Remittances as Contributor to Risk Management and Poverty Reduction in Grenada

Dianne Jntl Rosemary Forte
University of Southern Mississippi

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REMITTANCES AS CONTRIBUTOR TO RISK MANAGEMENT AND
POVERTY REDUCTION IN GRENADA

by

Dianne Jntl Rosemary Forte

A Dissertation
Submitted to the Graduate School
and the Department of Political Science, International
Development, and International Affairs
at The University of Southern Mississippi
in Partial Fulfillment of the Requirements
for the Degree of Doctor of Philosophy

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May 2016
ABSTRACT

REMITTANCES AS CONTRIBUTOR TO RISK MANAGEMENT AND POVERTY REDUCTION IN GRENADA

by Dianne Jntl Rosemary Forte

May 2016

A Small Island Developing States (SIDS) viewpoint is underrepresented in the existing migration literature. That perspective is necessary because SIDS geography creates a unique set of social and economic circumstances that predisposes small states to high vulnerability to external shock from environmental events and influences emigrant decision making. Like other SIDS, Grenada is characterized by small land mass, small population, limited opportunities for productive labor, and limited resources to support a range of highly functioning modern institutions. This has resulted in high levels of emigration and a pattern of circularity as Grenadian households make rational decisions to manage risk and foster economic development. These emigrants view the extended work field as a space with opportunities for building skill and wealth, and gaining an education and diverse, cosmopolitan experiences. Family members working abroad, and those who remain at home become a transnational household. Expanding beyond conventional push/pull migration analysis, this dissertation posits a SIDS perspective from a triangulation of The New Economics of Labor Migration (Stark and Bloom 1985) and the theories of circulation and cumulative causation (Myrdal 1957). Through surveys, interviews, and document review, a study of a random sample of 118 households found that remittances increased in response to threats, as households deliberately positioned themselves to have “someone on the outside” as a risk management strategy.
The study found that circulation enabled households to build wealth and sustainable livelihoods and to adequately care for the elderly and children. When this arrangement failed, families suffered and stagnated as social protection systems were unable to fill the gap.
ACKNOWLEDGMENTS

I am deeply grateful to Dr. Robert Pauly, my committee chair and mentor for generously sharing his wisdom, knowledge and scholarship, and for his timely responsiveness which made working with him an exceptional experience. I extend sincere appreciation to my committee members for investing in me: Dr. David Butler for enabling me to build a solid foundation in the requirements for qualitative research; Dr. Joseph St. Marie for valuing culture and providing personal and professional support, and Dr. Tom Lansford for his generous gift of time. I also thank Dr. Denise VonHerrmann and Dr. Edward Sayre for extraordinary support at critical points in the program, and Dr. Shahdad Naghshpour for enabling me to own econometrics. Over the years, other staff of the IDV Program, including Annette Copeland, have gone above and beyond, and for this I am grateful. I wish to acknowledge and thank Jeanne Stewart, Graduate Reader for her support in navigating the final part of this journey. I could not have completed the dissertation research without the support of colleagues from GRENED, under the leadership of Dr. Dessima Williams. I sincerely thank my Grenada Research and support team: Jennifer Andall, Ann Jeremiah, Louraine Modeste, Glenda Williams, Dr. Rachel Williams, Dilma Wickham and Kemerly Gordon; as well as Rachel Jacob of the Grenada Department of Statistics, and Mike Brown for his administrative expertise. Finally, I remain grateful for the assistance that Dr. Arlene Edwards provided in the early stages of my Ph.D. journey.
DEDICATION

I dedicate this work to my grandchildren who inspire me to leave a legacy. I could not have completed this journey without the tireless support, patience, encouragement and understanding of my family. I particularly thank my parents, Conrad and Dorothy Forte and my children, Anthony and Camille Forte for believing in me with unconditional love; and Olivia for surrounding me with your amazing energy, laughter and pure joy.
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<tr>
<td>AAME</td>
<td>African American Migration Experience (of the Schomburg Archives)</td>
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<td>CARICOM</td>
<td>Caribbean Common Market</td>
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<td>CCC</td>
<td>Circular and Cumulative Causation</td>
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<td>CCRIF</td>
<td>Caribbean Catastrophe Risk Insurance Facility</td>
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<td>CIDA</td>
<td>Canadian International Development Association</td>
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<td>CPA</td>
<td>Country Poverty Assessment</td>
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<td>Colonial Life Fund</td>
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<td>Colonial Life Insurance Company</td>
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<td>CWIQ</td>
<td>Core Welfare Questionnaire Survey</td>
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<td>Department for International Development (UK)</td>
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<td>EC</td>
<td>Eastern Caribbean</td>
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<td>ECLAC</td>
<td>Economic Commission for Latin America and the Caribbean</td>
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<td>ED</td>
<td>Electoral District</td>
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<td>EU</td>
<td>European Union</td>
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<td>FDI</td>
<td>Foreign direct Investment</td>
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<td>GARFIN</td>
<td>Grenada Association for the Supervision of Financial Institutions</td>
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<td>GDP</td>
<td>Gross Domestic Product</td>
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<td>GPRS</td>
<td>Growth and Poverty Reduction Strategy</td>
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<td>GCIM</td>
<td>Global Commission on International Migration</td>
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<td>GRENED</td>
<td>Grenada Education and Development Organization</td>
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<td>GULP</td>
<td>Grenada United Labor Party</td>
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<td>GNP</td>
<td>Grenada national Party</td>
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<td>HBS</td>
<td>Household Budgetary Survey</td>
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<td>HDI</td>
<td>Human Development Index</td>
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<td>IMF</td>
<td>International Monetary Fund</td>
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<td>ILO</td>
<td>International Labor Organization</td>
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<td>INGO</td>
<td>International Non-Governmental Organization</td>
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<td>IOM</td>
<td>international org of migration</td>
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<td>LAC</td>
<td>Latin American-Caribbean</td>
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<td>LDC</td>
<td>Least Developed Countries</td>
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<td>LIAT</td>
<td>Leeward Islands Air Transportation</td>
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<td>LPP</td>
<td>Livelihood Protection Policy</td>
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<td>MDG</td>
<td>Millennium Development Goals</td>
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<td>NELM</td>
<td>New Economics of Labor Migration</td>
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<td>NEWLO</td>
<td>New Life Organization</td>
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<td>NIS</td>
<td>National Insurance Scheme</td>
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<td>OECS</td>
<td>Organization of East Caribbean States</td>
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<td>OECD</td>
<td>Organization of Economic Cooperation and Development</td>
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<td>ODA</td>
<td>Official Development Assistance</td>
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<td>PAHO</td>
<td>Pan-American Health Organization</td>
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<td>PRG</td>
<td>People’s Revolutionary Government</td>
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<td>ROSCA</td>
<td>Rotating Savings and Credit Association</td>
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<td>SEDLAC</td>
<td>Socio-Economic Database on Latin America and the Caribbean</td>
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<td>Socio-Economic Status</td>
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<td>SIDS</td>
<td>Small Island Developing States</td>
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<td>SD</td>
<td>Spatially Diversified</td>
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<td>SDP</td>
<td>Strategic Development Plans</td>
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<td>SGU</td>
<td>St. Georges University</td>
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<td>SLC</td>
<td>Survey of Living Conditions</td>
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<td>SSNA</td>
<td>Grenada Social Safety Net Assessment</td>
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<td>TAMCC</td>
<td>T. Albert Marryshow Community College</td>
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<td>TT or T&amp;T</td>
<td>Trinidad and Tobago</td>
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<td>UK</td>
<td>United Kingdom</td>
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<td>UN</td>
<td>United Nations</td>
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<td>UNDP</td>
<td>United National Development Program</td>
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<td>UNEP</td>
<td>United Nations Environmental Program</td>
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<td>UNICEF</td>
<td>United Nationals Children Education</td>
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<td>US</td>
<td>United States</td>
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<td>USAID</td>
<td>United States Agency for International Development</td>
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<td>UWI</td>
<td>University of the West</td>
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CHAPTER I

INTRODUCTION

The development impact of remittances, especially remittances of lower skilled emigrants, remains a controversial issue in development theory and policy in the 21st century. Particular circumstances described in this dissertation make the Eastern Caribbean island of Grenada an excellent case study of this phenomenon, providing an opportunity to contribute to the migration literature, the literature on how the poor manage risk and to Grenada’s poverty reduction policy analysis. More specifically, the circumstances dealt with in these chapters provided an opportunity to study how a sample of remittance-receiving households in a geographically vulnerable small island developing state (SIDS) manages risk and maintains economic resilience. The dissertation argues that greater value can be leveraged from emigrant flows with similar geography and development conditions if the effects of remittances on poorer households are better understood. It therefore builds on the frameworks that emerging labor theories provide to improve understanding of the relationship between geographic and economic vulnerability and migration decision-making and remittances. A paradigm shift is occurring that can inform policies of both receiving and sending countries, with regard to lower skilled emigrants that predominantly flow from poorer households. It claims that by expanding their labor field, the decision-making of this sector increases resilience to external shock by increasing the income potential of their households, thereby not only reducing poverty but creating a safety net. This is believed to be true even when emigrants see leaving home for work abroad as temporary.
Using simple random sampling, this dissertation collected primary data from a sample of 118 households in Grenada to examine the effects of emigrant remittances (independent variable) on reducing risk and poverty (dependent variables). It tested the hypotheses that: (1) by responding to an external shock, remittances functioned as a self-insurance mechanism for some households in this study. (2) Emigrant remittances reduced poverty among some of Grenada’s lowest two quintiles households in this study.

Why the Caribbean? Why Grenada?

The Caribbean is a significant provider of not only skilled labor; but to major destination countries, particularly the North American labor market, its flows are predominantly lower or unskilled labor, and as shown in Figure 1 below, the region is economically dependent upon remittances from those labor flows.

![Figure 1. Remittances Contribution to Caribbean GDP: Source IMF Data](image)
Best known for its contribution to brain-drain, a phenomenon where a country (or region) exports its skilled, trained, and educated workers, creating significant institutional capacity gaps, there is considerable literature on Caribbean emigration from a skilled labor perspective. Figure 2 illustrates the significance of this problem to the Caribbean, which leads the world in labor force outflow when measured by percentage of population, with Grenada having the Caribbean’s largest outflow (Figure 3).

Figure 2. Global Flows to OECD Countries, 1965-2000: Source IMF Data
Leading Caribbean scholar on skilled migration, Elizabeth Thomas-Hope (2002) has significantly advanced the understanding of the effects of skilled out-migration, including that skilled outflow does not necessarily represent a negative effect on source country if balanced with an inflow of similarly skilled labor.

From a policy and planning perspective, the focus on skilled labor migration is necessary and significant. However, overlooked and equally important is the economic developmental potential of manual(lower)-skilled emigrants and their remittances to lower socio-economic segments of the population (Terry 2005; Kirton 2005; Kirton and McLeod 2008; Samuel 2005). Samuel argues, for example, that remittances either directly or indirectly could result in developmental impacts serving as a Keynesian-type circular flow of income injection and increasing economic activity by increasing
aggregate levels of expenditure. This is supported by the Chevannes and Ricketts (1997) study of small businesses in Jamaica which found that remittances increased savings and investment in those businesses. Furthermore, Kirton and McLeod (2008) drew on a 2006 World Bank study to conclude that in 16 of 25 Latin American/Caribbean (LAC) countries (including Grenada), “there is a positive and significant correlation between financial development and remittances (10).” Other studies such as those of Terry and Wilson (2005) find that “hidden in plain sight” is the development impact of remittances when the net effect enables poor households to attain results such as health for increased productivity, children to be educated or households to increase their income potential or standard living or ability to invest in businesses and to rebound from adversity.

In spite of the above, scholars and policymakers have largely ignored the agency of the bottom quintiles of emigrants and their contribution to labor economics. Terry (2005) observed that their small remittances of $200-$300 per month sent largely through informal means by lower-skilled workers, for many years were not counted because the people who sent them did not matter. As poverty reduction programs such as those of the United Nations-led 15-year Millennium Development Goals (MDG)\(^1\), and their post-2015 planning mechanisms seek alternative investments to meet development objectives, the clear statistical trend wherein global flows of remittances exceed all other capital flows is sparking new interest. This dissertation contributes to the supporting analysis of the development potential of remittances by adding to both the evidence of risk management

\(^1\)CPA 2008 (XV) indicates that the Grenada government’s commitment to poverty reduction is stated in its 2000 budget as a commitment to the MDGs and an intention to eradicate poverty through “Growth, Equity and People’s Participation in the new Millennium.” The 2004 hurricane prevented the application of this program as planned.
and by providing examples of how the lowest quintiles help themselves climb out of poverty through labor market diversification. It asked the question “did remittances to the study sample contribute to poverty reduction?” Then, recognizing that economic stability at national and household levels are directly related to resilience and risk management (Stark and Bloom 1985; Pozo 2005), it investigates a question fundamental to household decision making within geographically vulnerable microstates: “to what extent did emigrant remittances enable households to cope with risk and recovery from shocks such as Hurricane Ivan of 2004?”

Linking risk management and household economic stability to migration patterns is completely rational in microstates where there is high vulnerability to exogenous shocks. For example, when the devastating 2004 Hurricane Ivan destroyed years of economic development, agriculture and infrastructure gains (at both national and household levels) in Grenada, the country plunged from being one of the highest performing economies in the Eastern Caribbean with a growth rate averaging 5.5% per year to an immediate 24% decline in GDP, with damage estimated at more than US$900 million, almost 200% of Grenada’s 2003 GDP\(^2\). Many Grenadian households drew on significantly increased remittances to recover, with a remittance pattern similar to that of other Organization of Eastern Caribbean States (OECS) as they were hit by devastating hurricanes in 1995, 1989 and 1997 (Samuel 2005).

The link between risk and migration is such that the state of perceived risk from natural or man-made disasters is often reflected in migration flows. This is reflected in

Grenada’s flows, where the population declined from 94,682 in 1969 to 89,070 in 1978, a period of significant political unrest in the context of the independence struggle. After the US invasion of October 1983, with the perception of stability Grenada’s population increased from approximately 89,000 in 1984 to 99,381 in 1987 (CIA World Fact book). The major contributor to these fluctuations was migrant flows, and the remittances from these flows have significantly contributed to Grenada’s household income.

Dissertation Scope

To investigate how remittances affect a sample of Grenadian households in terms of a) risk management, and b) socio-economic status, this dissertation employed both triangulation of data and triangulation of theories. The data triangulated was collected through qualitative tools to test the hypotheses listed above. Furthermore, theoretical triangulation drew on the New Economics of Labor Migration’s (NELM) understanding of a complex household arrangement of spatially diversified (SD) labor distribution where those abroad and those who remain function as one household. As observed by Faist (2010) and others, this became a self-aware strategy particularly among poor households to spread risk across many labor markets. Finally, recognizing who leave, what they remit, and who return matters, theoretical triangulation drew on theories of Circularity and Cumulative Causation to explain some underlying premises particular to Caribbean patterns of migration. In a two-stage approach, 118 randomly selected households responded to a face-to-face survey. Of that sample, 43 received remittances, and 32 agreed to an in-depth interview. Based on the findings of this study, recommendations will be made to the Grenada Government for a deeper analysis of the
effects of remittances on poverty and risk decision-making to be considered in the next country poverty assessment.

Background of Study

Emigration and its attending high levels of remittances may be the most important mechanism for lifting the poorest of Grenada’s population out of poverty. This, however, is not always obvious since between 1965 and 2000 Grenada lost 71% of its secondary (medium-skilled) and 85% of its tertiary (highly-skilled) educated to emigration (Mishra, 2006), and only 25% of its primary educated (un-skilled or lower-skilled). Yet, because of the relatively low level of Grenadian tertiary educated citizens, in absolute numbers the largest number of Grenada’s emigrants were secondary or below. Furthermore, Grenada’s tertiary emigrant numbers often include graduates of St. Georges University (SGU), an offshore medical school in Grenada whose internships and residencies are structured to be served abroad. Its students come from more than 96 countries. Chapters V and VI present a more thorough discussion of the medical school’s effects. For many reasons, the links between education and migration flows must be carefully and accurately made. Reflecting a common approach within labor economics, in this dissertation education level is used as a proxy for skill level (Pienkos 2006). “Skilled” labor refers to those who have attained a tertiary level education, and sometimes are referred to in the literature as “highly skilled.” The category “lower-skilled” includes secondary and below with no professional training such as nursing. Wherever relevant, distinctions are made between migrants under 25 and lower socio-economic status (SES) households (a demographic of particular interest to this study). Distinguishing patterns
relevant to skill levels is important as Grenada considers strategies for poverty reduction over the next 15-20 years.

Thomas Hope (2009) identifies the pattern that not only did most Grenadians who emigrated have only a primary education but most of those who returned (61%) also had only a primary education. This understanding of who leaves, who returns and who remits when they emigrate, as well as the particularities of Grenada’s migration which is characterized by circularity of cash, goods, people and ideas is critical for effective analysis and policy making (Portes 2001).

The movement of capital and labor throughout the Caribbean has historically provided livelihoods for households and reduced the unemployment rates in microstates (Thomas-Hope 2006; Plaza and Henry 2006). As a result, labor migration scholars such as Glick Schiller and Faist (2010), Marshall (1985), and Pessar (1997) support the notion that for microstates, circulation through migration is significant and expected. Intra-Caribbean migration which may be seen as akin to migration between rural and urban areas in larger economies, for smaller islands is as necessary for tertiary education as it is for work. This was true for Grenada, which before the founding of the Grenada Medical School in 1976 as an offshore medical training tertiary institution did not have a university. Post-secondary education was trade related and secondary education was expensive. Grenada’s post emancipation emigration was significantly intra-Caribbean,

---

3 The Grenada medical school with an enrollment of 197 students was established in 1976 and grew to a 2013/2014 enrollment of 6620 students from 96 countries. As an “offshore” medical school, it primarily trains students from the US and Canada who return to their home counties for their internship and residency. The outflow count of 3433 physicians (98.6%) trained in the country (Bhargava, Docquier, and Moullan, 2010) includes those who came to Grenada to be trained in the medical school.
with destination countries identified primarily as Trinidad & Tobago and Barbados, the
destination of choice for one-third of Caribbean migrants, with Grenadians constituting
the highest (18%) of that flow. It is reasonable for a microstate such as Grenada with
approximately 110,000 people and 132 square miles to extend the boundaries of its labor
market (Gordon 2004; Maingot 1985).

Overarching Patterns of Caribbean Labor Migration

Throughout the 20th century, the Caribbean/Central American region served as a
contiguous field for labor that drew primarily lower-skilled labor from all island states for
of solicited contract movements first within the Caribbean, and later between the
Caribbean and the United States (US). She indicates that between 1835 and 1846,
sugarcane plantations drew 19,000 emigrants, primarily young men from the Eastern
Caribbean to British Guiana (now Guyana) and Trinidad reaching more than 50,000 from
Barbados alone between 1850 and 1921. From 1885 to 1920, the labor flows were to
sugar plantations in Cuba and the Dominican Republic and to dry docks in Bermuda;
beginning in 1894, massive flows of workers streamed from all of the Caribbean to work
to in Venezuela’s gold mines.

Although there was little Caribbean migration to the US until World War II,
during this period of intra-Caribbean labor flows, US-funded projects in the Caribbean
Basin resulted in significant levels of migration “in search of the Yankee Dollar

4The 1982 new People’s Revolutionary Government’s study to determine the
political wisdom of proposed policies that would limit emigration concluded that
Grenadians have a “visa mentality,” making it politically unwise to implement any policy
to curb emigration.
These included construction of the Panama Railroad (1850 – 55) and Canal (1880 – 1914); Shell’s role as major employer of Caribbean labor in its Venezuela oil fields and Shell’s Curacao oil refinery (1916 – 1953); and United Fruit Company’s railroads and banana plantations in Central America (1880s – 1960s). Caribbean flows increased to the US during World War II (1940) when contract labor opportunities became available to fill US labor shortages in agriculture, railroad and lumber because of the war effort. Adjustments at the end of the war closed the door with the quota system imposed by the 1952 Walter McCarran Act which favored European Immigration to the US. This began a shift of lower-skilled Caribbean migrant flows to the UK until that country’s Commonwealth Immigration Act of 1962. Flows shifted again with Canada’s scheme for domestics on one hand and skilled workers on the other (1962-1976), and to the Bahamas in the 1970s to support the tourist industry. There was always work for women in the hospitality industries that supported these flows, but the high-income earning jobs were for the primary demographic, young men from the Eastern Caribbean. Marshall noted that beginning in 1960 the trend shifted to a feminization of East Caribbean Migrant populations.

