf that exists between the ideology of market fundamentalism and the practice of neoliberal globalization. This analysis also illustrates that the agency behind making remittances a development tool is not simply the abstract logic of capitalism itself, or the faceless power of governmentality, but specific individuals, institutions, and interventions working to enact concrete political-economic transformations through the construction and promotion of the R-2-D agenda.

Part Two, entitled "The Long Road to Financial Democracy in North America," is also made up of two chapters. These chapters shift the analytic focus to the transnational scale, charting the evolution of Mexican state-led transnationalism from the 1980s to the present and identifying its increasing convergence with U.S. government policies in furtherance of North American economic integration. Chapter 4 develops an analytic distinction between the emigrant and emigration policies pursued by the Mexican government over these three decades, placing particular emphasis on the policies of the period from 2000 forward. The chapter documents how, following the events of September 11, 2001, these emigrant and emigration policies have largely converged around an R-2-D model, where it is hoped that the resources generated through contemporary migration may be channeled toward development in Mexico that may obviate the need for continued migration in the future. Chapter 4 sheds new light on the policy content and dynamics driving state-led transnationalism. First, it demonstrates that the contemporary state-led transnationalism policies being pursued by the Mexican government in the social spaces of North America have taken on a market-centric tint. The policies examined are aimed both at extending market logics and mechanisms deep into migrant populations and at channeling the resources generated through migration into development programs and projects. Second, the chapter shows that the form of state-led transnationalism being pursued by the Mexican government, with its emphasis on expanding the power of markets within migrant populations, has been forged in strong collaboration with agencies and government officials from the United States.

Chapter 5 then trains attention upon the on-the-ground policies and practices carried out by government officials in North America, focusing on a particular program that has promoted "financial democracy" among migrants and remittance recipients. The chapter analyzes the work carried out by Mexican and U.S. government officials collaborating in the design, implementation, and promotion of a low-cost remittance-transfer product marketed under the brand name "Directo a México." With this product, government agencies aimed to both reduce the costs of remittance transfers and expand access to financial services for migrants in the United States and remittance recipients in

Mexico. The chapter illustrates the significant work required of government officials attempting to turn the promise of R-2-D into a reality and examines some of the reasons that help explain why these efforts have, until now, met with little success.

The concluding chapter wraps up by summarizing the main findings of the previous chapters and drawing out the broader implications of this study. It begins with a discussion of the paradox of neoliberal policymaking and the significant governmental work required to construct remittances as a market-based development tool. Then it moves on to discuss what the R-2-D agenda tells us about the content, rationale, and challenges of transnational engagement policies in the contemporary moment. Finally, the book concludes with a discussion about the possibilities for repoliticizing the field of migration and development, finding new ways to envision this relationship, and identifying the conditions that may, one day, truly make migration an option rather than a necessity.

Let us begin.