This circulation of people, ideas, goods, and money particularly affected Grenada. As indicated in figure 2 above, between 1965 and 2000, 12% of the Caribbean’s population migrated to Organization for Economic Co-operation and Development (OECD) countries. This was the world’s highest sending rate by percentage of population (Mishra 2006). Kirton (2005) estimates Grenada’s net migration as approximately 72,000 between 1950 and 1990, making Grenada the highest percentage by labor force rate of the Caribbean emigration statistic (as indicated in Figure 3 above).
with 55% of the labor force (Mishra, 14), and the world’s second highest loss by percentage of skilled labor force (Figure 4) migrating to OECD countries (Mishra, 17).

*Figure 4.* Highest Sending Countries by Percentage of Labor Force, 1970-2000

*Skilled and Unskilled Flows to the United States*

Caribbean labor migration to the US has to be examined as separate, carefully managed streams of skilled and lower-skilled (or manual) workers based on immigration (or trade) policies of the receiving country. Skilled labor always has enjoyed greater mobility. The Schomburg Center for Research in Black Culture’s African American Migration Experience (AAME) archives indicates that as early as 1930 the Amsterdam News reported that a third of New York's Black professionals including doctors, dentists, and lawyers were Caribbean migrants and a quarter of Harlem were Black immigrants from the Caribbean. The ebb and flow of unskilled and manual labor was subject to tighter controls, with Caribbean contract farm labor benefitting from special policies since the beginning of the trans-Atlantic slave trade. When the Immigration Act of 1924 drastically stemmed the tide of Caribbean immigration to the United States, the number of migrants from the Caribbean plummeted from 10,630 in 1924 to only 321 in 1925.
Selectivity by national origins, the quota was reinforced in 1952 by the McCarran-Walter Immigration and Nationality Act. Yet, the Caribbean farm program intended to alleviate the wartime Florida farm labor shortage only continued and does to the present time (Schomburg Archives, drawn 4/5/2014).

Contemporary flows to the US from the Caribbean were facilitated by the Immigration and Naturalization Act of 1965 (Hart-Celler Act), which abolished the 1952 quota system. Hart-Celler established a more humanitarian immigration policy that favored family reunification. President Lyndon B. Johnson implemented the policies started by President John F. Kennedy and positioned the United States as a more open society in the face of the Cold War. He linked the more equitable US immigration policy of 1965 to the Civil Rights Act of 1964 and the Voting Rights Act of 1965. From 123,000 in the 1950s, the number of Caribbean immigrants grew to 470,000 after 1965. Furthermore, although this act was intended to attract primarily skilled labor to the United States, for the Caribbean it opened the door to large flows of female domestic workers and other lower skilled workers as Caribbean American citizens and permanent immigrants from earlier flows sent for relatives. The Schomburg archives (AAME 2005) indicate that “the evidence suggests that, at least since 1960, the proportion of professionals among Caribbean immigrants has declined overall.” Their archives document that in 1964, about 23 percent of Jamaican immigrants were professional and technical workers. By contrast, by 1979 those sectors only represented 14 percent of Jamaican emigrants. Faist (2010) commented that US temporary worker programs such as the farm program reflected US policy assumptions of circularity as a pattern of Caribbean economic migration. For Grenada, the net effect of British, Canadian and US
immigration policies between 1950 and 1980 was that lower-skilled emigrants tripled while emigration became more feminized. Given the above, while brain drain concerns are important to the migration literature and to understanding Grenada’s development, a parallel analysis of the value and contribution of lower SES emigrants is required for effective policy decision-making. The development impact of the more than 85% of Grenada’s total stock of emigrants identified as lower skilled opens the door to increased analysis of the mechanisms through which Grenadian lower SES household emigration decision-making reduces poverty, manages risk, and possibly affects other variables such as social protection, income security, growth, national economic and social development and the construction of the household itself.

Remittances’ lagging policy framework

In 2002, the Caribbean/Latin America Region with flows of more than US$45 billion received the world’s highest remittances by percentage of GDP (cumulatively, 19%, figure 1 above) (Mishra 2006). Furthermore, as illustrated in figure 5 below, the International Monetary Fund (IMF) reports that at 12% of GDP, between 1965 and 2000 Grenada’s remittances was the highest in the Caribbean (Mishra 2006).
Figure 5. OECS Remittances by Percentage of GDP 1980-2002

Flows of cash remittances funnel into Grenada from two directions: (1) from intra-regional emigration and (2) from South-North emigration (primarily Canada, the United States and Britain) to a 2012 level of almost US$60 million (9.2% of GDP). Between 1994 and 2004, remittances climbed incrementally from US$40 million to US$50 million. During that period, all other sources of income (except FDI) declined. The value of total commodity exports plunged from approximately US$115 million in 2000 to less than US$50 million in 2008 (UWI, 2012) with a decline in real GDP growth from an average of 5.5% per annum between 2000 and 2005 to an annual average of
.04% between 2006 to 2012 (Grenada’s Growth and Poverty Reduction Strategy 2014-2018). Grenada’s 2007 cash remittances of US$524 per capita exceeds the regional average of US$114 per capita (UNDP 2009) and in 2012 was the world’s fifteenth highest (figure 6) by percentage of GDP (Mishra 2006).

![Total Worker Remittances, Top 30 Countries Globally, 2002](image)

**Figure 6.** Top 30 Countries Remittances by Percentage GDP, 2002

This rate is sustained by an increasing emigrant rate indexed by the Human Development Index (HDI 2009) at 40.3%, which in 2009 elevated Grenada from a medium to a high development country.

Yet policy prescriptions are lagging as Caribbean policymakers still apply a periphery/center analysis to their citizens’ emigration decision-making (Pessar 1997) and to understanding the effects of remittances. Prevailing analysis to a large extent reflects neither the character nor the rational decision making of households (Gordon 2004).

Samuels (2005, 571) concludes “The issue of remittances arises only because there was a prior decision to migrate, thus the analysis of remittances cannot be divorced from an analysis of the factors which motivate migration.” For Grenada’s lower SES emigrants,
an essential part of leaving for work is to send money back home and status comes with the ability to remit (Plaza 2006). For Grenadian emigrants remittances of cash and goods (including the barrel economy),\(^5\) provide income support to the households they leave behind. In 2008, these remittances constituted about 30% of the income of the lowest quintile of the population (CPA 2009). Like Caribbean policymakers, Caribbean scholars have been “slow to abandon the conventional analytical tools and categories of the settler-sojourner model of migration” (Pessar 1997, 2). Neither has sufficiently linked emigration to development or has used the contributions of the transnationalist paradigm shift to value poor house-holds as rational decision-makers and agents of their own development. Ironically\(^6\), the push for a source country analysis has come from international institutions such as the World Bank, International Monetary Fund (IMF), International Labor Organization (ILO) and more recently, the United Nations (UN).

This dissertation’s source-county perspective contributes to the literature of how low income households from microstates engage in income smoothing through remittances and operate as risk-managers by functioning as one household spread over a number of different labor markets.

*The Grenada Country Poverty Assessment Reports*

In addition to primary data collection, this dissertation draws on the Grenada Country Poverty Assessment (CPA) household studies, which were implemented for the first time in 1998 and for the second time in 2008. The CPA assessed the welfare of the

\(^5\)Barrels of goods shipped from household members in the high labor market to the homestead in Grenada.

\(^6\)In the 1980’s the structural adjustment policies (SAP) of IMF and World Bank failed to reflect a development analysis from a client country perspective and were seen as poverty-promoting.
population, conducted participatory poverty assessment in 10 communities and reported all poverty data by quintile. This database provides household level information derived from quantitative and qualitative participatory individual and group surveys and individual interviews, as well as institutional assessments.

The 2009 report indicated that although there was a slight increase in overall poverty, extreme poverty had declined from by 19%, from 12.9% in 1998 to 2.4% in 2008. It also found that measured by a change in Gini Coefficient, inequality was reduced from .45 in 1998 to .37 in 2008. The Gini Coefficient, a measure of inequality of income and wealth, uses a value of 0 to express total equality and a value of 1 to indicate highest inequality. In 2012, statistically, the most equal society, Sweden, had a Gini Coefficient of .24. At the other extreme, with an unemployment rate of 24.9% in second quarter of 2012 and more than 25% of population (11 million people) living on less than $2 a day, in terms of income South Africa has become the world’s most unequal society with a Gini score of .63. The Grenada CPA (Main Report, 40) described the reduction in inequality as “Distributional measures – taxes, on the one hand, and (government) transfers and subsidies on the other – might have had positive consequences in improving equity.” The Gini coefficient of inequality is calculated using household-level data for dispersion of after-tax income, expenditure, or some other welfare indicators across the population (Litchfield 1999). The CPA uses household consumption expenditure data to estimate distribution of consumption in Grenada across deciles. Comparing the top deciles to those at the bottom it found that the poorest decile accounted for 2.9% of consumption expenditure while the top decile accounted for 30% of consumption expenditure.

![Remittance inflow into Grenada from 1986 - 2012](image)

**Figure 7.** Grenada’s Remittance Inflow after Hurricane Ivan - 2004. Source: Calculation based on data from IMF Balance of Payments Statistics database and data releases from central banks, national statistical agencies, and World Bank country desks. Data is shown in US dollars.

The spike occurred in response to a systemic shock, Hurricane Ivan, which in 2004 left 18,800 homeless (population 103,532 – 2001 census) and blew the roofs off 90% of Grenada’s houses leaving estimated damage of almost US$1 billion (200% of 2003 GDP). To better understand the financial impact, in 2008, average annual household income for the poorest 20% was EC$2,394 (US$881). Approximately 76.3% of those households own their house (outright or with a mortgage with a total of 85%
across all quintiles). The family may start out with a one- or two-room home that they expand usually with remittance funds. A World Bank Hazard Risk Management Assessment (2005) indicates that only 10% of all homes across all quintiles had insurance, with 0% of the lowest quintile and 1% of the second lowest quintile having formal insurance.

In implementing the household studies Grenada’s CPAs made some assumptions. For example, CPA 2008 Volume 1: Main Report (29) estimated a decline of about 11 percent in remittances in 2008 based on regional projections, “reflecting the impact of the global economic crisis on migrant workers from this region.” However, Grenada’s remittance inflows were US$55K in 2007 and US$55K in 2008, which remains within the normal range as it was US$54K in both 2006 and 2009 subsequently climbing to US$59K in 2010. In the process of preliminary research for this dissertation, access to raw data from the 10 communities of the CPA’s in-depth study was requested. Because the communities are small and individuals can easily be identified by descriptors in order to preserve confidentiality, an officer from the Ministry of Finance instead was made available to the researcher to provide support in her study including providing access to a random sample. The 2008 CPA asked for remittances as part of its income question and had a separate 10-part question on migration. It reported that 21% of the households received average remittances of $327/month with 43% regularly and 57% not regularly. There was no consideration of the responsiveness of emigrant remittances to Hurricane Ivan although the impact of Ivan on the economy was assessed in the report. Because the report provided limited explanations about the significant reduction in indigent poverty
between the 1998 and 2008 CPAs, a gap remains to be explored through inquiry. This dissertation is designed to begin to investigate that gap.

*The insurance factor*

The remittance pattern associated with Hurricane Ivan of 2004 falls midway between the two national studies and raises questions about a possible “insurance” mechanism at work. A risk analysis is reasonable because although Grenada is located in the hurricane belt, with a risk probability of a 8.9 strike in a given year where 10 is seen as high (Acevedo et al. 2013), the closest hurricane hit with Ivan’s national economic impact was Hurricane Janet almost 50 years earlier (like Ivan, Janet destroyed houses, businesses and 80% of Grenada’s nutmeg trees, a cash crop from which Grenada got its moniker “Spice Island”). Since Grenada’s poor does not buy formal insurance in an environment subject to exogenous shocks, how they make decisions about recovery requires additional exploration. An understanding of the household itself as a risk-sharing, spatially-diversified socio-economic entity emerged in the 1980s as a component of a new analytical framework — the New Economics of Labor Migration (NELM) (Lucas and Stark 1985; Taylor 1986; Rosenzweig and Stark 1989).

**Dissertation Outline**

The goal of the study is to identify and describe the effects of remittances on savings, investments, education and healthcare in Grenada and to explore the relationship between household structure and risk reduction providing an analysis that contributes to source country policy making and scholarship. Chapter II presents a synopsis of the relevant literature on the migration/development link, impact of remittances, self-insurance as a framework and transnational/spatially diversified (SD) households as a
socio-economic concept. It also presents a synopsis of the relevant literature on the under-researched area of how remittances of lower-skilled/low income workers contribute to development as suggested by Stark & Bloom (1989), Taylor, Mora and Adams (2005) and others within the NELM School. Chapter III discusses the two theoretical frameworks that provide the foundation for the analysis within this dissertation: the NELM framework and the principle of Circular and Cumulative Causation (CCC). It also discusses the literature on methodological and theoretical triangulation, a methodological approach that supports the dissertation research. Chapter IV describes the methodology (a combination of surveys, in depth interviews and document review) used in this study to test the hypotheses and analyze the effects of remittances on poverty, questions of self-insurance and the use of triangulation in this dissertation. It also reviews the relevant literature on qualitative methods in migration studies and the literature on surveys, in depth interviews and case studies as used herein. Additional issues from Grenada’s CPAs of 1998 and 2008 are discussed. Chapter V presents the data, analysis and policy recommendations, and the concluding chapter reiterates the central arguments, assesses the extent of the validity of the hypotheses given the evidence presented, summarizes the results, and offers some possibilities for future research and policy recommendations to the Grenada government for consideration in the 2018 CPA.
CHAPTER II
LITERATURE REVIEW

This literature review examines the body of work in the area of migration theory and policy, generally and specifically, as it attends to the relationships between the research variables: emigrant remittances, risk management and poverty. It pays particular attention to the arguments and theses of Caribbean scholars and policymakers, and on research done on the Caribbean and Latin America as a region. This chapter presents evidence to support an analysis of the policies and conditions within which Grenada as an emigration source county is located. Finally, it discusses the theories that enable “heterogeneity of migration impacts” and “nuanced and pluralist views” (de Haas 2010, 01) that have emerged in recent years and provided a means for migration studies to go beyond economics and accommodate issues such as social and cultural variables; agency and the role of remittances; a discussion of poverty, geography and patterns of circularity; as well as environmental vulnerability, risk management and market failure. All of these factors of the circularity of emigration and return are relevant to the small states of the Eastern Caribbean. The relevance of an analysis of household structure and livelihoods decision-making becomes even more evident as the themes of the study emerge, and responses to emigration questions are wrapped in issues facing multi-generational, multi-location families that include: education; healthcare; growing household wealth; building a home for all of them to live in; caring for children communally; providing a future for youth; caring for the elderly; protecting family land; surviving the next hurricane; and having a cell phone. The household is established as the unit of analysis. The literature review argues the specific political, economic and
social conditions both for sending and receiving countries that determine whether and under what circumstances migration and remittances exploit the potential for developmental impact without making assumptions or drawing conclusions that claim migration automatically leads to development (de Haas 2005).

It draws on both national household studies and meta-analysis such as that of Acosta et al. (2007) that use balance of payment data from 11 Latin American countries to assess the relationship between poverty, education, health and remittances. For example, their finding of a positive relationship between remittances and education expenditures and enrollment rates; and positive and significant effects on the health of the lowest quintiles in El Salvador enabled them to conclude that overall remittances are able to reduce poverty in Latin America with a .37% reduction in poverty for every 1% increase in remittances as a proportion of GDP. Along with the observation of these relationships, they warned that remittances’ impact on poverty varies from country to country and depends on a number of variables including initial levels of income inequality and the conditions of social infrastructure. Mindful of heterogeneity regarding impact, other regional studies are also examined such as Fajnzylber and López (2007) who, examining similar data, concluded that remittances have a positive but weak impact on poverty reduction, equality, growth, and investment in Guatemala, Peru, Nicaragua, and the Dominican Republic and that results for Mexico prove insignificant, while a

7 Bolivia, Dominican Republic, Guatemala, Haiti, Honduras, Ecuador, El Salvador, Mexico, Nicaragua, Paraguay, and Peru.
8 Using anthropometric indicators as well as measuring health spending.
9 Heterogeneity of results is often overlooked in remittance and migration literature but scholars such as de Haas 2007, and Fajnzylber and López 2007, have extensively addressed this issue and the deficiencies inherent in cross-country approaches, reinforcing the need for case-by-case country studies.
positive impact on savings is seen among the lowest income groups throughout the region as a whole. Particularly regarding Mexico, scholars emerge with mixed conclusions. In another study López-Córdova (2006), for example, identified positive results for Mexico, where infant mortality and child illiteracy (ages 6 to 14) declined as a consequence of remittances.

Case-by-case country studies help remedy the deficiencies inherent in cross-country approaches and the generalisation problems for small states like Grenada as they are included in regional migration results. Therefore, keeping in mind heterogeneity in the analysis of household studies, resisting the tendency toward synthesis and remaining grounded in a source country reference frame is important to this dissertation. As Brucker and Siliverstovs (2005,1) observe “country-specific effects such as geography, language, history, and culture have a persistent impact on the costs and benefits of migration, and hence affect the scale of migration.” They argued that many applied econometric studies that try to forecast the potential for aggregate migration ignore these effects. Evaluating the forecasting performance of over 20 estimators found in panel data literature relating to migration to Germany from 18 source countries from 1967-2001, they concluded that “estimators that allow for country-specific intercepts clearly outperform estimators that do not” (1).

The literature review therefore often notes the country of research as well as regional meta-analysis as frequently data compiled from multiple studies may have different effects due to subject population differences, inherent characteristics due to geography, and even differences due to factors such as migration destination can be misleading. Bruckner and Siliverstovs (2005, 11) conclude, “Large parts of the applied
research devoted to predicting aggregate migration potentials ignore however country-specific effects.” Additionally statistical analyses performed on regional aggregate data may draw conclusions that although relevant to Mexico may have less meaning for Grenada. Although Le Goff and Salomone (2013) make the opposite point regarding the impact of remittances when measured as a percentage of GDP observing that it skews aggregate data where by volume most remittances go to middle income countries, “Among the top ten recipient countries by volume in 2011, only one belonged to the LDCs, namely Bangladesh, while all others fell into the middle income countries category. Considering remittance amounts as a share of GDP, the picture is slightly more mixed: four of the top ten recipients were LDCs (Liberia, Lesotho, Nepal and Samoa).”

This literature review evaluates but goes beyond neo-classical assumptions and theories. These include theories based on surplus labor and economic growth in the neocolonial context as advanced by Lewis (1954). They also include macro economic theories of labor migration based on the pull of differences in wages between rich countries and poor ones (Ranis and Fei 1961; Harris and Todaro 1970), and microeconomic models based on individual wage-differential equations made by emigrants seen as fully informed actors in those systems (Sjaastad 1962; Todaro 1969, 1976, 1989; Todaro and Maruszko 1987). The neoclassical framework became characterized by dominant push-pull theories with refinements such as those of Lee (1966) where human capital pushed by deprivation circumstances overcome obstacles to permanent migration to destinations that provide opportunity, job security, and higher wages. This chapter evaluates dual sector/segmented labor theories from different perspectives including Lewis’s periphery/center framework, Harris/Todaro’s rural-urban
equilibrium employment models based on expected income differential, and Piore’s 1979 theory of primary and secondary labor markets. This chapter argues for a sector-analysis of skilled and unskilled labor migrants, where other flows such as students and refugees can be differentiated (Skelton 2008). Such a sector analysis uses theoretical approaches that facilitate a better understanding of the emigration decision making and effects of lower socio-economic status (SES) households and the impact on poverty and risk management. The New Economics of Labor Migration (NELM) and pluralist approaches (de Haas 2007) that support that framework accommodate the analysis of the effects of emigration decision making of lower SES households in the study.

Using a Contemporary Emigration Lens

Castles and Miller (2003, 22) describe the field of migration studies as interdisciplinary with no unified theory but from its inception explained as a phenomenon guided by economics with “constraining factors, such as government restrictions on emigration or immigration…mainly dealt with as distortions of the rational market, which should be removed.” A geographer, Ernst Georg Ravenstein, birthed the field in 1885 with his statistical laws of migration based on census data analysis of British, Irish and Scots movement in search of a better life. These laws included: migrants move the shortest distance after an individual cost/benefit analysis; rural to urban; more rural than urban; internal migration is more female than male and for external migration, more young and male; individuals rather than families migrate, and do so increasingly with the advancement of technology and transportation, and with some cyclical movement.

When W. Arthur Lewis advanced the field with his 1958 Theory of Economic Growth, and Everett S. Lee (1966), A Theory of Migration they both had to reach back to
Ravenstein to locate the field. Lee wrote at that point “This century has brought no comparable excursion into migration theory. With the development of equilibrium analysis, economists abandoned the study of population, and most sociologists and historians are reluctant to deal with masses of statistical data. A crew of demographers has sprung up, but they have been largely content with empirical findings and unwilling to generalize.” Lewis’s (1959) dual economy dependency theory where rural people constituted a reserve army of labor, and movement of labor combined with the effects of industrialization, with a result of trickle down effects that were expected to develop rural communities and modernize poor countries, became the foundation economists used to launch the neoclassical model (Ranis & Fei 1961; Harris & Todaro 1970; Todaro & Maruszko 1987 and Sjaastad 1962).

Since then, a proliferation of work on the causes of migration has emerged from many disciplines. These expanded neoclassical explanations of flows into the market, i.e. the push/pull\(^\text{10}\) framework, (Lee 1966, Harris and Todaro 1970); as well as neo-classical macro and micro level explanations about causes of migration. Some scholars, such as Bauer and Zimmerman (2000), connected this increased focus on immigration with rising immigration flows in the 1980s and beginning of the 1990s, to increased world trade flows and technology. Pulled by certain forces (security, opportunity and higher wages) and pushed by other forces (war, poverty, population or personal pressures), people leave their homes to migrate to cities and then abroad to destinations that provided an open door. However, in the neoclassical paradigm the principal influence on the decision to migrate still remained price. Emigrants as human capital were assumed to make rational decisions.

\(^\text{10}\)Zolberg et al. (1989) wrote primarily on forced migration and refugees.
choices to move from a low-wage market to a high wage market based on the calculated wage differentials (Borjas 1987), cost of moving and utility maximizing estimations of expected benefits. Borjas, based on an empirical study of U.S. earnings of immigrants, showed that after a relatively short period for adaptation immigrant workers of similar skill level bypassed natives and earned a higher income. Todaro (1969), based on his research in Nairobi, in formulating an economic behavioral model of rural to urban migration, rather than ‘real income’ assumed an ‘expected’ income differential adjusted for the probability of unemployment. Yet, McDowell & de Haan (1997) question the assumptions of micro-theories that migrants have perfect knowledge of the costs and benefits of migration as required for decisions made based on wage-differentials analysis resulting in “equilibrium in the marketplace” (Borjas 1989, 482). Furthermore, Zolberg et al. (1989) observed as unrealistic the neoclassical theorists disregard for borders as they predict migration in a transnational capitalist economy (Massey 2005).

In the 1970s, historical-structural approaches linked immigration to the structural requirements of modern industrial economies (Castles and Kosack 1973, Sassen 1988 and 1991). Piore, considered a structuralist, posited a segmented labor market theory of valued skilled labor (the primary market) earning high wages, and a secondary market of others recruited to do the work locals found repulsive. These became known as 3-D jobs (dirty, dangerous and demanding), and usually were informal or/poorly paid, and had no job security or other protections. Wallerstein’s (1974) world systems framework is also classified as historical-structural, as it defines migration as part of the world economy and a factor of globalization where the labor of poor countries is exploited by those in rich countries. Massey (1988) argued that capitalist penetration of peripheral
markets which made labor requirements subsidiary to physical capital, created dislocation and displacement of labor. These workers moved to parallel but better paying structures in the North. De Haas (2010) criticized both structuralist and neoclassical frameworks as failing to accommodate the agency of emigrants, the potential for positive effects of emigration on poor households, and the economic impact of remittances. Alternatively, Abreau (2010) advanced the notion that neoclassical theorists had failed but structuralists were committed to the larger picture.

No one can reasonably argue that the push/pull analysis is without merit, that political and economic crisis does not produce political and economic migrants and refugees, or that globalization and its policies have not affected labor. However, neoclassical theories do not explain most contemporary migration patterns, and arguably has never defined the majority of migrants (de Haas 2010). Massey (2005) asserts that the “bring me your huddled” masses inscription on the statue of Liberty is essentially a myth.

Massey (2005) rejects the wage differential analysis as neither necessary nor sufficient indicating that households use international migration as a tool to overcome failed or missing markets at home. Further, he indicates, “people generally do not leave their country of origin because of a lack of economic development…rather, they emigrate owing to the onset of development itself” (Massey 2005, 3); and that “the shift from a peasant or command economy to a market system entails a radical transformation of social structures at all levels; a revolutionary shift that displaces people from traditional ways of life and creates a mobile population on the lookout for alternative ways of making a living.” De Haas (2007, 13) therefore supports the view that “researchers
should not only pay attention to aggregate labor market variables like wage and employment differences but should also take into account the internal structure and segmentation of labor markets as well as the relevance of individual socio-economic characteristics and “capitals\textsuperscript{11}” in the migration decision (Bauer and Zimmermann 1998, 99).” De Haas further argues that, like NELM, household-oriented “livelihood approaches” and the transnationalism school of migration research, are part of a “trend towards more pluralist approaches, sometimes associated to structuration theory, which try to reconcile actor and structure approaches. When combined, these approaches offer a conceptual framework which is better able to deal with the inherently heterogeneous nature of migration-development interactions.” (11) This formulation edges closer to the effects expected of structuralist position as articulated by Zelinsky (1971, 222), “the progress of a community toward advanced developmental status can be gauged by its control over energy, things, and knowledge, as exercised both individually and collectively and also by the attainment of personal mobility.”

Contextualizing Grenada’s Emigration

Castles and Miller (2003) describe the Caribbean Latin America region as going from net immigration to a net emigration region during the past two hundred years, characterized by an intervening period of predominantly intra-regional movement. They drew on the work of de Lattes and de Lattes (1991) estimating that Latin America and the Caribbean received approximately 21 million immigrants between 1800 and 1970.

\textsuperscript{11}Social capital, cultural capital, economic capital, political capital and symbolic capital
Given all of the above, the “visa mentality” perspective described by the 1982 PRG study (see footnote 4 in Chapter I) is as inadequate as the simplistic push/pull theories. It is an insufficient analysis of Grenada’s emigration pattern and circularity of labor, remittances and returnee patterns that must be understood in order to facilitate long term national planning, to sustainably address persistent poverty, and to fill the gap created by declining foreign assistance. In addition, Grenada’s policymakers are facing exogenous shocks, high rates of unemployment and underemployment, and population dynamics where more than 50% of the population is younger than 19 years old. The positive spillovers of Grenada’s large emigrant flows are therefore under-utilized. Its population includes large number of economically stable retirees (mostly returnees) with skills and resources to contribute if systems were in place for them to do so. Cassarino (2004) connects how returnees are perceived to how they are utilized. From a neo-classical viewpoint “return migration involves exclusively labour migrants who miscalculated the costs of migration and who did not reap the benefits of higher earnings. Return occurs as a consequence of their failed experiences abroad or because their human capital was not rewarded as expected.”12 For NELM theorists, under normal conditions emigration is seen as temporary to meet household investment, savings and insurance, as well as social advancement and economic growth needs; once these needs are met, they return. Without romanticizing either clearly both positions are overstated and people return for as many reasons as they leave in the first place.

The government of Grenada estimates the diaspora population totals 230,000 of which 120,000 are in the United States, 30,000 in the United Kingdom, 40,000 in Canada and 50,000 in Trinidad. After Hurricane Ivan, and extensive country-wide consultations, the Grenadian government visibly reached out to its diaspora as part of its fundraising strategy in April 2005 with the launching the Reconstruction and Development Fund in Washington DC. It raised US$150 million from donors with the World Bank providing US$20 million, but the Grenadian diaspora, which had already shown its commitment through an almost 40% increase in remittances in 2004, was strategically approached as part of the donor base. Policymakers followed up holding a diaspora conference in Grenada in August 2010 to welcome returning Grenadians home, encouraging those abroad to continue contributing to Grenada’s reconstruction and development. In the meantime, the diaspora responded through organizing themselves into vehicles such as the Diaspora Consultative Committee UK formally constituted July 2010. This was a step in the right direction, as Skelton (2008, 6) argues that it is unreasonable to expect diaspora on their own to promote development at home and that diaspora and returnees need to be able to work within effective structures so they can have an impact on their home countries. Understanding Grenada’s migrant networks facilitates an understanding of where Grenada fits among conflicting conclusions regarding the remittance-development, remittance-inequality debate as the history of migration and the role of migrant networks are seen as important factors influencing variable outcomes (Massey et al. 1994; Stark, Taylor and Yitzhak 1988).

Thomas-Hope (2012) indicated that almost $2 million was transferred through bank deposits from pensions going to Grenada’s UK returnees (United Kingdom
Department of Social Security, Pensions and Overseas Benefits Directorate 1999). She observed that these levels of remittances “will only be sustained for as long as migrants continue to return to their countries of origin.” Of note is that these flows are counted as income but not as remittances in the CPA household surveys. Part of these flows often was directed as income to local households and is indicative of the commitment between Grenada’s emigrant households and those left behind. Better counting is important in any projection of future flows of remittances, as global remittances, particularly those to lower socio-economic status (SES) households, although not a magic bullet, are increasingly being seen as a major untapped resource. The conditions under which their development potential can be facilitated warrants further study.

In 2012, global remittances via formal channels (not including those via mail or person) were estimated at $401 billion (World Bank 2013), with a projected increase of almost 9% between 2013 and 2015. Hugo (2013) posits that remittances constituted quadruple the amount of global official development assistance (ODA), which in 2012 was estimated at $100 billion. Aid agencies and governments have finally awakened to the potential of these flows to be part of the solution in ending poverty and are challenging governments of both host and source countries to provide incentives for remitters and recipients to increase savings and invest funds in more productive uses (Kirton and McLeod 2008; Foran 2006; Wilson and Terry 2005).

Yet, neoclassical migration analysis does not accommodate an analysis of remittances’ effects (de Haas 2007). When neoclassical theorists do comment on remittances, they contend that remittances do not contribute to economic growth (Stahl 1982; and Lipton 1980); or that remittances are directed purely toward consumption
(Chami et al. 2003; and Rubenstein 1983), or claim that remittances are regressive (Fajnzylber and Lopez 2008). However, when studies such as that of Chevannes and Ricketts (1997) established remittances’ contribution to business investment, it posed a challenge to Rubenstein’s assertion that remittances sent from abroad are of minimal “developmental” significance in the English-speaking Caribbean. Furthermore, when de Haan (1999) found that remittances contributed to rural livelihood improvement, it expanded the debate on Rubenstein’s argument that remittances negatively impacts agriculture. Massey’s years of work on the effects on remittances in Mexico provides a counter view to Rubenstein’s conclusions after extensively reviewing the literature and concluding, “Most remitted funds are neither placed in savings nor invested in productive enterprises, but simply used to secure the basic necessities of life ... (or) ... spent on inferior, price-inflated parcels of land... (or)... used to buy imported food, clothing, household furnishings, and luxury items or to finance chain migration (which) result(s) in reverse cash flows (299).”

Other scholars provide a more nuanced view of the effects of remittances on development. For example, Le Goff and Salomone (2013) concluded that only remittances of skilled migrants such as nurses contribute to growth, arguing that women and skilled workers exhibit a greater propensity to remit. Applying aggregate datasets, including that of Docquier et al. (2012), they further held that the remittances from these skilled emigrants seem to flow primarily to middle income countries since of US$372 billion received by developing countries in 2011 through formal vehicles, only seven percent were sent to LDCs (Least Developed Countries).
Even some scholars such as Nina Glick Schiller (Glick Schiller and Faist 2010)\textsuperscript{13} who criticize the neoclassical and historical/structuralist push/pull migration framework as failing to provide a critique of global systems and inequalities remain skeptical of the developmental promise of remittances. They warn that economic projections holding migrants as agents of change may be faddish and based on faulty analysis. Putting forward a transnationalist analysis, they state that “any discussion of migration and development must begin by exploring the assumptions and units of analysis that underlie the project” (16). The transnationalist household as the unit of analysis is significant to this dissertation and discussed more fully in the review of NELM in the next chapter.

Glick Schiller and Faist’s skepticism extends to pluralist models (valued in this dissertation) with their criticism of livelihood studies such as those of scholars, such as de Haan (1999), that along with community development promote the positive effects of migration and remittances. Schiller et al. compare these effects to the dual sector thesis of Caribbean Nobel economist W. Arthur Lewis’ (1954), which for many years informed World Bank’s foreign aid financing gap approach—a form of trickledown economics.

Livelihoods approaches serve as a critique of the Lewisian-type migration analysis that exclusively focuses on periphery/center power relationships. In addition, livelihoods approaches complement NELM and transnational theories as they illuminate household agency. De Haas (2007, 11) argues that “when combined, these approaches offer a conceptual framework which is better able to deal with the inherent heterogeneous

\textsuperscript{13}Articulating a political economy of development from a historical perspective, Glick Schiller rejects methodological nationalism, methodological individualism and the household as unit as analysis reaching instead for a constructed, world systems framework.
nature of migration-development interactions.” On the other hand, Lewis’s model has the
effect of weakening household options and allowing no room for the agency of lower
SES households. Both are therefore examined in more detail below. Livelihood
approaches to poverty reduction, initially used in rural development contexts in the
1970s, is a practice-driven framework for sustainable income. Its conceptual framework
addresses the problem of exclusion from markets and accommodates an analysis of
migration and remittances. De Haas (2010, 19) observes that “the impact of a migration
strategy cannot be properly evaluated outside its relationship with other multi-sectoral
and multi-local livelihood strategies, that is, the entire portfolio of household activities
(Stark 1991).” Furthermore, he adds (20), “In perceiving migration as a household
livelihood strategy, we acknowledge that structural forces leave at least some room for
agency, although with highly varying degrees. Household approaches seem particularly
applicable in developing countries where for many people it is not possible to secure the
family income through private insurance markets or government programs (Bauer and
Zimmermann 1998), increasing the importance of implicit contracts within families and
communities.” This is consistent with Massey (2005), who, after decades of work in and
on Mexican migration, concluded that “households use international migration as a tool
to overcome failed or missing markets for insurance, capital, and credit at home. For
example, because Mexico has virtually no mortgage banking industry, a large share of the
money earned by Mexican immigrants in the United States is channeled into the
construction or purchase of homes in Mexico.”

Lewis’s dated two-sector economic growth model (Lewis 1954) informed
neoclassical labor analysis into the 21st century. The model was based on assumptions of
low rural productivity, unlimited surplus labor and that all savings and growth are
generated by the industrial, capitalist, urban, formal sector\textsuperscript{14}. It did not accommodate an
analysis of market failure nor of state policies such as those relating to minimum wages
and remittances. Also missing was an accommodation of household and individual
agency in their own development while managing social, political, economic and market
failure. His model which fits into the dependency framework had dubious benefits. This
was directly experienced in the failure of his earlier “industrialization by invitation”
development model characterized by tax concessions, grants, subsidized rentals and
utility rates and low wage rates for foreign multinational as they were invited to in
manufacturing for export. The anticipated return was a transfer of knowledge and
technology to local populations (Best and Levitt 2009). The failure of Lewis’
industrialization by invitation framework exacerbated the high degree of external
dependence in the economies of the Caribbean region (Girvan and Girvan 1973).

NELM facilitates an alternative source country, sector analysis that explores
highly-skilled and lower-skilled emigration as phenomena with different effects. In that
framework, lower-skilled workers, along with their motivation and effects of their
emigration on source countries, are investigated separately from similar questions
relating to skilled workers so that a paradigm shift in one sector is evaluated
independently from a paradigm shift in the other. This dissertation posits that framework
where lower-educated, lower-skilled workers are not simply pushed by their
circumstances but are empowered agents making decisions to optimize opportunities in

\textsuperscript{14}In 1954 when Lewis developed his thesis, many of the countries to which he
applied it were colonial dependencies; now most of those countries, such as Grenada, are
independent and classified as middle income countries.
both external and local labor markets for the common good of their households (Massey 1993; 2005). This approach provides opportunities for households seeking them, and must not be confused with Piore’s dual-market, labor segmentation thesis driven by receiving countries’ priorities. Massey, et al. (1993, 432) cautioned that dual labor market theories that ignore micro-level decisions focus on migration as a “natural consequence of economic globalization and market penetration across national boundaries” and undermine local development. Rather than a household’s decision for a family member to migrate, the individual is pulled as a class based on the labor demands of “modern civilization.” Piore’s analysis fits into the destination driven “pull” paradigm of the neoclassical push/pull framework estimating that pull factors are the dominant cause of migration based on the demand for labor created by developed countries.

Alternative macro and micro frameworks have been advanced by Caribbean and Latin American scholars that have high explanatory value for the Caribbean. Data collected by scholars such as Chevannes and Ricketts (1997) found that in Jamaica remittances made a large contribution to growth of savings among the poor and contributed to new thriving businesses within these sectors. Kirton and McLeod (2008, 7) found that remittances increase the standard of living and “play a critical role in reducing poverty and income inequality… and enhance their investment in physical and human capital.” The connections that NELM theorists, Taylor et al. (2005) made between increase in remittances, increase in standard of living and decrease in poverty with attending increase in savings, investments in small scale businesses and risk mitigation was based on rural Mexico studies with lower-skilled emigrants and built on
1980s scholars’ observations of increased economic functionality of geographically dispersed households.

These scholars contributed to a growing perspective that under particular circumstances emigration and its attending remittances improve the welfare of households in the country of origin, a position vigorously argued by NELM theorists such as Stark and Bloom (1985), Stark, Taylor and Yitzahki (1985), Lucas and Stark (1985), Katz and Stark (1986), Massey (2005), de Haas (2010), and others. Taylor (2001) includes the remittances of migrants originating disproportionately from poor households in the “particular” circumstances referred to above, a reality relevant to small states with large numbers of economic emigrants. Their multi-space households, of necessity, redefine the parameters of the labor market beyond the boundaries and geography of country of citizenship (Peet and Watts 1993; Pessar 1997; Grindle 1988), and extend to locations where social networks have set up beachheads (Plaza and Henry 2006). In this context more educated emigrants are typically lower remitters (Faini 2003, 2007), but as early emigrants they bear the liquidity costs and path-making costs for poorer migrants who are the higher remitters (Massey 1990; Faini 2007). This question of whether skilled (Le Goff and Salomone 2013), or unskilled (Faini 2007) workers remit more depends on a thorough examination of the circumstances.

For example, Grenada is a middle-income country with one of the highest rates of remittances by percentage of GDP. A prevalent remitter profile is the Grenadian who

\[15\text{This scenario may be more important for circulation to countries outside of the Caribbean, as circulation of labor within the Caribbean seems to be far more spontaneous, incur lower transaction costs, greater access to information, and for lower SES workers may come through more accessible connections with citizens of other Caribbean countries.}\]
went to school in New York and became a nurse or other healthcare worker. Yet, most of Grenada’s migrants come from lower-skilled households and emigrated with only a primary education. Grenada and other small states which provide so many of the world’s healthworkers contribute a unique understanding of the effects of remittances of skilled and unskilled emigrants. These small states validate other proven migration theories. For example, it has been well established that poorer migrants follow when the path is well established and costs are lower. This pattern is critical to their ability to remit since non-economic variables such as access to information and networks determine both optimum access to the benefits of migration and the impact on household incomes at the source. With Grenada’s long history of emigration and well-beaten path to destination countries, the costs of migration are as much managing their households left behind as overcoming barriers at destination.

Some key issues framing the debate regarding the economic effects of remittances as they are relevant to Grenada and other SIDS are discussed in the six sections below:

1) Interrogate the literature to explore the factors underlying the weak migration/development link. This leads to a discussion of historical patterns, absence of planning and policies based on dated theories and assumptions serving the needs of receiving countries but with limited or faulty source country analysis.

2) Present a socio-cultural analysis of household structure and international networks and examine issues relating to transnationalism, spatially diversified households, livelihoods and social inclusion.

3) Discuss the relevance of insurance and risk sharing along with the implications of weak infrastructure and market failure, and analyze of contemporary risk born of
regional regulatory failure that exacerbates lack of confidence in financial institutions and the search for alternatives among Caribbean SIDS.

4) Evaluates the emerging dialogue on making remittance income count, particularly where it more effectively promotes savings and investments and creates an enabling environment for small businesses.

5) Examines the unusual opportunity to measure size of impact and change in response directly related to an external shock, and juxtaposes this against the challenges of measurement in the migration literature where meta-analysis is prevalent and raises concerns for heterogeneity of results.

6) Finally, it discusses how this dissertation fills a gap in providing a contemporary source country analysis, using modern theory and recognizing how technology has fostered globalization from below, generating a case study that, although relatively small, proves relevant to the issues found in the literature.

De Haas (2010, 20) remarks on the irony that the inter-disciplinary, multi-disciplinary field of labor migration “still remains locked into outdated frameworks that are deceptive, that are seductive in their simplicity…while many of the disciplines have advanced to accommodate technology, social, political and cultural dynamism.”

Migration and Development

Pastor et al. (1985) and other scholars working in the migration and development space noted the absence of development policies that take into consideration the Caribbean region’s geography, pattern and culture of migration. As late as the 1980s, they began pioneering the questions that extended beyond brain drain and began to examine an alternative paradigm within which to discuss Caribbean migration patterns.
Pastor’s two-year research project that culminated in a number of national conferences in the US in 1984 and 1985 explored the following among other research questions: “Is emigration from the Caribbean area to the United States an essential escape valve, releasing destabilizing population pressures and permitting space for economic development? Or do the talented, skilled, and professional people exit, reducing the possibilities of development?” Although he posits (14) that “the proposition that emigration from the Caribbean is a safety valve, releasing population and unemployment pressures, may very well be inaccurate. On the contrary, many islands are exporting highly motivated labor with scarce skills,” he concludes “this emigration can hardly be considered beneficial to the economic development of the (Caribbean) region.” The above questions juxtaposed against each other were relevant to the times as new interest in the Caribbean was driven by several trends. Beginning in the 1970s and continuing through the 1990s the United States’ largest source of immigrants and refugees originated from the Caribbean basin and Latin America Region. To a large extent, this was driven by growing insecurity in the region as countries struggled to transition to independence and establish nation building projects. The demise of the Grenada revolution and attending increase in outflow counts, not because of numbers but because of political significance as Grenada was seen as having the potential for generating a domino effect in a transitioning region. Other countries in the region contributed hundreds of thousands of refugees and migrants as the Contras War effort unfolded and the Salvadoran Civil

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16Massey (2005) indicates that during the 1990s, more than 9 million legal immigrants were admitted to the United States: 24.8% from Mexico; 10.8% from the Caribbean; and 11.8% from other Latin American countries. By the year 2000, around 7 million foreign-born individuals were living in the country in an undocumented status; 68.7% of them from Mexico.
War, the Mariel exodus, and mass emigration of Cubans, and the Haitian “Boat People” exodus of the 1980s all flowed to Miami and New York and through Central America and across the Mexico borders into the United States. These flows brought the focus to bear on Caribbean migration much as 2015 flows from North Africa and Arab countries across the Mediterranean has re-energized the discussion on European migration policy. Pastor responded to an absence of appropriate migration polices both among Caribbean nations and in the US toward the Caribbean, and saw it as a gap to be filled as migration continues to transform the Caribbean and redefine its relationship with its powerful neighbors particularly the United States. One theory for this policy gap between migration and development offered by Marshall (1985) is that economic development is seen and treated as a macro issue and migration decision-making is seen as an individual or micro issue. Sending countries often do not see emigrating flows of human capital as part of their population to be taken into consideration during the process of policymaking (Pastor et al. 1985; Gordon 2004; De Haas 2000). Pastor (3) suggests, “When Caribbean leaders neglect to connect migration and development, they fail to appropriately manage either.” The hazard extends to what may be positive effects of these flows, particularly migrant remittances. De Haas (2005, 1277) concluded that “remittances appear to be a more effective instrument for income redistribution than large, bureaucratic development programmes or development aid.” Furthermore, Kapur (2003, 10) indicated that this ‘private’ foreign aid seems to flow directly to the people who really need it, does not require a costly bureaucracy on the sending side, and “far less of it is likely to be siphoned off into the pockets of corrupt government officials”. Keely and Tran (1989, 514) agreed that “it is difficult to imagine a mechanism for the transfer of so much capital
to so many (and often poor) countries and to the benefit of so many of their citizens,”
and, Jones (1998) stated that “there is probably no other more ‘bottom-up’ way of
redistributing and enhancing welfare among populations in developing countries than
these remittances.”

The inability to connect migration and development in Grenada reflects an
absence of long-term development planning and has long been an issue of concern for
Grenadian scholars. Therefore, the announcement of its first long term national strategic
plan (2015-2030), and the May 2015 launch of the process was seen as significant.
Launched with the participation of civil society, the main goal articulated is the creation
of “a path toward greater national consciousness & competitiveness, greater collective
responsibility for our nation’s future, smarter & more effective planning for future
generations, better use of our national assets & resources, empowerment of our people,
development of competitive micro, small and medium sized businesses, a diversified
economy built on the collective will of every citizen...” (SDP 2030). This plan will build on Grenada’s 5-year Growth and Poverty Reduction Strategy (GPRS) (2014-2018)
mandated by international donors (International Monetary Fund and World Bank), and
develop country-driven strategies for “Maintaining Fiscal Discipline, Creating Jobs and
Protecting the Vulnerable.”

Long-term planning provides policymakers with the data necessary to fill some
glaring policy vacuums such as those articulated by Massey (2005) who maintains that
from his studies in Mexico “households use international migration as a tool to overcome
failed or missing markets at home.” Referencing his finding of how modern day Mexico
with a per capita income almost that of Russia meets its development plan at a household
level, he said (Massey 2005, 5), “Mexico, in particular, lacks well-developed markets for insurance, capital, and credit, making it difficult for families to finance the acquisition of expensive items. Most Mexican households do not have a credit card and do not participate in savings and loan associations….Mexico has virtually no mortgage banking industry, making the acquisition of a home problematic for households of modest economic means.” Massey et al. (1987) found that after one year in the US, 6.3% of emigrants own homes in Mexico and after ten years 63.3% of emigrants living and working in the US own homes in Mexico.

Like Mexico, Grenada is classified by the World Bank as an Upper Middle Income country\(^\text{17}\). The study on which this dissertation is based found similar financial infrastructure conditions in Grenada, massive insurance failure and mistrust of the banking system. Hopefully, a long-term development plan for Grenada will address the economic fundamentals of the country and examine emigration and return patterns. A good process will also evaluate the data that is currently being used by international institutions to explain its flows. The absence of effective planning may account for overlooked patterns and missed opportunity to question and correct faulty data and analysis. For example, skill-drain counts include students who come to Grenada to attend the offshore (dual campus) medical school as they return to the United States and source countries for their internship and residency. There is currently no arrangement for them to complete that component of their training on the island. It is therefore part of the model of this school and the 30 or so others that have mushroomed in the Caribbean since

\[^{17}\text{http://data.worldbank.org/country/grenada}\] Grenada has a 2013 population of 105,900, GDP of US$835.5 million and 2011 GNI of US$7350. Mexico a 2013 population of 122,300,000, GDP of US$1.251 trillion and a GNI of US$7,604
the 1980s are for a skill exodus to occur. On the other hand, because these institutions exist in the country they bring teaching staff and retain Ph.D.’s that would otherwise leave to teach at the three University of the West Indies campuses located in larger Caribbean states. The St. Georges University and Medical School also has expanded its curriculum to provide training in areas such as veterinary and agricultural sciences and other undergraduate degrees that are retained in the country. The effects of the medical school are undeniably positive, but unfortunately they seem overlooked in the brain-drain/brain-gain discourse. Skelton (2008) indicates that place of training of skilled matters indicating that more than 55% of those from Latin America and the Caribbean who are living in the United States were trained in the United States.

Some of the missed emigration patterns and the benefits accrued are quite visible. Maingot (1983) pointed out that Grenada’s leaders are missing the obvious since leaders of the three political parties since independence were emigrants typical of the circularity described in this dissertation – although not all came from lower SES households, all migrated as lower skilled labor or as part of households in that context. The three successive leaders up to the time of Maingot’s writing had spent critical years in Aruba working for or connected to the same oil refinery. Prime Ministers Eric Matthew Gairy (Grenada United Labor Party [GULP]) and Herbert Blaize (Grenada National Party [GNP]) had worked in the same refinery as Prime Minister, Maurice Bishop’s father, and Bishop (Peoples’ Revolutionary Government [PRG]) grew up in Aruba with his father. Since then, all of Grenada’s leaders were either British educated or gained their education, work experience and much of their assets in the United States.
Gordon (2004) indicates “the act of studying abroad is not a mandate for social action, but among Caribbean Leaders those who did, were more likely to enter the public arena with ideas of change” (234). Ironically, although in the Caribbean the returnee is the ultimate success story, fear of inflows from low economic potential Caribbean states to high economic potential states has remained a barrier to Caribbean economic integration and regional freedom of movement agreements. The Caribbean therefore has suffered from an absence of development policy toward migration both within individual countries and as a region (Girvan 1991). A shift in attitude among global institutions is forcing Caribbean states to reexamine emigration. On October 3 and 4, 2013, UN General Assembly held a high-level dialogue on international migration and development during its 68th session, notably only the second time ever the world’s governments focused on this issue in that forum. The Assembly was particularly concerned about South-South migration which it called the blind spot in the system. Data was presented showing that emigration is the fastest development intervention for the growth of poor nations (Hugo 2013). An emigrant from what is seen as a low productivity area such as Grenada simply by the fact of moving to a high productivity area such as those in the United States for a short period of time could increase household income by a significant factor. It was suggested that short-term migration policies can provide a sufficient boost to lift poor households out of poverty if sending countries provide incentives for sending households to save and invest a portion of remittance income (Hugo 2013). On the other hand, receiving countries can put in place policies that take full advantage of short term migration to fill their labor and skill gaps (Massey 1989).
A few nascent policies and strategies have begun to emerge in the larger islands particularly focusing on returnees (Thomas-Hope 2006). With the enormous potential returnees hold for Caribbean development, more aggressive policies toward this sector are required along with the quality of leadership (even with its adverse effects) exercised by Caribbean scholar and Nobel Laureate, Sir Arthur Lewis, whose work had global influence and provided a framework to guide global policy making on migration. That level of scholarship can reflect Caribbean socio-economic organizing around emigration and remittances (De Haan 1999). This sort of analysis begins with a re-examination of Caribbean Households.

Transnationalism and Spatially Diversified (SD) Households

Grappling with the question of what constitutes a Caribbean household as an economic unit, anthropologist Karen Fog Olwig (2007, 157) in her thick description of the small island state in her study, found that she had to change her perception of family and household in order to begin to understand how those entities functioned in the creation of identity on the Caribbean island of Nevis. Interviewing Nevis emigrants in 1996, she observed, “As they related their life stories, however, it became apparent that they did not see a contradiction between living far away and remaining attached to the home because during their long sojourn they had maintained close ties, sending frequent remittances that helped improve the family’s material condition and its social standing in the community and returning to visit whenever possible. Indeed, some of the siblings who had emigrated noted that their move away from home had allowed them to do more for the home than would have been possible had they stayed behind.” She continued, “The islanders remained deeply attached to their places of birth, concretized in their
homes, where they were reared and where relatives still live, toward whom they had kinship obligations.” Using a socio-cultural analysis and moving beyond national configurations of migration and beyond an Andersonian conceptualization of how people locate themselves as a nation – an imagined community, the peoples of Nevis in Olwig’s “Global Culture, Island Identity” saw themselves as “imagined communities of interpersonal relations extending from individuals or individual homes on St. Kitts and Nevis to similar entities in the migration communities with which flows of economic, social and cultural exchange were maintained” (1993, 3). This was such a fundamental finding that in her interviews with 157 school children in 1981, she was not surprised when she realized that many of those they identified as household members were not on the island but in some other country. “The island society that I had come to study did not constitute an important entity in and of itself, but rather an important focal point in the global community of relations which extended between Nevisians throughout the world…the global community had come to override local Nevisian society (159).”

The concept of SD households appears in the literature in the discussion of transnationalism, which emerged in the late 1980s, as a socioeconomic examination of the impact of migration responses to globalization (Giesbert 2007; Ellis 1998; Rosenweig and Stark 1989). Similarly, Portes (1996) taking a new look at emigration as “globalization from below” (3), as he examined informal businesses in the Dominican Republic and El Salvador, he found transnational networks of “neither here nor there” communities that sit in both places simultaneously making economic decisions to obtain the “differential of advantage created by state boundaries” and obtained in various labor markets in the same way large corporations and capital move. Glick Schiller, Basch and
Blanz-Czanton (1992) identified transnational communities as a new response tied to the “logic of capitalism” (56) with the result that emigrants from microstates are not merely seeking to escape from poverty but represent families who are reducing the cost of movement of labor and remittances in a manner that optimizes opportunity. Portes (1996) argues that these households strategically engage the same modern factors that optimize the movement of capital across boundaries. Instant technology, communication and transportation turbo-charge social networks and relationships, long considered fundamental to migration analysis, and make them super efficient while offering the potential of reduced costs. Seen through the lens of transnationalism, both capital and labor are global and able to embrace these “differentials of advantage” (Portes 1996, 156). Given the above, small island economies and household labor arrangements can help lay to rest remnants of 19th century immobility of labor perspectives such as “Capital is global, labor is local,” as flows of workers, capital, goods, services and information circulate within the modern transnational space (Sassen 1988).

Skelton (2008, 4) supports the view that modern migration is primarily a consequence of development indicating that “no matter how defined, migration policy becomes essentially accommodationist rather than directive.” But Sørensen, Van Hear, and Engberg–Pedersen (2001, 287) elaborate that “until recently, migration and development have constituted separate policy fields which have been marked by different policy approaches that hinder national coordination and international cooperation.” This separation has served neither migration nor development planning and the links both have to livelihood and survival strategies of individuals, households, and communities and emigration decision-making. Therefore, in taking sustainable livelihood as a point of
departure and by paying attention to actor-structure interactions, de Haan (2000) conceptualizes these processes as social inclusion and exclusion phenomena and help to bridge the divide. Livelihood is represented as a set of dynamic interactions between actors and five vital capitals i.e. human, natural, physical, financial and social capital operating at various levels and embedded in a social, economic, political and ecological structure. Livelihood is seen as sustainable if it supports resilient communities and is capable of adequately satisfying self-defined needs while securing people against shocks and stresses put on capitals by structural factors.

An examination of livelihood approaches in the discussion of Transnationalism is useful as both concepts grew out of the conditions of the 1980s and 1990s that required new theoretical models of rural development that accommodated perspectives on migration and remittances (de Haas 2008). In the 1990s, migration literature (including NELM) moved from a focus on individual decision making to accommodate household and community level decision making, re-examining the flows of people and the role of social networks in encouraging migration and reducing the uncertainty and costs involved. Rural emigrants and their home communities were linked by increasingly intense flows of information, money and ideas, made possible by technological advances, and underlining relations of interdependence and reciprocity along family, kinship, clan, ethnic or community lines (Boyd 1989; Basch, Glick Schiller et al. 1994; Smith and Guarnizo 1998; Bryceson and Vuorela 2002; Vertovec 2003; de Haas 2008).

When livelihood approaches were initially developed in the 1990s, they provided a lens on social reality that built on various influences in development thinking – from 1980s household studies to participatory research – that elevated people’s agency above
political economy’s focus on institutions or neoclassical economics’ grounding in rational choice and extended the poverty paradigm beyond income to accommodate social exclusion.

This analysis also considers when and how migration is used as a livelihood strategy and the outcomes of this (de Haan 1999), particularly the ways that migration and remittances interact with other livelihood strategies such as those that result in agricultural intensification or diversification (McDowell and de Haan 1997). Just as a significant orientation of NELM is toward temporary labor migration, as it sees return as a success of migration, livelihoods studies have helped refine approaches to other kinds of movement such as nomadic mobility, urbanization, and refugees. In 1992, Robert Chambers and Gordon Conway proposed that of the various components of livelihood, the most complex is the portfolio of assets out of which people construct their living, which includes both tangible assets and resources, and intangible assets such as claims and access. A World Bank and UNICEF survey\(^\text{18}\) concludes that the Grenadian government may have been able to garner more resources, and be more directive in reconstruction after Hurricane Ivan, had it framed the disaster through the devastating impact on livelihoods with supporting statistics relating to poverty, education, and health indicators.

Formal Insurance, Self-Insurance: Mitigating Income Risk

The hurricane reconstruction also provided the government an important opportunity to address infrastructure and regulatory weaknesses. Missing the signals

\[^{18}\text{UNICEF collaborated with the World Bank to implement the Grenada Core Welfare Questionnaire Survey (CWIQ) 2005, a stratified two-stage probability sample with 1042 households.}\]
raised by the volume of claims left Grenada’s citizens vulnerable to the weak regulatory systems and absence of controls, and reinforced skepticism of the business investment environment outside of the trusted community. This skepticism proved well-placed with the January 2009 collapse of the region’s largest private conglomerate, the life insurance companies Colonial Life Insurance Company (CLICO) and its investment companies British American (BA), and CLICO Investment Bank (CIB). This collapse threatened contagion, systemic failure, and had spillover effects in all 15 CARICOM states and for the study participants served as a cautionary tale. Very few in the study were directly affected by this disaster while all were affected by the hurricane. Yet, the level of mistrust of insurance companies was widespread among homeowners.

In the CLICO meltdown, the crumbling of all Caribbean economies was averted only with a TT$7.3 billion injection as part of the bailout by the Government of Trinidad and Tobago (GOTT) whose economy has been in decline since the bailout. Eastern Caribbean exposures were as high as 17 percent of GDP leading to costly government interventions.

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19 Established in 1973, the Caribbean Community (CARICOM) is an organization of 15 Caribbean nations: Antigua and Barbuda, The Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Haiti, Jamaica, Montserrat, Saint Lucia, St. Kitts and Nevis, St. Vincent and the Grenadines, Suriname, Trinidad and Tobago operating as a regional single market for many of its members (CARICOM Single Market); and handling regional trade disputes. The secretariat headquarters is based in Georgetown, Guyana. CARICOM’s website indicates its “main purposes are to promote economic integration and cooperation among its members, to ensure that the benefits of integration are equitably shared, and to coordinate foreign policy. Its major activities involve coordinating economic policies and development planning; devising and instituting special projects for the less-developed countries within its jurisdiction.” Anguilla, Bermuda, British Virgin Islands, Cayman Islands, Turks and Caicos Islands are CARICOM Associate Members.
This disaster raised the question of systemic risk posed to the financial system, brought to the fore the weak regulatory systems throughout the Caribbean (Richardson and Williams 2013), and frightened Caribbean policymakers into addressing the pervasive problem of failing to manage corporate interests. Soverall and Persaud (2013), found a “clear and urgent need for a coordinated regional regulatory response to financial sector supervision and appropriate mechanisms for crisis resolution” throughout the Caribbean. Policymakers concluded from a study of the nexus between corporate failure and the political economy of financial regulation in the Caribbean that the moral hazard of too-big-to-fail became synonymous with too-big-to-manage (TBTM). “In the case of CLICO/CLF, the range of vulnerabilities included a mismatch between assets and liabilities, excessive leveraging of balance sheet assets, preponderance of intra group transactions, absence of an effective risk management framework and capital inadequacy.” Exploiting weak legislative and regulatory infrastructure throughout the region, CLF—the holding company—practiced poor internal governance. For example, with assets in excess of TT$24 billion, CLICO was legally required to have capital of TT$3 million in comparison to a bank which must have capital equivalent to a minimum of 8 percent of its assets. In other words, were CLICO a bank it would have required to have a capital base of at least TT$2 billion. Soverall and Wayne (2012) indicated that another area of weakness is the need for comprehensive supervision of local and regional institutions that are increasingly active internationally. Under the supervision of the International Monetary Fund, Grenada has been mandated to put some systems in place. It began with improvements in tax collection compliance as a “top priority” of a modernization plan for the government of Grenada. Acting Comptroller of the Internal
Revenue Department, Dr. Raphael Stephens, asserts, “Modern tax laws based on international good practices, a new organization structure based on tax segmentation, new job descriptions and training opportunities for staff will ultimately transform the Inland Revenue Division into a modern and professional tax service.”

However much more needs to be done. Richardson and Williams (2013) concluded that an overall weak regulatory environment resulted in CLICO’s failure and systemic risk with attending market, credit, liquidity, operational, volatility, reputational, and profit risks. Governments and financial monitors could protect the system by paying attention to diversification and interconnectivity in order to transfer, spread or avoid risk. In the absence of the regulatory system’s will to mitigate risk, Grenadian households are no strangers to using labor market diversification to manage risk.

In Grenada, insurance institutions market to those who can afford insurance, encouraging prudent behavior with billboards such as “those who live in glass houses should insure.” The poorest Grenadian households, although highly mistrustful of insurance companies and their agents, nonetheless seem to understand that message well. The data from Hurricane Ivan suggests that lower quintile Grenadians took a Portes-like “differential of advantage” approach and hedged against risk and exogenous shock through spatial diversification when their income could not cover insurance and when their faith in the industry was so destroyed that most of the participants in the dissertation study indicated that they would not buy insurance at any price and even if they could afford it. Remaining in the one market position, these households fail to manage risk and geographic diversification is found in the SD household structure (Ellis 1998). From his studies in Jamaica, Kirton (2005, 262) identifies a system where “remittances can be seen
as coinsurance payments arising out of predominantly informal contracts between an individual migrant and his or her nuclear or extended family.” After a survey of the risk literature, Alderman and Paxson (1992) describe “strategic migration of family members” as a risk management strategy, which has the potential to be as effective as savings, and more effective than merely smoothing of consumption across households. When the first emigrants leave, the quality of homes, level of education and the standard of living improve through their remittances (Bascom 1990; Pessar 1997; Kirton and McLeod 2008). Even without formal insurance, an examination of the Hurricane Ivan remittance response makes it difficult to conclude that there is an absence of risk planning. Rather, the study implemented for this dissertation found that there is evidence that through remittances, lower SES households build equity and manage threats to their homes. About 91% of homes in the study were rebuilt within a year although less than 10% had formal insurance and all homes that were rebuilt “Built Back Better.”

Grenada’s authorities encouraged home owners to use hurricane proof standards in the aftermath of Ivan September 7, 2004, which not only destroyed 90% of homes but 70% of Grenada’s hotel inventory of approximately 2000 rooms. Policymakers launched the “Build Back Better” campaign based on the standard international response to recovery after disaster20. For Grenada, new policies went into effect that included banning rebuilding using beach sand as well as the introduction and enforcement of building codes. These imposed hardship on poor households as they struggled to recover.

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20“Build Back Better” is one of the key elements UN Sendai Framework for Disaster Risk Reduction 2015-2030 recently adopted at the Third United Nations World Conference on DRR which took place in March 2015 in Sendai, Japan.
However, a World Bank / UNICEF survey\textsuperscript{21} concluded that due to the lack of
government resources, disaster-resistant building codes have not been enforced and
recent land planning has not taken disaster risk reduction into consideration.

Insurance is sometimes stated as an effective measure to improve resilience, but
the tourism sector largely accounted for the insured in Grenada leaving other sectors
vulnerable (www-personal.umich.edu/~samcb/lessons learned1.html). Those in the study
that were among the mere 10\% of households that had insurance were largely dissatisfied
with the response to their claim. In Grenada, as in the US, with Hurricane Sandy\textsuperscript{22},
insurance companies found every reason not to pay claims that were assessed as worthy.
One household indicated that in order to “Build Back Better” their children abroad had to
mortgage their home in Queens, New York, to put on a hurricane-proof roof on the home
in Grenada at the cost of ECS$30,000. Another household that had faithfully paid for full
insurance including flood damage indicated after the insurance adjustor came out and
assessed the damage; the insurance company was not happy with the assessment and sent
another assessor. Just as he was about to leave it began to rain heavily and he got soaked
standing in their living room. He turned to the home owners and said, “You must have
prayed, I had just written that your damage was superficial and then she skies opened and
here I am standing soaked.”

\textsuperscript{21}Following Hurricane Ivan UNICEF collaborated with the World Bank to implement the Grenada Core Welfare Questionnaire Survey 2005, a stratified two-stage probability sample with 1042 households.

\textsuperscript{22}Recent lawsuits have revealed that four of the largest appraisal agencies (all companies overseen by FEMA) altered the reports submitted by reviewers to reflect less damage and reduce payouts.
Remittances’ Positive Effects on Savings and Investments

The evidence is considerable in support of the premise that remittances support the genesis and expansion of small businesses. Studies include Chevannes and Ricketts (1997) which confirmed that remittances increased small businesses in Jamaica and increased savings; Massey and Parrado (1998) provided evidence from Mexico of a “significant and positive effect of remittances sent from the US on the odds of business formation and productive investment;” Adams (1998) found that international remittances significantly help rural Pakistanis households to accumulate irrigated land and initiate farming as a business; Le Goff and Salomone (2013) in reviewing studies for “growth enhancing effects of remittances found” (16) that “Investment use of remittances and their impact on growth are expected to be positively correlated with a good business climate in recipient countries, involving financial development and sound institutions at home,” and that returning migrants used savings to set up small businesses in Pakistan (Ilahi 1999), Egypt (McCormick and Wahba 2001), Tunisia (Mesnard 2004) and Turkey (Dustmann and Kirkchamp 2002). De Haas (2010, 21) found that technology “enables migrants and their families to foster double loyalties, to travel back and forth, to relate to people, and to work and to do business simultaneously in distant places” and Rapoport and Docquier (2005, 2) indicated “considerable evidence that remittances promote access to self employment and increase investment in small businesses.”

In spite of this evidence, a paradigm shift is required to make remittance savings count. The literature defines savings as inter-temporal consumption smoothing that could address “the central problem of growth” Marshall (1985). But building on O’Loughlin (1968), Marshall specified that it must be generated from within the economy or with
only a “modicum” of external support if it is to facilitate “the attainment of a level of income high enough for savings to be sufficient to sustain growth of national capital” (Marshall, 96). This dynamic of within and without may discount the savings of SD households, thus, unsupported distinctions made between externally and internally generated savings must be resolved. Kirton (2005, 264) argues that “the stock of emigrants’ wealth represents a potential source of foreign exchange. When this wealth returns to a home country, it represents a significant input into the development process.” Furthermore, Hugo (2013) indicates that as long as savings are seen as a macro issue and remittances a micro issue, more research is necessary to close the gap. Closing the gap, therefore, requires a fundamental shift within the analysis of labor. Lewis (1954) tied growth to savings, which he claimed is significant only to the capitalist (formal) laboring sector as “practically all savings is done by people who receive profit or rent” (157). This view persists in the literature along with the perspective that profit depends on the low wages of “surplus labor.” Therefore, to economists such as Fields (2004) who, like Lewis, hold a surplus labor analysis, the effects of remittances may be seen as market distorting. Fields explains that “when the formal sector wage is above the informal sector wage, the potential quantity of labor supplied to the formal sector is the entire labor force” (underline added) (727). The income smoothing aspects of remittances challenges the Lewis model by raising informal sector income and reducing the expected immobility between the two sectors. The growth of the SD household alters the rate of shifts between sectors. In a notable departure from Lewis, Fields (2004) queries, “what if the capitalists use their profits for conspicuous consumption, investments in Swiss bank accounts and purchases of Florida real estate? And on the other hand, what if the poor
use their surplus to add fertilizer to the family farm put a proper roof on the family house and invest in human capital of their children? For whom is the marginal propensity to form growth-producing capital higher?” (728). Furthermore, does it matter if the ‘surplus labor’ receives their surplus income from remittances from their extended household? Is the effect of remittances on social mobility significant?

For the Grenadian poor who save, their savings are not always in banks. In the study described and analyzed in Chapter V, several home owners and at business owners indicated how they saved to buy their homes and start a business through a susu or ROSCA (Rotating Savings and Credit Association), an informal, self-regulated savings/microfinance institutions where members pool funds for large purchases without a loan. Although generic to the Caribbean as a surviving African legacy, there are few Caribbean studies regarding the susu as a mechanism for savings and household studies in Grenada do not count Susu savings as a survey question to determine savings. However, studies by Alabi, Alabi and Ahiawodzi (2006) observed that where banking access is limited, the poor use the susu or ROSCA to save for large consumer purchases, school fees and business investment; and Light and Bonacich (1988) found that transnational households benefit from ROSCAs as they proliferate both among those who emigrate and those who receive remittances. In economic development programs implemented by International Non-Government Organizations (INGOs) with funds from USAID and other donors, susu are counted as a valuable microfinance strategy.

The study identified some emerging trends that would challenge the relationship between immigration and remittances and the savings and investment potential from remittances. One such trend is a new pattern of emigration to cruise ships and what
appears to be a pattern of fewer remittances, less frequently and with no occurrence of those on cruise ships sending barrels home. The representation in the sample was not large enough to be conclusive, however it bears further investigation as growing cruise ship recruitment could reduce the general level of remittances. Given the low level of cruise ship recruitment and the clamoring among Grenada’s large number of unemployed youth for those jobs, concerns about cruise ship work impacting remittances may seem premature. On all ships cruising the Caribbean, nationals from this region are a small minority of shipboard employees, no more than 7% by one estimate (Wise 1999). Wood (2000) indicates that cruise ship recruitment is “part of a vast and complex system of national and ethnic-based recruitment and labor promotion that has become one of the underpinnings of the global economy” where dining room waiters and waitresses can earn as little as $50 per month plus tips and a Haitian brass buffer, $182 every two weeks with no tips (Prager 1997). The literature on labor migration to sea is thin. One of the few, Terry (2009) posits, “recent legal decisions in U.S. courts on the employment and protection of international cruise ship workers have repositioned the historical relationships between seafarers and their employers and have created a new extraterritorial legal space in which seafarers’ rights are diminished.” It is an area that requires additional research for anyone interested in how cruise ship recruitment can affect levels and patterns of remittances in Grenada and the social relationships that make emigration work for Grenada.

Challenges of Household Measurement

The insurance and remittances data correlated with Hurricane Ivan provide some insights into the relationship between size of shock and transfers directly related to
income buffering. This relationship is one that Deaton (1997) observed as particularly
difficult for researchers as they may identify that a shock has occurred, but are unable to
measure the size of the shock or the extent to which transfers buffer the impact of the
shock. Alderman and Paxson (1992, 70) agree regarding the difficulty of interpreting
data on transfers and remittances, yet they were able to establish the evidence to suggest
that households use transfers and remittances to partially share risk and smooth income.
Although they found few incidents of full risk-sharing, partial risk-sharing was evident in
transfers of remittances “from household members with high income draws to those with
low-income draws.” Hugo (2013, 18) also found remittances to be “counter-cyclical,” in
that “flows increased in times of political turmoil or environmental crisis.” As a result,
these households are resilient to shocks without buying insurance. Their ability to cope
supports Alderman and Paxson’s (1992, 52) argument that “a highly risk averse
individual with very good consumption insurance may make production decisions as if he
were risk-neutral.” Skoufias and Quisumbing (2004) observed this phenomenon among
agricultural households which counted on a self-insurance mechanism to prevent a sharp
decline in consumption with attending hunger and inability to plant the next season. Pre-
and post- Hurricane Ivan remittance flows to Grenada may provide evidence of risk-
sharing. Yet, the extent of risk-sharing is inconclusive without deeper analysis of
household data of both receiving members and emigrant members’ intention to share-
risk, and Kirton (2005, 264) observed that “the measurement of both cash and in-kind
remittances has proven to be very difficult, imprecise and incomplete.” Few household
surveys are able to collect comprehensive information on the locations or incomes of
family members in the higher income market in addition to those in the receiving market,
and this represents an area for further study that is outside of the scope of this dissertation.

In statistical meta-analysis, attempts to summarize the meaning of studies become problematic when these studies on an issue may actually be measuring somewhat different aspects of the issue due to differences in subject population, intervention, choice of analysis, and experimental design. As indicated above, the remittance and migration literature tends toward heterogeneity but also is prolific with meta-analysis (Fajnzylber and López 2007). Employing a household level analysis, migrants and sending homesteads are seen as integrated SD households, mitigating, spreading and optimizing earning potential across different labor markets and all of these aspects present measurement challenges (Rosenzweig and Stark 1989). NELM opens the door to a socio-cultural analysis that takes household level economic decision-making into account, making a significant contribution to the discourse on the developmental impact of remittances (Taylor 1992), a discourse Jones (1998) indicates must include attention to factors such as geography and stage of development as well as socio-cultural influences.

The Dissertation’s Contributions to the Migration Literature

This dissertation links the phenomenon in the thick description of Olwig (2007) regarding the multi-market composition of Caribbean households to the statistical data indicating a strong similar connection between Grenada emigrants and households. It links the household labor diversification premises inherent in the emerging NELM framework to historical and contemporary patterns of lower-skilled emigration, both within the Caribbean and to OECD countries such as the US, Canada and UK. In doing so, it argues for a dual-level analysis that on one hand more accurately accounts for
highly skilled flows, and on the other attends to the dynamics and implications of lower skilled emigrants, their households and remittances. Perhaps most importantly, it provides a unique Caribbean source-country case study wherein some from the lowest quintiles of a microstate help themselves climb out of poverty through labor market diversification, thus contributing to the literature that policymakers both at home and abroad may draw on to provide services and opportunities that enable remittances to be counted and all resources to be deployed in the development of post-2015 strategies to end abject poverty. Figures 2, 3, 5, and 6 illustrate that Grenada’s migration and remittance flows are statistically significant in terms of percentage of population. Figure 2 illustrated that between 1965 and 2000, by percentage of labor force Grenada had the highest emigration flows of all Caribbean countries and by percentage of labor force for the same period, the Caribbean surpassed all other regions. Figure 5 indicated that measured by percentage of GDP remittances to the Caribbean exceeded all other regions, with Figure 6 showing Grenada as the world’s 8th highest recipient of remittances (just below Yemen) by percentage of GDP. Figure 1 is significant because normally the direct effects of remittances are usually difficult to establish, however in this instance a direct correlation between an exogenous shock and remittances illustrated a direct relationship and generated other questions such as “what factor in this relationship is eliciting the response?” It also elicited the need for more information about who sent, who received, how much was sent, and for what purpose.

The study with 118 households explored those questions and provided additional evidence for findings of other scholars as reflected in the literature review. For example, it found that Grenada’s households reflected the extended household patterns that Olwig
found in Nevis; and, as Massey found in Mexico, Grenadians sent home remittances to buy land and build homes in an environment of weak mortgage and credit markets. In addition, the study found a strong and pervasive mistrust of financial institutions including insurance companies and a determination to create self-managed alternatives to manage risk at all levels.

In investigating the relationship between remittances, risk management and poverty reduction, the 1998 and 2008 CPAs were used to establish two sets of data points against which to compare the 2004 increase in the remittances flows, which responded directly to Hurricane Ivan. Furthermore, because only two of Grenada’s 75 public schools remained undamaged, following Hurricane Ivan UNICEF collaborated with the World Bank to implement the Grenada Core Welfare Questionnaire Survey (CWIQ) 2005, a stratified two-stage probability sample with 1042 households. Some data from the CWIQ has been included in the analysis section to augment the explanatory value of the data.
CHAPTER III

THEORETICAL FRAMEWORK

This chapter presents the theories of the New Economics of Labor Migration (NELM) and those of circularity and cumulative causation as relevant for the examination of risk management, remittances and return in emigration processes. It provides insight into how these issues relate to findings of this dissertation and draws on theoretical triangulation to increase confidence in the study’s findings (Fielding 1986). By considering the labor migration and risk decision-making of the poorest households within the theoretical frameworks provided by NELM and theories of circularity and cumulative causation, this study presents a viewpoint of the phenomenon of Grenada’s migration as a dynamic and situation-specific response to local conditions particular to many small island developing states (SIDS). It provides a lens for analysis of remittances as a vital coping mechanism and facilitates an examination of motivation with regard to emigration of lower-skilled workers, the social contract among household members and the effects on lower socio-economic status households giving meaning to hopes and expectations that emerge from the data. Finally, this chapter discusses some of the spatiotemporal issues relevant to generalizing data and adapting policy initiatives to meet the requirements of the new age of circularity.

This research contributes to the theoretical advancement of the field of migration studies by positing a small island state migration perspective – specifically, that the existing theories of brain-drain should be complemented by the appropriate theories of labor migration economy that include the factors that NELM, circular migration and cumulative causation bring into play. This small island state perspective offers a real and
practical manner in which to analyze the behavior of the small state economy and how it’s poor in particular, capitalizes on what would otherwise be only a losing situation for families and the state. This creates a theoretical inversion that, when applied to this study, showed how myriad benefits could be had from a practice (out-migration), long seen as detrimental to the intellectual and practical contribution to the small island developing state, with its limited human resource. Evidence provided from the research data collected for this study has helped to bolster these theories and in the shadow of adoption of the United Nations-led Post/2015 Sustainable Development Goals, can assist analyses and programming for SIDS and other developing countries with similar geography and resources.

This theoretical approach builds on many published, but mostly on unpublished works23, by Caribbean scholars who propose that theories more appropriate to SIDS and the Third World should be developed. This work falls in line with this intellectual trend in that it departs from the brain drain logic focusing instead on the nation-building gaze of Caribbean researchers. This work belongs in this genre of theoretical innovation.

The New Economics of Labor Migration (NELM) is an alternative

The NELM provides a framework for understanding migration decision making particularly as it relates to rural out-migration (Stark, Taylor and Yitzhak 1986). Formulated by Oded Stark and colleagues in the late 1970s and tested since then, it assumes a typology where households survey their present condition and future potential and based on their assessment of relative deprivation (Stark and Taylor 1991) develop a

“calculated strategy” to embrace emigration opportunities to maximize their income, minimize their risk and eliminate market and non-market constraints (Stark and Bloom 1985, 175). An inter-temporal contractual agreement exists between those who emigrate and those who remain, that constitutes a shared commitment both to the positive outcome of the emigration process but to continued development and well-being of the household. NELM emerged as an alternative to the narrow neo-classical construction of individualistic optimizing behavior based on negative wage differential analysis (Stark 1991, 1996). De Haas (2007, 12) argued that it also presents as an alternative to developmentalist and structuralist theories, linking cause and effect and accommodating “positive and negative development consequences.” The household is the unit of analysis (de Haas 2007, Taylor 1999, Stark 1991), and Stark offers the perspective of conceiving the family as a coalition of players acting together for mutual interest investing in one market without liquidating assets in another; utilizing the strength of each for the benefit of all whether in the home market or abroad (5) and promoting risk sharing within a mutual interdependence framework (Stark 1991, Stark and Levhari 1982, Lucas and Stark 1985, Taylor 1986). Stark argues that a family in Maine could diversify by buying Silicon Valley stock on the New York market. However, those in developing countries may also have a rational need to diversify but because information, technology, insurance, foreign exchange and financial institutions are not symmetric their choices are limited. Many vote with their bodies and choose the option of spreading risk across labor markets that are sufficiently different from each other as to minimize exposure. For example, Stark and Levhari (1982, 192) posit that a risk-averse small-scale farmer family confronted with what they perceive as a high-risk situation may decide to place the best-
suited member in the best possible market available to them at that time, thereby controlling the risk through income diversification independent from agricultural production. Risk, remittances and return are three important tenets of NELM that if carefully managed can produce positive effects.

NELM theorists consider remittances as intentional rather than an unintended by product of migration (Stark 1991). De Haas (2010) indicates that while the neoclassical framework is silent on remittances, NELM sees it as a key motive for emigration as it provides income insurance for receiving households. Furthermore, Stark, Taylor and Yitzhak (1986, 737) posit that the use of remittances in shaping the future profile of household income is based on high correlation between income and human capital investments. Like risk and remittances, a third central difference between neo-classical economics and NELM approaches lies in how return migration is perceived and enabled through policy approaches. For neo-classical economists people move permanently after calculating wage differential advantages. They are pushed by a host of negative circumstances and escape to the industrial North never to return. Therefore, returnees are considered failures who could not make the transition work. NELM holds the opposite view: for them, emigrants see their move as temporary with return as always an option. It assumes that households make strategic decisions for particular reasons at a particular point in time. When the purpose is achieved whether that takes a year of fifty years, the emigrant will return home. NELM sees emigrant return as a success and a logical outcome of emigration (de Haas 2007; Stark 1991). Finally, NELM applies a source country perspective across the entire migration phenomenon.
Guided by NELM’s theoretical framework, this dissertation is aware of, but not constrained by, urban/rural distinctions drawn in Lewis’ market dualism (Lewis 1954; Fields 2004), which is still often used to explain Caribbean labor flows. It affirms the agency of lower SES households representing both rural and urban poor, with the view that whether agricultural producers or urban, if they assess their status as geographically located in a relatively low productivity zone, they have the option of making rational decisions to improve their socio-economic condition through labor market diversification (Stark and Bloom 1985). Creating safe mechanisms to incentivize these households to increase savings and investment is a public policy opportunity.

Such mechanisms are premised on a source country analysis such as that put forward by this dissertation and by social scientists such as Pastor (1985) and Massey (1989) and amplified by NELM theorists since Stark and Bloom (1985) throughout the 1980s and 1990s. Transnationalists such as Glick Schiller and Faist (2010) also champion a source country analysis saying “the assumptions and paradigms underlying the study of the asymmetrical, but mutual transfers of resources that accompany migration are deeply flawed and continue to reflect the interests of the global north” (1). NELM, predictably, has had critics from the right but has also been critiqued from the left. Among them, social economist Alexandre Abreu (2010), in his article “The New Economics of Labor Migration: Beware of Neoclassicals Bearing Gifts,” contends that NELM modelers such as Stark, Taylor and de Haas, are fundamentally neoclassical economists, and NELM is constrained by their worldview and unable to represent the viewpoint of source country economies.
However, given Abreu’s own analysis of the two major trends in migration theory’s destination perspective—the classical/neoclassical and the historical/structural, NELM provides a tool that international development scholars may apply from a source perspective to develop an alternative migration analysis and contribute to a modern and evolving migration theory. These scholars are well-advised to follow the advice offered by de Haas (1999), to look at the particular because the general may not apply. The conclusions can then be expected to be different from those of neoclassical economists such as Ranis and Fei (1961) and Harris and Todaro (1970) that built upon Lewis’s theory of surplus labor transfers from abundant to scarce markets through a process resembling methodological individualism. They would be different from an analysis using Lee’s push/pull assumptions24 (1966), and even those further distilled by Piore’s (1979) world system view where migration is all “pull.” The population pushed and pulled is a reserve army of labor with little control over their lives responding to the economic and social needs of industrial nations. When social scientists such as Pastor (1985) and more recently Mishra (2006) engaged the particular, they found that a sending country perspective was missing and that “a very important region that has eluded this literature is the Caribbean” (Mishra 2006, 4). Writing from within the IMF, Mishra indicated that even with the few recent studies from the perspective of source countries in the region, the focus was on larger economies in Latin America. She argues “The

24Migration economics include pull reasons (e.g. work quotas); non-economic pull reasons (e.g. family reunion); economic push reasons (unemployment at source); non-economic push (political instability) all can be seen as escape valve emigration motivators. These are used to support theories such as that of Lewis’ surplus labor and Piore’s reserve army.
Caribbean region is an excellent case to study the effects of emigration as it has the highest emigration rates in the world” (4).

Labor markets still remain the major market structure influencing migration (Massey, 432), and new theories such as NELM accommodate a wide range of influences to “spatial labor supply decisions,” creating pathways to understanding the development needs and impact of emigration on communities of origin (Stark and Bloom 1985). As indicated earlier, NELM provides a rationale for consumption insurance analysis through which households control economic risk where they are vulnerable to exogenous shock. This occurs in a context where social protection is weak, markets imperfect, and/or income opportunities are limited. Families’ diversification strategies therefore maximize income, minimize risk, and mitigate market failure. NELM uses the household as the unit of analysis, as opposed to the individual or the state, an important distinction as the nation-state has become the sole unit of analysis in migration theory. Glick Schiller and Faist indicate that overcoming this “methodological nationalism” social scientists can better explore the “uneven patterns of internal and international migration, remittance investment, class formations, knowledge, flows of capital and infrastructure development” (Glick Schiller and Faist 2010).

This dissertation rests on the NELM framework advanced by theorists such as Stark and Bloom (1985), Lucas and Stark (1985), Stark, Taylor and Yitzhak (1986), DeBrauw, Taylor and Roselle (2003), Massey (2005) and others, who in the late 1980s and throughout the 1990s laid the foundation for the new theory of labor income distribution that established (NELM) literature. This reframing coincided with other shifts, which included an increased focus on global inequalities with the emergence of
globalization; shifting aid priorities and ending of trade preferences as former colonies attained full independence. Remittances have increased in importance to developing countries, especially small states, and increasingly remittance flows were determined to have more progressive (income redistributive) potential than other international flows (Rubenstein 1982). Jones (1998, 9) found that remittances “reach the hands of thousands of migrant families, rather than families of a few entrepreneurs or social leaders.”

Yet, making the case from the perspective of lower SES emigrants is challenging, because as Massey et al. (1993) conclude, migration is a costly and high-risk endeavor, which without the construction of the extended household would tend to select the most educated, financially able, highly skilled, or best networked. It is also challenging as there is still no general theory of labor migration. Massey et al. (1998, 439) state that the theoretical models growing out of NELM “yield a set of propositions and hypotheses that are quite different from those emanating from neoclassical theory and they lead to a very different set of policy prescriptions.” These propositions and hypotheses are important to making sense of the phenomenon of unskilled migration. The extensive research in Mexico conducted by their Mexico Migration Project examining unskilled and lower skilled migration on a large scale validated the concept of spatially diversified household arrangements that spread risk and optimize income earning potential, indicating “while some family members can be assigned economic activities in the local economy, others may be sent to work in foreign labor markets where wages and employment conditions are negatively correlated or weakly correlated with those in the local area” (Massey et al., 436). The household sees itself as making decisions to improve both its short term position, diversifying income sources and long term – social mobility, and attaining
highly marketable skills such as nursing. In their research in Botswana, Lucas and Stark (1985) identified an implicit agreement between family members of poor households — the loan agreement model — as one of the motivations to remit. In that agreement, family members who enabled emigrants to travel had an expectation: ‘we will invest in your leaving for the wider global labor market if you repay the loan by building household level capacity when you are able to earn an income.’

Massey et al. (1993, 457) proposed that one test of NELM’s theory is whether market imperfections are seen to correlate with household’s emigration patterns. Their database of over 23,851 households in 143 communities located in 24 Mexican states supports NELM’s thesis that a driver of emigration is the acquisition of major assets. They research found that Mexico’s weak credit and mortgage banking industry makes homeownership unattainable for most Mexicans except through emigration. Massey et al. (1987) found that it took only one year of work in the US for 6.3% of emigrants to own a home in Mexico, and after 10 years working in the US, 63.3% of emigrants owned homes in Mexico. Additionally, they found that owning physical capital such as land, a house or a business “negatively predicts the initiation of undocumented migration” (Massey, Durand and Pren 2014, 25).

Another example of emigration’s relationship to market imperfections is de Haas’ 1999 research in Morocco as reported by De Haan (2000). De Haan indicates that emigrants left their Oases, finding “innovative” ways to work in Spain and Italy, “Emigration has contributed positively to the level of living, housing and social status of most of the oasis inhabitants. This had a strong emancipatory effect and in some oases modern agriculture has expanded significantly. Remittances from those Oasis emigrants
enable these communities to purchase motor pumps, mechanization and tools and for their agriculture to flourish in the desert. In the Sahara a new green frontier seems to be emerging” (De Haan, 17). De Haas (2006) concluded from his research in Morocco (and extended to other African studies that tested NELM) that labor market diversification as a risk-management strategy explained intra-country migration and movements between countries as indicative of relative deprivation as increased income was marginal and such movements could not be explained using neo-classical assumptions. De Haas (2007) reports on data collected by Kurosaki (2006) in rural Pakistan that found households that received remittances were more resilient to external shocks than those that did not. In addition, Stark, Taylor and Yitzhaki’s research in two rural villages in Mexico allowed them to conclude that the impact of migrant remittances on rural income distribution depends on the “returns to human capital embodied in the remittances and the distribution of potentially remittance-enhancing skills and education” (Stark et al. 1986, 736). Remittances from international migrants becomes more equalizing as well as more effective at reducing poverty, as the prevalence of emigration and return increases (Taylor 2001) and replaces the “narrow traditional elites with a populous, emergent rural migrant class” (Jones 1998). Stark (1985) indicates that the level of household economic development is also significant when the rural poor comprise a large proportion of emigrants and when that sector returns. On the other hand, Cavaco (1993) indicated that returnees who before emigration were peasants become part of the bourgeoisie upon return, but argue that this may increase social inequality.

Taking the perspective that Caribbean leadership has often emerged from rural peasants who migrate and return as part of the bourgeoisie with an expanded view of the
world, the case can also be made that the returnee is well-positioned to question social inequality if, as Cassarino (2004) argues, structural conditions permits. An example is Grenada’s first prime minister who before leaving to work in Aruba’s oil fields was a rural peasant with a primary school education. Exposed to labor organizing in Aruba, he returned to pre-independence Grenada with its thriving plantation system and launched the Grenada United Labor Party.\textsuperscript{25} Supporting the NELM position with skills acquired abroad is affected by the probability of return, Cassarino (2004) might classify Eric Matthew Gairy as a “Returnee of Innovation” as he applied Cerase’s four typologies of returnees.\textsuperscript{26} People in this category see themselves as “carriers of change” and accumulating knowledge, assets, and connections on the outside to use upon return to home country. This is characteristic of many Caribbean and African leaders in the 1950s, 1960s, and even as late as the 1970s. Cassarino concludes that neither classification of return as failure (neoclassical) or return as success (NELM) can be done without consideration for social context. Furthermore, Cavaco’s argument overlooks the data indicating that returnees provide the link to the unattainable for lower SES households, who, until recently were simply seen as surplus labor. NELM offers the potential to re-evaluate the impact of emigration arrangements where there is a large percentage of

\textsuperscript{25}E. M. Gairy made a significant contribution to opening up the civil service and education systems to the sons and daughters of peasants and to redistribution of land and training opportunities. He is also known for his brutal and extreme treatment of any who stood in the way of change.

\textsuperscript{26}Cerase (1974, 251) identified four typologies among emigrants who return: Return of Failure are those return to country of origin who are unable to cope with the stereotypes and alienation of the destination country; Return of Conservatism includes emigrants who leave with a plan to accumulate to return; in Return of Retirement emigrants spend a lifetime of work in another country retire in home country to enjoy the fruits of their labor; and in Return of Innovation emigrants use all the accumulated resources for change in the conditions that they believe make emigration necessary.
unskilled or lower SES workers, returnees or circulators. An example of this application is found in the de Haas/Fokkema study with immigrants from four African countries to Spain and Italy. De Haas and Fokkema (2011) studied the contentious area of the relationship between integration within destination countries and migrants intention to return – they focused on intention to get to the root of motivation. They argued that neoclassical and NELM migration theories offer widely different interpretations of return migration and its relationship to integration at destination and the phenomenon of transnationalism. With the possible exception of the work of Constant and Massey (2002) analyzing data on Germany’s guest worker program, they indicated that none has looked simultaneously at both transnationalism and integration’s effect on return migration. Focusing on Egyptian, Ghanaian, Moroccan, and Senegalese immigrants in Italy and Spain, they not only found an average duration of 5.8 years across the study and a negative correlation between socio-cultural integration and intention to return, but also found that those who planned to return were higher remitters, had a higher level of education, and left behind close family such as spouse and children. Senegalese, who were significant circulators, had the highest intention to return but were the least educated and highest remitters. A full 93% percent of them sent remittances home to spouses and children they left behind, and 57% of them owned a household business (mostly petty trading) in the destination country. Many of them also had businesses in Senegal. De Haas and Fokkema observed that investments in countries of origin had a positive and significant effect on intention to return, a perspective supported by NELM. They remarked that since NELM holds that emigration is purpose-driven and temporary, permanent settlement may be construed as a failure if the objective of emigration is to
earn enough to change the family’s status and then return, but the emigrant never earned enough so had to repeatedly postpone return.

Massey and Constant (2001) in the above mentioned study of guest-workers in Germany also had many of the same findings including that higher remitters had a higher probability of return as did those whose spouse remained in the country of origin. These immigrants were also more likely to find employment in destination country, as consistent with NELM’s view, they exerted a higher level of effort both in terms of work and self-improvement driven to accumulate assets with which to return home. In earlier research in Mexico Massey et al. (1987, 314) observe “In general, structural factors and life cycle variables tend to play important roles during the first and last phases of the migration process. Not having access to productive, lucrative resources and being young with a growing family strongly encourage departure, while owning Mexican property late in life strongly encourages return.”

Return migration is a logical outcome once the migrant and the household have achieved the goal of skills, savings, insurance, investment capacity (Cassarino 2004), and where an expected outcome is to maintain the relationship between migrant and origin (Lucas and Stark 1985). Cassarino (2004, 262), however, draws attention to the important expansion that transnationalism brings to NELM analysis and even that of structuralists. He posits that rather than emigrant return being the end of the process, transnationalism continues the migration story beyond return as returnees adapt their needs and expectations to local business, socio-economic, financial and institutional conditions which will determine their ability to make productive investments.
Since 1990, emigrants to the United Kingdom, United States and Canada have returned in increasing numbers to the Caribbean, living on the home-island for part of the year providing momentum to the phenomenon of recurrent migration or circulation (Plaza and Henry 2006; Rubenstein 1982; Thomas-Hope 1985; 2002; 2006), a concept covered by the subsidiary theory of circular and cumulative causation.

Using Circular and Cumulative Causation’s virtuous circle

Circular and Cumulative Causation postulates that a successful innovation creates replication and expansion, changing the way institutions function and drawing resources away from support for the old processes, thereby resulting in a cumulative change. Gunnar Myrdal (1954) received the 1974 Nobel Prize for his analysis of the interdependence of economic, social, and institutional phenomena. Applying these concepts to movement of people mostly within borders but also across borders, as they responded to the forces of industrialization, he said, “this simple model of circular causation with cumulative effects, released by a primary change, is, I believe, more typical of actual social processes than the intersection of the demand and supply curves at an equilibrium price which has become symbolic of much of our reasoning in economic theory” (23). He further suggested that “the principle of interlocking, circular interdependence within a process of cumulative causation has validity over the entire field of social relations. It should be the main hypothesis when studying economic under-development and development” (Myrdal 1954, 24). The effect is not a function of the single event but of all the other changes in the system that occurs as a consequence of that event. For example, by itself migration does not necessarily result in systemic
change but movement of people could effect change in investment in roads, schools and healthcare systems resulting in increased poverty and neglect.

While he argues that this spiral effect could occur in an upward direction creating a positive stimulus, he concluded that if left to the market the result tends to be a downward spiral. The movements of labor, capital and trade do not by themselves counteract the “natural tendency to regional equality” but “are rather, the media through which the cumulative process evolves – upwards in the lucky regions and downwards in the unlucky ones” (27). Furthermore, he posited that emigration had a tendency to become “more progressively independent of the economic conditions that originally caused it,” with cumulative economic and non economic effects. Massey (1988, 1990) expanded upon Myrdal’s concepts with his studies in Mexico, linked them to the contemporary focus on households as the units of analysis and principal agents of decision-making. He developed a complex multi-level, inter-temporal, inter-disciplinary, source-destination analysis (Massey 1990) that aimed for a unified theory of migration using cumulative causation as the beginning point. He demonstrated that for Mexican immigration (seen as primarily lower-skilled), consolidation of social networks in the United States creates a self-sustaining, self-perpetuating cycle of migration that fosters structural changes in country of origin that could destroy the basis for peasant social organization and create “cyclical constrictions of opportunity in developing urban economies (394).”

At the same time, he argues from a position of emigrant agency illustrating, for example, that new financial flows provide an important source of investment funds for small rural entrepreneurs in countries of origin (Massey 1988, 408). Massey’s
perspectives continue to evolve with a deepening focus on circularity, connecting to principles provided through NELM and responding to significant changes in the flows, policies and field of migration. Fussell and Massey (2004) argued that based on their studies in Mexico, cumulative causation applied to small cities, rural town and villages but not to urban areas. Delgado-Wise and Márquez Covarrubias (2006) indicated that a change in perspective can change policy and translate to improved developmental outcomes. They provide the example of creating productive upstream and downstream links that could transform Mexico's Cheap-Labor/Export-Led Model, the assembly plants of the maquiladora industry that particularly exploits women’s labor and under-develops communities.

Explanatory value is found in both the circularity and cumulative causation of Myrdal’s analysis, as evidence shows that for the Caribbean many factors contribute to a virtuous circle, among them remittances (Thomas & Hope 2006) and returnees (Plaza & Henry 2006). As with NELM, the outcomes of circularity are affected by the socio-economic context in which household migration decisions are made, with earlier experiences affecting later decisions (Massey 1990). Circularity allows for the possibility of counteracting forces creating waves of change and producing cumulative results that reach beyond goods and cash to influencing ideas, culture and human relationships and cumulative causation allows an examination of the complex inter-relationship between variables at the household level (O’Hara 2008).

The circular migration literature also discusses gender roles as men and women are exposed to new socio-economic and cultural forces. Ellis (1996) described the positive influences on traditional societies with effects on patriarchal systems. Oladeinde
(2006) indicates that when women migrate, they adopt new roles within the household and in society, gain new ideas, join unions and become exposed to new ways of being in the world and return home with new perspectives of their power, potential and possibilities. Circularity has become central to the field of migration (Vertovec 2007), with the concept of a triple win (host country, sending country emigrant family) posited by the UN Secretary-General Kofi Annan in presenting the UN 2006 report on International Migration and Development. The research papers that contributed to this contemporary framing of circular migration posited benefits to rich and poor countries as well as migrants, and called policies that promoted that circularity.

Organizations such as International Organization for Migration (IOM) and the Global Commission on International Migration (GCIM) fostered new bodies of research. (GCIM) was launched by the United Nation in 2003 with the mandate to place international migration on the global agenda, analyze gaps in current policy frameworks regarding migration and, create inter-linkages with other disciplines and issue-areas. GCIM noted in its 2005 report that it is now commonly accepted that mobility of people has acquired a much more temporary character and “the old paradigm of permanent migrant settlement is progressively giving way to temporary and circular migration.” The commission supported the work of researchers such as that of Graeme Hugo (2013, 1) who argues that although with modern transportation, communication technology, and access to information circularity is well-established and expanding at an unprecedentedly rate, “much of our empirical knowledge theory is anchored in a permanent settlement migration paradigm.” Hugo challenges the research community to “rethink our data
collection systems regarding migration flows that often have failed to capture non-permanent migrations” (1).

Massey (2003, 2006) has illustrated how a misunderstanding of non-permanent migration could distort it. He argues that US border policies regarding Mexico extended circulators stay in the US, as it made each cycle more expensive. The idea of non-permanent migration as a phenomenon is well documented by Massey with regards to Mexico Massey et al. (2003) his surveys included large numbers of undocumented workers emigrating to the US to accumulate savings and stock and return to Mexico to buy assets. Durand and Massey (1992) indicated that immigrants continue to maintain homes and business in Mexico going back and forth to expand them. Policies regarding circulation are relevant for both highly skilled and less skilled workers. Hugo (2013) reported on the success of Taiwan’s “brain circulation” initiatives that resulted in the return of 50,000 highly skilled expatriates between 1984 and 1990. In the Caribbean, Barbados, Jamaica, Belize and Grenada have launched economic citizenship programs to attract returning migrants, businesses and foreign investment capital with incentives that include tax breaks and investment opportunities. Jamaica has the most extensive programs, including one that matches open jobs at home with needed Diaspora skills (ECLAC 2006). Net positive effects on country of origin often accrued from specialized skills, knowledge, remittances and investments, and exceed the negative effects of chain migration, which MacDonald and MacDonald, (1964) establish as detrimental to source communities as destination social networks strengthen.

Grenada stands as a good candidate for more aggressive circularity policies. Grenadian scholars (Philpott 1973; Tobias 1975; Smith 1965) focusing on return
migration and the particularities for Grenada indicate a high degree of desire to return. Tobias (1975, 56) from his research in US, Canada and the UK makes the provocative statement that “the main difference between Grenadian and other West Indian migrants and earlier migrants (in the countries of study) is their firm conviction, their ideology that they will all return home ‘after a while.’” He reports that as a result Grenadians in his study rarely saw themselves as immigrants. Agunias (2006) concludes, “There seems to be a general agreement among scholars that a complex, reciprocal flow rather than permanent one-way movements characterize Caribbean international migration.”

New economics of labor migration theories and an understanding of transnationalism provide meaning to both historical and contemporary circularity in the Caribbean. An analysis of patterns of circulation of financial capital (Goulbourne 1999) along with human capital (Byron 1999) in the Caribbean must include review of temporary immigration and temporary return data. Study of skilled migration presents new opportunities in this new age of mobility where brain circulation is an increased phenomenon for countries such as India and China. Saxenian (2005) indicates brain drain has become two-way brain circulation with 30 percent of the engineers who studied in the United States returning to Taiwan by 1998, a marked increase from the 10 percent rate of return in the 1970s. Solimano (2002) found that in 2000, a full 1500 highly-trained Indians returned to their homeland from the US. For lower-skilled migrants, based on lessons from European circular migrations programs of the 1950s and 1960s, Hugo (2013) expresses concern about exclusion, exploitation, and dependency; although in his study in Australia (2013) he found that there is wide support for circular programs among governments and migrants themselves for lower-skilled workers as well as highly
skilled ones. He indicates that the key question is how policy interventions can be structured to facilitate positive impacts on countries of origin.

Vertovec (2007) also reflected the exploitation concerns but saw the potential for sending countries, receiving countries and migrants themselves, and indicated mutual gains may indeed be had if circular migration policies become manifest. De Haas (2010) queries what would make return in this new formulation more enforceable than in the policies of the 1960s and 1970s. Castles (2006), discussing circularity in the context of transnationalism and remittances, argues that the new win-win-win formulation sells in terms of public opinion to an anti-immigrant migration public and that technical ability to monitor movements makes it possibly more enforceable.

The rethinking that Hugo calls for is seen in the work of scholars such as Hercog and Siegel (2011) who agree that because of the fluidity of contemporary migrant flow patterns, in many instances it is more appropriate to describe mobility of people as circulation instead of return as the latter implies a one-time action. Muskens and Bieckmann (2007), Martin (2004) and others postulate that a virtuous circle requires the ability to emigrate again and this is the most problematic policy phase for rich countries and requires a paradigm shift toward migration.

Acknowledging changes in migration patterns, a range of policy-makers advocate measures in support of circular mobility as it is seen as a good opportunity for development of countries of origin. Since 2006, a number of bilateral arrangements (Hercog and Siegel 2011) aimed at promoting circularity have been articulated by major destination countries, and many of them have begun to implement these innovative policy approaches directed at stimulating return or circular migration of the diaspora.
They include twinning projects such as the Twinning Health Canada projects in the Caribbean as part of technical cooperation with PAHO/WHO that, although not in the migration framework, nonetheless furthers the circularity framework. The projects include the exchange of expertise and fosters connections between Canadian and foreign educational establishments; for example, collaboration between the universities of Ottawa and the West Indies has led to the establishment of a nurses’ training curriculum in Canada. Several initiatives are emerging from France’s new law on Immigration and Integration Law (passed in 2006), which allows the granting of “skills and talent” visas to highly skilled foreigners. These visas are only offered to workers who agree to return to their home countries within six years with the expectation that the temporary stay will benefit the migrant’s country of origin as well.

France also initiated an exchange of young professionals program that allows young professionals from certain countries to work in France on a strict temporary basis (3 to 18 months). An example of a bi-lateral social security (pension) arrangement between EU counties and the Philippines. Key features include mutual assistance, equality of treatment, and export of social security benefits with pro-rated payment of benefits wherein both the host country and the Philippines shall pay the share of the benefit due from their respective systems. Transfer of migrant workers’ social security payments to their countries of origin is an important financial return incentive and may involve the capitalization of social security funds. Another example from the EU are productive reintegration programs such as those that provide various loan and assistance schemes for migrants from Senegal, Mali and Romania who plan to start a business in their home country. Localized co-development projects are linked to coordination
processes involving non-governmental organizations, migrant organizations and responsible government institutions.

Regional arrangements also have focused on circularity. For example, the Caribbean Single Market and Economy Agreement of the Caribbean Community (CARICOM) allows those with a bachelor’s or higher degree to move freely among member countries and encourages skilled professionals to work overseas on a rotational basis. The Caribbean agreement includes a compulsory savings scheme, where 25 per cent of the migrants’ wages are automatically remitted to the respective governments to assure minimum foreign currency flows.

The above offers models for Grenada, but policies that work in one region may not work in another and even may not translate across countries in the same region. Sound policies are predicated on reliable national and household data. Therefore, this section will close with a brief analysis of some issues relating to spatiotemporal perspectives and challenges of data collection and analysis.

Spatiotemporal Perspectives

Jones (1998) argued that two researchers assessing migration data from the same place and time may draw opposite conclusions about the impact of the data based on differences in “spatiotemporal” perspectives regarding such factors as stage and phase of migration. For example, in addressing the question with regards to his study “Are families of the affected regions better off with migration and migrant remittances or without them?” he concluded that for Caribbean poor, international migration may be “a more certain and secure pathway to economic and social mobility” than local opportunities within the existing system. However, looking at similar data for the
Caribbean, Rubenstein (1983) concluded that remittances increase consumption, have no significant effect on savings and investment, and therefore are not developmentally positive. Stark et al. (1986) suggest that opposing conclusions regarding rural migration and income distribution are the result of three problems: (1) lack of techniques to properly assess how emigration affects income at the village level; (2) lack of appropriate social welfare measures to assess the effect of changes in income and inequality on social welfare; and (3) lack of relevant empirical studies measuring household data.

Similarly, findings from regional studies that aggregate for “Latin America and the Caribbean” may have little meaning in application to an island state with a population of 110,000 people such as Grenada, where it has great significance to a state such as Mexico with 120 million people even though both share the same region. An illustration of this challenge can be found in reporting on a study by Acosta et al. (2008, 21), where in discussing remittance flows the statement was made: “One-fourth went to Latin America and the Caribbean (Latin America Henceforth)” (italics added for emphasis).

Analysis by quintile across time enables conclusions regarding changes within quintile and across quintiles only if the household studies are large enough and if the assumptions are reliable. For example, in working to overcome the weaknesses of composite surveys and the problems of reliability in household data in Latin America and the Caribbean, Garparini et al. (2009) reanalyzed data from the Socio-Economic Database on Latin America and the Caribbean (SEDLAC), which includes 200 household surveys from 25 Latin American and Caribbean (LAC) countries. They created a model for 18 LAC countries and found that contrary to other widely held interpretations of the data that still assess the region as one of the world’s most unequal, according to their
analysis, for the first time in a century income inequality had significantly and widely decreased in Latin America. They argued that without carefully designed household studies, factors such as increases in wealth at the top may overshadow important changes in the lower quintiles, and that composite surveys and indices that collect only national level data may overlook important changes in household patterns of consumption, savings and investment.

Similarly, when SIDS and other small economies such as Grenada’s are summarized within Latin America Caribbean (LAC) region, general statements regarding regional trends can be unreliable. The Grenada Country Poverty Assessment (CPA) referenced for this study used methodological triangulation of surveys, in-depth interviews and case studies to addresses some of the kinds of reliability problems Gasparini et al. identified in household surveys. Several different instruments collected household level data; researchers implemented an institutional assessment, qualitative participatory individual interviews and group interviews. The CPA produced household demographics that include consumption, savings, employment and labor force participation, education, health, income, expenditure, housing, fixed assets, migration patterns, durable goods and foreign remittances that households had received. In addition, data on expenditure and income were collected using very detailed questionnaires in 10 communities. A limitation of the CPA is that it did not focus on the effects of emigrant remittances.

The goal of this dissertation is not to fill the CPA gap, nor to make population-wide generalizations from a sample of 118 households. Rather, findings from the surveys, interviews and case studies will be used to make recommendations to be taken
up in the next country-wide CPA and more widely. More significantly, it will expand the theoretical framework as it applies to SIDS migration issues from a source country perspective.
CHAPTER IV

METHODOLOGY

This chapter describes the methodology of surveys, in-depth interviews and case studies used to collect and analyze data in Grenada for the purpose of testing the hypotheses of the study. It begins by presenting the fundamentals that undergird the project: research questions, hypotheses and the rationale for the methodological approach. This is followed by a succinct analysis of the literature pertaining to the methods used throughout the process so as to provide a framework for grounding the decisions made in the course of implementing this study. Specifics of the approach are included to provide a description of the simple random sample and how it was drawn; the tools and what guided the design; the research team and how they were organized and trained; the field and how it supported or presented challenges to the study, and a description of the two-phased implementation process: the survey and the in-depth interview with the seventeen case studies that provided deeper insight into the issues of concern to this dissertation. This is followed by a description of the approach to the analysis – coding the data, creating categories, identifying emergent themes and creating synthesis – which is also grounded in the literature. Limitations of the study and ethical issues that informed data collection, analysis and reporting are presented. Finally, the chapter discusses some key secondary data sources focusing primarily on the principal secondary source, the 2008 Country Poverty Assessment (CPA).
Research Questions and Sampling Technique

Examining the effects of emigrant remittances (independent variable) on reducing risk and poverty (dependent variables), the study investigated the following research questions:

(1) To what extent did emigrant remittances enable Grenadian households to cope with risk and recovery from shocks such as Hurricane Ivan of 2004?

(2) Did remittances to the study sample contribute to poverty reduction?

It posited two hypotheses:

(1) By responding to an external shock, remittances functioned as a self-insurance mechanism for some households in this study.

(2) Emigrant remittances reduced poverty among some of Grenada’s lowest two quintiles households in the study.

Investigating both questions required a two-stage probabilistic-type approach. To examine question 1, of an approximate population of 31,069 households, a simple random sample of 120 was drawn and 118 interviews conducted with two households unreachable at the end of the research period. Forty-two households from the randomly selected sample were currently receiving remittances, and all forty-two were invited to be interviewed in-depth. Thirty-two agreed to in-depth interviews and these were conducted by the researcher with seventeen of them becoming case studies as described above. Data from all of the 42 households that received remittances were included in the analysis. In addition, conversations and correspondence with a Ministry of Finance...

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27Grenada’s 2005 Core Welfare Indicators Questionnaire (CWIQ) found 31,069 in the country in that year.
representative in the Department of Statistics provided additional background. Data and questions addressed to a representative at the Grenada Authority for Supervision of Financial Institutions (GARFIN) verified insurance information and The Grenada Country Poverty Assessment and other official documents were reviewed to provide the context in which the study took place. The review of background material contributed both to the background analysis and to helping to make sense of the data during the course of analysis.

Analysis of the Literature Pertaining to the Methods

Testing a hypothesis using qualitative methods can facilitate an understanding of the issues relevant to a SIDS focused analysis of the migration phenomenon by drawing meaning from non-economic factors that go beyond push/pull macroeconomic models commonly used in migration studies. Chambers (1995, 8) observed that “missing what is not easily quantifiable, what is measurable and measured then becomes what is real and what matters, standardizing the diverse and excluding the divergent and different.” In the search for what small island states bring to the field of migration studies careful emphasis must be placed on the methods used to collect the data. This is particularly important as we examine two issues particularly relevant to SIDS: poverty and resilience (the latter referred to as risk management in this document).

However, using qualitative methods in hypothesis testing within social science research poses the challenge of rigor. Hypothesis testing is seen as a norm of quantitative research methods, with hypothesis generation as the goal of qualitative research with no preconceived hypotheses to be tested (Rubin & Babbie 1993). Marlow (1993) posits that qualitative inquiry is concerned with non-statistical methods and tends to use interview
instruments to collect data for later hypothesis testing. However, Mittman (2001, 3) addresses the undervaluing of the role and importance of qualitative methods in securing its place in deductive (hypothesis-testing) research and argues that not only is hypothesis testing relevant to qualitative research but that it can, and must be used “within a study design and framework incorporating each of the key elements required in studies involving only quantitative methods.” He further argues that a hypothesis testing approach does not compromise the particular benefits of qualitative research: “Analysis and interpretation follow the study hypotheses and research questions, but will often include detailed causal explanations and exploratory questions and findings as well, taking advantage of qualitative data's value in these areas” (6). Mittman, Cohen, and others stress that the concern for rigor must be reflected along the entire research continuum. Validity can be enhanced through practices such as real-time survey data entry and editing, use of paired interviewers, post-interview debriefing (Mittman 2001) field notes and documentation (Gilgun 1994; Marlow 1993); structured coding tools and “formal table approaches in which key variables relevant to each hypothesis are summarized and synthesized” (Mittman 2001). Cohen et al. (2000) encourage the extensive mapping used in triangulation of methods (such as surveys, interviews and case studies used in this research study) to help establish validity and facilitate reliability, and Wittel (2000) indicates that data from multiple collection strategies yield a pattern of responses from systematic content analysis.

Migration studies cross-academic discipline boundaries that include geography, demographics, sociology, population studies and economics (Janesick 1994) and given the significance of poverty to the overall push/pull framework, can benefit from the
World Bank guidance to those engaged in poverty reduction research as it promotes qualitative methods: “the operational framework [of a country], notwithstanding, poverty reflects the results and complementarities among cultural, sociological and political factors. Analyses of cultural constraints, sociological context and political dynamics in which poverty persists contribute to understanding the process of poverty…and to evaluating the full costs and benefits of alternative measures to reduce poverty” (World Bank 1991, Paragraph 8).

Triangulation of methodological approaches is listed by the World Bank as a technique useful for ensuring rigor by simultaneously using different tools for gathering and interpreting information on social science phenomena. Overall, triangulation can be of methods, sources, time, investigators or theories (Lincoln and Guba 1985, 219) and may combine elements from traditional qualitative research with other techniques such as participant observation, institutional assessments and investigative journalism (Robb 2002). Because in qualitative research all efforts must be made to ensure validity and reliability, in this study, triangulation of methods (surveys, in-depth interviews and case studies), of investigators, and of theories are used to increase rigor. Triangulation is of particular value in qualitative research where strong concerns are raised regarding these two foundational elements, reliability (ability to replicate observations) and validity (ability to get correct answers from the data) (Denzin 1989; Cohen et al. 2000; McRoy n.d.). Denzin (1989) suggests that in qualitative research triangulation serves as a hedge against threats to both reliability and validity, and Cohen et al. (2000, 36) agree that methodological triangulation can facilitate meeting of the demands for rigor in research while remaining faithful to “the experience and accounts of research participation.”
Furthermore, Creswell & Plano Clark (2007) posit that triangulation has been used extensively to confirm, reinforce, or reject results from quantitative data and “mixing the datasets, the researcher provides a better understanding of the problem than if either dataset had been used alone.” Although the CPA datasets were not available, the study sample provides valuable insight to inform the next household level CPA with regards to the issue of labor migration by improving balance between “the breadth of quantitative and the depth of the qualitative approaches,” as described by Carvalho and White (1996, 16). In turn, it enables the data from this small sample size study on this vital issue to have increased meaning. Moser (1996) reminded us that this type of outcome is feasible as quantitative data often generalizes findings from qualitative studies which tend to have small sample sizes, and benefit from the documenting of attitudes, priorities and perceptions. This dissertation analyses and presents the rich data from such a study which applied surveys, in depth interviews and case studies to reflect preferences and motivation of choices within the emigration phenomenon.

Approach to Data Collection

A two-phase process was implemented, where Phase 1 was the application of a survey to a random sample. The survey was designed to gather general, demographic data (e.g. age, sex, education, home ownership, business ownership, occupation, income, household size, hurricane damage); consumption data (including insurance and uses of remittances); investments in businesses and savings as well as attitude (such as how participants felt about insurance and their willingness to purchase it any price). The random sample was drawn by the Grenada Department of Statistics. The Department generated a random sample by enumeration district (ED), first cumulating the totals for
all the households in all enumeration districts in the country (see example below – Table 1). Random numbers for the desired sample size (in this case 120 households) were generated using Excel. The households were then drawn as follows: if the first random number generated was 160, in the town of St Georges for ED 13000, that selection would be household number 9 (HH9) based on 160-151, because the cumulative total in ED 2020 was 151. Nine households down in 13000 would make it HH 160. As another example if, for instance, the next random number was 584 the next selection would have been HH106 of ED 5012, and so on the all 120 households were selected. When necessary, household numbers were replaced by random selection within the same ED number as the one being replaced

Table 1

*Example of Method for Random Sample Selection*

<table>
<thead>
<tr>
<th>Parish</th>
<th>ED #</th>
<th>HH #</th>
<th>Cumulative HH</th>
</tr>
</thead>
<tbody>
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<td>St Geo. Town</td>
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In Phase 2, in-depth interviews were conducted with thirty-two of the forty-two remittance receiving households. The forty-two households were those who completed Section B of the questionnaire as a result of indicating in Section A that they had received
remittances. The thirty-two were those who completed Section D agreeing to a follow up interview. In-depth interview questions collected data on sources and uses remittances, but also on the relationship and agreement between remitter and recipient, digging deeper on attitudes to risk and insurance, impact of Hurricane Ivan and recovery, response of remitting relatives to Hurricane Ivan and other shocks to households and members remaining in the source country. The interviews facilitated the telling of personal stories that motivated the emigration event and provided insight into issues such as the long term plans of the emigrant from the point of view of the interviewee. Seventeen of these interviews led to an emic conversation guided by the participants’ desire to tell their family’s emigration story. In these stories, they articulated the reasons and processes of migration decision making in their families, talked about their families’ hopes and dreams and their relationships then and now, and often showed pictures to support their stories.

The research design reflected the coherent system, through which appropriate information was presented to describe, compare and explain knowledge, attitudes and behavior of respondents. The survey instrument used in Phase I was designed to transform the research objectives into “information requirements” (Brace 2004), parsimoniously collecting sufficient information without being overbearing. The surveys administered by three teams each with two research assistants were a mix of twenty-five mostly close ended questions (Appendix II). This combined a positivist and direct means of obtaining data (Cohen et al. 2000) with a few open-ended questions that enabled participants to provide unanticipated information and express attitudes and preferences. Examples of the latter were questions such as “Please explain your choice” as a follow up
to the Likert-type scale question such as, “If you could buy insurance to protect your home at an affordable price, how likely would you be to buy insurance?”

The instrument was divided into four sections wherein completion of trigger questions among the twelve questions in Section A pointed the research assistant to ask the questions in Sections B and C, and complete D if scheduling a follow up interview on remittances (Phase 2). Completion of Section A was considered a completed survey. Section A contained twelve demographic questions, with two of them leading to sections B and C if positively answered. Respondents who reported that they received money from friends/family abroad also completed Section B which asked nine multi-part questions designed to collect information such as who they received money from, what country remitters worked in, their occupation, how long they lived abroad, what triggers remittances from them, how much they send, what triggers changes in how much they send and how remittances were used. Respondents who answered positively the question: “Was either your home or business damaged by Hurricane Ivan?” also completed Section C, which asked seven multi-part questions on Hurricane Ivan rebuilding and attitudes to insurance.

Brace (2004) observes that surveying as a tool is clearly best used when the data required can be answered in a binary manner or can be obtained using a Likert-type scale, an “agree-disagree” scale that allows respondents to reflect a range of attitudes and preferences. Although five or seven point scales are preferred (Lozano et al. 2008), an optimal choice lies between four and seven. Researchers believe that both reliability and validity decrease with fewer than four choices and more than seven choices accrue few benefits. The survey used two instances of a four-point Likert to measure attitude to
insurance, and in an attempt to understanding barriers to insurance purchase. These questions were embedded in Section C where respondents were already prequalified in Section A as owning a home or business and sustaining hurricane damage, and it was seen as important to force a response on attitude to insurance and to the likelihood of purchasing insurance at any price, therefore no neutral middle option was offered. Relevance and accuracy are important characteristics of surveys, and toward that goal, twenty-two of the twenty-eight questions were structured with pre-coded response options that included binary, Likert-type scale and other close ended formats. The answers to open-ended questions such as “Please explain your answer” were sorted into themes and coded in the analysis.

In spite of the disadvantage of higher costs, because of structural constraints survey data was primarily collected through personal (face-to-face) interviews. These constraints were particularly relevant for rural respondents and included low functional literacy and infrastructural challenges such as limited access to electricity and lack of listed phone numbers. Notably, once the researcher was able to find the respondent, in all but four instances among the 118 households interviewed even the poorest households had a cell phone. However, with a 98% response rate, the study reaped one of the benefits of face-to-face interviews. The literature has established that face-to-face interviews provide clear advantages over other approaches, such as self-administered surveys, in terms of the amount and complexity of the data that can be collected (De

28 Vagias, Wade M. (2006) in providing Likert-type scale response anchors provides a four point scale for getting at barrier data. Vagias is affiliated with Clemson International Institute for Tourism & Research Development, Department of Parks, Recreation and Tourism Management of Clemson University.
Leeuw et al. 1988; Oishi 2003), as well as the ability to minimize non-response and maximize the quality of data collected (Holbrook et al. 2003). This approach also accommodated a longer interview with more multi-part and open-ended questions than is possible in the typical 30-minute phone or 15-20 minute mail survey. The surveys and interview began with unthreatening, close-ended questions to ease into the topic (Barbour 2007) such as “What is the highest level of education completed?” Because discussing issues such as age and income with a non-governmental actor is culturally difficult for many Grenadians the survey used ranges for sensitive issues. For example, it asked for age-ranges: 18-30, 31-40, 41-50, 51-60 and over 60. As mentioned above, some of the close ended questions were binary, others used a Likert scale providing four choices from strongly agree to strongly disagree for a statement such as “Insurance is worth having” that allowed respondents to reflect a range of attitudes and preferences. Using open-ended questions in the in-depth interviews, enabled the interviewer to ask clarifying questions and created an environment where the respondent felt at ease (Piore 2006), and able to communicate why they made choices in addition to the actual choices they shared.

The study minimized the possibility of introducing bias (a disadvantage of face-to-face surveys) by developing an interview administration tool and plan (Holbrook et al. 2003; Oishi 2003). A training workshop was conducted where the objectives of the study, confidentiality and techniques of standardized interviewing were reviewed (Mittman 2001) with particular application to the current survey. The survey was tested with the team who were themselves from the parishes they were sampling. (Oishi 2003) indicates that the environmental arrangement reflecting the research questions must communicate clarity about the information to be collected. And Fink (2003) cautions that
even when the greatest care is taken in the design of research instruments, non-sampling errors may occur if variables and terms as well as inclusion and exclusion criteria are not clear. With this in mind, the workshop took great care to ensure that all research assistants had clarity on the goals of the study, the context of the research, the terms used in the instrument and the criteria for participation in both phases of the study. Criteria were kept simple and straightforward and stated clearly in the script provided to the research assistants who were provided packages with written guidelines and scripts, a numbered customized pad, pens and identification cards. Over the course of the two weeks of data collection, there were three team meetings during which the research team was able to problem solve about issues such as unreachable households for which we needed replacement ED numbers. Most of Grenada does not use house numbers, and often houses are off-street. Locating households was therefore a challenge and often involved long walks through hilly villages asking those they met along the way and identifying the household through environmental markers. Typically, when the Department of Statistics conducts surveys they query a large number of households in each district. Surveyors are dropped off in a village and work house to house. With a random sample of a relatively small number such as in this study, often we were looking for one of two households in a remote, mountainous village. Under these circumstances in less than ten cases when households had moved or after several attempts by researchers going through difficult terrain to get to households to find that the occupant was deceased or had moved, a neighboring household in the same ED number was interviewed. In about 14 other instances, the Grenada Department of Statistics provided replacement numbers which were also randomly pulled.
In-depth interviews were conducted by the researcher during a follow-up visit and in the presence of the accompanying research assistant. These interviews were designed to lead a “purposeful conversation” Oishi (2003, 1), an approach which Kvale (2007, 11) indicates is “neither an open every day conversation nor a closed interview.” In the seventeen interviews where the respondent had an emigration family story they wanted to tell and began telling that story, the researcher listened actively, occasionally asking clarifying questions but not interrupting to ask questions from a list. These usually emerged as the respondent took an open-ended question and began to tell the story of their household which started along the lines of “you see, when…” These were considered case studies and were not scheduled separately from the in-depth interview but emerged as part of those conversations.

The study was designed to be explorative as well as elaborative to better understand the effects of remittances as a phenomenon (Dukes 1984), and attend to its significance in the context of poverty reduction and risk management. (Hodgson 2000) argues that focusing on routine aspects of daily life, using unstructured interviews can elicit an “emic” or native perspective (Fetterman 1998). We believe that emerged in the case studies. Researchers requested approximately 45 minutes for each survey, and an hour and 30 minutes of each in-depth interview. Berg (2007) argued that length of interview is a relative concept and depends on the context, issue and circumstances of the interview. He advised researchers to listen actively and to “let the people talk” (129). Using that approach, researchers found that many participants wanted to talk about their families and their lives as they talked about emigration and remittances.
To accommodate lower literacy levels, language was set at the fifth grade level on all documents related to surveys and in-depth interviews. For example, the term “money from abroad” was used instead of “remittances.” Each respondent was offered a token gift in the amount of EC$25 (US$10) to facilitate making a call to the researcher should participants have any concerns. Another EC$25 was provided to any who participated in the follow-up interview. In addition, in recognition of the high level of poverty among rural households that were well represented in this study, all participants were provided the opportunity to enter a drawing for one of three gift cards of $135 each. To minimize alienation, neither the surveys nor in-depth interviews were tape recorded. Instead, the interviews were conducted in teams and notes were taken. Research assistants turned over the notebooks to the researcher and entered the data into the spreadsheet provided by the researcher.

The Sample

The sample was drawn by the Grenada Department of Statistics using a formula to obtain a random sample of the general population drawing from all parishes. Their database was divided by electoral districts identified as ED numbers. Within each district, Grenada’s 38,000 households were identified by household numbers in the data. In this study the name of the participant was replaced by the ED number plus the household number. Grenada has seven parishes – St. Andrews, St. Davids, St. Georges, St. Johns, St. Marks, St. Patricks and two offshore islands, Carriacou and Petit Martinique, which together comprise the seventh parish. All parishes except St. Georges are considered rural. A simple random sample of 120 households were drawn by the Grenada Department of Statistics for this study. Two households were not reachable. Of
the 118 households surveyed, 43 were urban (St. Georges) and 75 were rural (29, St. Andrews; 14, St. Davids; 9, St. Johns; 5, St. Marks; 12, St. Patricks; and 6 Carriacou and Petit Martinique). The 2008 CPA identified that headcount poverty was higher than the national quintile four poverty averages of 37.7 in 3 parishes: St. Mark (54.5%), St. Patrick (56.7%) and St. Andrew (44.9%).

In Phase 2, the in-depth interviews, the strategy of using a subset of a randomly selected sample represents a stage sampling approach. The subset was also a random sample as it employed clear criteria for the Phase 2 sample, i.e., it requested an interview from all households from the original sample. Stage (or cluster) sampling takes a sample of a sample using separate criteria for each stage and one of the probability types described by Cohen et al. (2000, 99) listed as: simple random samples; systematic samples; stratified samples; cluster samples; stage samples; and multi-phase samples. Cohen indicates “they all have a measure of randomness built into them and therefore have a degree of generalizability.” He provides the following description of stage sampling, “stage sampling is an extension of cluster sampling. It involves selecting the sample in stages, taking samples of samples.” Of the 43 remittance receiving households, 32 agreed to an in-depth interview.

The study was implemented after IRB approval from The University of Southern Mississippi. The researcher visited Grenada twice to organize and implement the study over a total of five weeks.

The Research Team
The researcher received administrative support from a local development organization, The Grenada Education and Development Program (GRENED). GRENED is a well-respected institution based in the rural area of Grand Bras, St. Andrews, and provides secondary school scholarships including books and uniforms to some of Grenada’s neediest and most deserving students. A team of four research assistants from GRENED were seconded to assist with the surveys and accompany the researcher on the in-depth interviews. The research was supported by Dr. Dessima Williams, GRENED’s founder and Executive Director who was also former ambassador to Grenada and within the United Nations, a strong advocate of an alternative Small Island Developing States (SIDS) perspective.

Ethical Considerations

Ethical considerations informed the treatment of all data as these are small communities. Rather than names, numbers were assigned to respondents based on the system used by the Department of Statistics and consent forms, with identifiers kept separate from questionnaires. All research materials, including notebooks, were returned to the researcher and level of confidentiality set so that if researches met a participant outside of the study they were asked not to discuss any of the information they had gathered in speaking with that participant during the course of the study.

Limitations

In this case, where the researcher worked with local research assistants in implementing the surveys, researcher bias had to be carefully managed. This was accomplished by pairing researchers, training them, and providing them written training material, developing a code book, and standardizing the data input tool, having frequent
feedback meetings and maintaining a relationship with the Department of Statistics for replacement households that managed sample selection. There were, however, factors that could not be controlled. For example, people respond differently to younger researchers than to older people, especially in a society such as Grenada where income and age information is not easily shared with younger people. Denscombe (2007) describes the interviewer effect as “the sex, the age, and the ethnic origins of the interviewer have a bearing on the amount of information people are willing to divulge and their honesty about what they reveal” (184). The researcher filled many of these gaps in the course of the in-depth interviews.

Another limitation of the survey was that few households had listed phone numbers. This was not a problem for the in-depth interview as 114 survey participants provided phone numbers. This facilitated scheduling and locating in-depth interview participants, keeping in touch to confirm directions and even making calls to clarify data.

Approach to Analysis

As indicated earlier, rigor is required along the entire research spectrum including the data analysis. Interpretation must be based on the theory, the study hypotheses, and research questions. As a beginning point to the analysis the researcher created an Excel table with all of the survey questions by parish, and developed a code book used by each research assistant to enter the data into the Excel table allowing the data to be summarized. The researcher also used the code book in cleaning the data and preparing it for analysis and synthesis. In cleaning the data, the researcher had to reach back to the research assistant who had implemented the survey for clarifying information. This most frequently occurred for three questions: 1) Clarifying that income ranges did not include
remittances as remittance data was provided separately; 2) Survey respondents sometimes did not want to provide an answer to the occupation of the remittance sender and in-depth interviews were able to make respondents more comfortable in sharing that information; and 3) The question “did money you received from abroad help to repair your home” also was elaborated on in the in-depth interviews and is dealt with in greater detail in the results chapter. However, it emerged from the data that remittances enabled the household to cope with the emergency and the many forms of loss, while households drew on all available support in actually rebuilding their homes. This included churches, government assistance in the form of building material and tarps and the assistance that came from domestic and foreign non-government organizations.

Throughout the four steps of the process of analysis (coding the data, creating categories, identifying emergent themes and creating synthesis), while critically examining all of the data, the researcher listened reflexively and critically for how the participants’ contributions gave new meaning to the theory. As transcripts were coded, the analysis was subject to constant comparison as described by Glaser & Strauss (1967). This iterative approach to analysis enabled the discovery of emergent patterns within the data which the researcher sorted into subcategories to draw meaning from the data (Flick 2007; Hammersley & Atkinson 1995). The analysis was grounded in the theoretical framework that guides the study. Piore (2006, 149) indicates that “existing theory can play a role similar to that of the design team. It sits in the back of your mind as you ruminate about the interview material. Because the theory is so strong and so demanding, it is as if a team of your colleagues were there beside you arguing about what the interview means.” The researcher found this insight useful as it became necessary to
create meaning out of complex emerging patterns such as the extensive absence of confidence in institutions while the OECS strategy of regional, shared institutions stand as a model of success. Another example is the constant movement of people with (and without) Green Cards back and forth for reasons other than work, e.g. medical attention and shopping, along with the patterns of high unemployment and exorbitant cost of living.

Secondary Data Review

This dissertation drew on secondary data including the recently published framework for Grenada’s first long-term strategic plan, Grenada’s Country Strategy Paper and National Indicative Programme for the period 2008-2013 and many other cited official sources that provided information relevant to the issues of this dissertation. However, the dissertation primarily referenced the Grenada Country Poverty Assessment 2008. This study is reported as a comprehensive quantitative and qualitative analysis of living conditions in Grenada in 2007/2008 with a baseline CPA implemented in 1998 for comparison. The first CPA (1998) established the framework for Grenada’s 2000 MDG poverty reduction planning process and was funded by the Caribbean Development Bank, (CDB), and the Department of International Development of the United Kingdom (DFID), the Canadian International Development Agency (CIDA) and the United Nations Development Program (UNDP). The survey was implemented by the Grenada Department of Statistics (the same agency that supported this study), but the analysis was outsourced to a private entity based in Trinidad. The objective of the CPA was to assess the welfare of the resident population of Grenada, Carriacou, and Petit Martinique.
(Grenada and its two dependencies) and to develop policy recommendations.\textsuperscript{29} These comprehensive household surveys include three core elements: a national Survey of Living Conditions (SLC) and Household Budgetary Survey (HBS) and a Participatory Poverty Assessment and an Institutional Assessment. Together, they provide country-wide data survey. The CPA provides an empirical analysis based on the household survey data.

In the absence of an alternative SIDS migration analysis that accommodated consideration of variables such as the effects of remittances on poverty, a query into any relationship between migration and development or consideration of consumer risk decision-making under adverse market conditions, the CPA adopted a minimalist approach both to the collection of remittance data and to the analysis of what was collected. This resulted in national remittance income data that was not applied to a stated decrease in abject poverty or to a decrease in inequality during the same period of a significant increase in remittances.

\textsuperscript{29}The study was funded by the Caribbean Central Bank with financial assistance from DfID, CIDA and UNDP and implemented in OECS countries by Kairi Consulting Group T&T.
CHAPTER V

RESULTS

The impact of remittances of lower-skilled households is not well understood in either the migration framework or the development framework, and the two phenomena are still so poorly integrated that unique conditions such as those of small island developing states (SIDS) are not accounted for. Furthermore, although the ability to manage risk is a pre-requisite to sustaining any development gains, until recently, little effort has been made to connect risk management to development or to its role in motivating migration. Insight into how low-resource households plan for, and manage risk remains marginal, as when the migration literature shifts its gaze from the impact of migration on destination countries, its focus remains on the detrimental impact on sending countries that have significant levels of high-skilled emigrants. Brain drain associated with the latter is one of the most extensively studied aspects of migration.

This dissertation argues that small island developing states (SIDS) have a different story to tell in terms of both skilled and unskilled emigration. A story that must consider how households increase resilience and productivity in the face of a portfolio of risks and lack of access to formal institutions structured to absorb the impact of those risks. SIDS are characterized by high environmental vulnerability, small populations and often limited opportunities for training and attaining high levels of skill. In these cases, circularity is optimal at all levels and is widely practiced with significant benefit to all members. This dissertation claims that by expanding their labor field, the emigration decisions of lower skilled (lower socio-economic status) households, not only enables the household to be more resilient to external and internal shocks but can significantly
increase the income potential and living standards of their local households, thereby reducing poverty. Tertiary education and specialized skills that emigrants gain abroad build the levels of the country’s capacity when they return. Furthermore, the literature establishes that as rates of emigrant return increases, remittances are more socially and economically equalizing and are more effective in reducing poverty.

Because of national institutional deficits, such as the absence of strong and trustworthy financial and mortgage infrastructure, GARFIN found that even households that may be able to buy insurance at relatively low sacrifice to the household choose not to do so. There also was evidence of high insurance systems failure risk or perceived risk.

To understand the diaspora response after Hurricane Ivan and to do so in the larger context of managing risk and vulnerability, this dissertation therefore developed a study that asked two questions: 1) To what extent did emigrant remittances enable households to cope with risk and recovery from shocks such as Hurricane Ivan of 2004?; and 2) Did remittances to the study sample contribute to poverty reduction? The study reflected the literature in establishing the correlation between household income and human capital investments such as healthcare, education and trade training; and between household structure and remittances. Then building on the work of Caribbean scholars who worked to shift the gaze from brain drain to nation building, the dissertation makes recommendations from a source country perspective for a SIDS focused analysis and use of contemporary national, bi-lateral and multi-lateral opportunities to move Grenada closer to linking migration, development and risk management.
The hypotheses of this dissertation are: 1) by responding to an external shock, remittances functioned as a self-insurance mechanism for some households in this study; and 2) emigrant remittances reduced poverty among some of Grenada’s households. Testing these hypotheses required rejecting the null that 1) remittances did not enable any households in this study to respond to external shock and thus did not serve as a self-insurance mechanism; and 2) there is no evidence of remittances reducing poverty among those in the sample. The findings of the research significantly rejected the null and established that for this sample not also did remitters respond overwhelmingly to national level disasters but increased resilience to daily household crises. In addition, poorer remittance receiving households went to trade school more often, started businesses more frequently, saved more and invested more. They also steadily expanded the quality of real estate and changed how the family was perceived thus increasing the family’s social status.

When either education level is used as a proxy for skill level or actual types of jobs is used as the measure, the data supports an underlying premise that the effects of lower skilled labor has significance as a demographic important to Grenada’s emigration pattern. Figure 15 indicates that 63% of the sample population (for rural households 71%) and 32 of 43 heads of remittance-receiving households only have a primary education; 31 of 43 who emigrated from these households funded remittance income from non-professional employment (Table 2). This establishes that for this study the larger number of remitters are lower skilled workers and receiving households are primarily lower SES households. Some patterns emerged from the data. For example, in the rural areas where several family members are farmers, some sharing plots in family
farms, there is a pattern of quid pro quo with family members who remained and cared for the plots of those who emigrated. A similar pattern emerged where family members left children to be cared for or had shared responsibility for elderly parents. The above represented the basis of remittances in 26 of the 32 in-depth interviews. This supported the literature that households make migration decisions as a unit and that concrete factors enable the household to see itself as a transnational unit making pragmatic decisions aimed at solving household problems.

The totality of the evidence suggests a greater likelihood that respondents used remittances as a self-insurance mechanism in response to external shocks. This occurred both through the remittances received as a direct response to the shock and the savings that remittances facilitated that served as a buffer against adversity. Based on household income, savings would not have been possible without remittance income. The study found significant evidence of remittances responding to a range of household emergencies listed in Table 3 when respondents were asked to “Check all of the ways you used the money you received from family and friends abroad.” The 66% increase in remittances between 2003 and 2004 reflected at a national level the increases that accrue to individual households in response to various events that would require insurance. Only 15 (12%) households had homeowners insurance. Of that number, four were rural. When asked to report any kind of insurance including auto, health, life or any other 30 (25%) households had some form of insurance, 10 of them rural. In the absence of any other form of insurance the evidence suggests that remittances served as a self-insurance mechanism and gives meaning to the 66% increase in remittance in the year after the island state was subject to the worst disaster in fifty years.
Remittances were vital in rebuilding after Hurricane Ivan. Respondents revealed a pragmatic integration of the resources available that included government distribution of material, help from the churches, and over months and in some cases years, using resources from family and friends abroad to “build back better.” A picture of social networks serving as an alternative to insurance emerges that enables households to reject insurance at any cost in an environment where there is widespread fear of failure of insurance instruments. A full 72% of households indicated that insurance was important, but only 60% indicated that they would purchase insurance if it were affordable, instead they indicated that when they need they call on family members abroad to manage emergencies.

Analysis of the data observed the construction of agreements between emigrants from lower socio-economic status households and the members who remained in the source country. The research found evidence of implicit agreement and summarized those according to six themes presented in Section C through the voices of respondents. There was no significant difference in income distribution for the lower three quintiles of both remittance receiving households and non-receiving households in the study before remittances were counted. However, with most remittance income falling into the median range of EC$251-EC$500 a month (US$93-US$185) per month, and with 30% of households indicating an income of less than US$185 a month and another 42% earning between $US185 and $555 per month, remittances are seen to enable access to healthcare and medicine, education, savings and starting new businesses in addition to increasing spending on food and clothes. This evidence therefore suggests that with Grenada’s indigence line of EC$2,394 per annum (CPA 2008), poverty line of EC$5,842 (CPA
remittances contributed to poverty reduction in receiving households. The study found that remittances enabled more households to start small businesses e.g. 34.88% of remittances receiving households as opposed to 25.42% of the population sample were engaged in businesses.

The data is summarized to show distribution by location, income, education, home ownership, business ownership, remittances receipt and usage, hurricane damage and recovery and attitudes toward insurance. The analysis is presented in three parts. Part A summarizes the data (N=118), Part B summarizes the data by remittance receivers (N=43), and Part C addresses the data thematically from the perspectives of the remittances receiving participants who agreed to in-depth interviews (N=32).

**Section A: Summary of the Data (N=118)**

*Location.* Grenada’s six parishes – St. Andrews, St. Davids, St. Johns, St. Marks, St. Patricks and two offshore islands, Carriacou and Petit Martinique – together comprise Grenada’s rural areas. The seventh parish, St. Georges is considered urban. St. Georges and St. Andrews together represent 60% of the general population and 61% of the sample. A simple random sample of 120 households was drawn by the Grenada Department of Statistics for this study. Two households were not reachable. Of the 118 households surveyed 43 (36%) were urban (St. Georges) and 75 were rural (29, St. Andrews; 14, St. Davids; 9, St. Johns; 5, St. Marks; 12, St. Patricks; and 6 Carriacou and Petit Martinique). The sample reflected the distribution of the population indicating that it was a good sample.
Rural/urban differences are reflected throughout the analysis of themes in Section C and the summaries of both the broader sample data and across the households receiving remittances. When variables were distributed within rural and urban segments, rural distribution was more homogeneous than urban for home ownership, income, education, business ownership and even insurance decisionmaking. The distribution of the sample across age groups does not reflect the distribution of the general population but the distribution of age of head of households (HH). For example, approximately 9% of the general population is over 65 and another 9% between 55 and 64. A full 41% of Sample population respondents were over 60 years of age.
This is explained by the fact that the Department of Statistics data draws from heads of households (approximately 31,069 households, about 45% female headed). Where the name drawn in the random sample was not available, the Department of Statistics provided alternative household numbers.

Figure 10. Employment (all)

In a few instances another adult in the identified household responded to the survey on behalf of the household – these replacements may have affected the demography of the respondents (69 female and 49 male, 25 retirees and 17 unemployed) but not the random quality of the sample nor the content of the household level data: household income, skill level, location, ownership, insurance, impact of hurricane or receipt and amount and uses of remittances. In a few other instances where the household drawn had moved or was deceased and the locations were remote, a neighboring household was interviewed instead. Twenty-one surveys were either redrawn by the Department of Statistics or replaced by using an immediate neighbor.

30Grenada Core Welfare Indicators Questionnaire (CWIQ) Survey 2005 Report.
Income

Of the sample, three households had an annual income of less than EC$200 per month (EC$2,400/US$889 per year) and 30 had a household income of less than EC$6,000 a year (US $2,222) or EC$200-$500/month. All but one of the three households with an income of over EC$36,000 a year (US$13,333) are in the urban area. For comparison, The World Bank (2015) listed Grenada’s 2014 Gross National Income as $7,850. Household income is listed without remittance income. Ranges were provided for household income both with and without remittances, because culturally, Grenadians hesitate to provide exact income information to unofficial queries. This limited some elements of analysis such as finding mean income among participants. Other sources are used to provide this information. Grenada has a National Insurance Scheme (NIS) that is the equivalent of social security and pays sickness, disability, childbirth, aging and death benefits to those who pay into it. The age benefit is paid at age 60 to those insured. NIS serves as the national pension plan with both employers and workers contributing at least 500 weeks to be eligible. NIS was established in 1983 and 20 of the sample received income from this source.

![Figure 12. Household Income (all)](image-url)
CPA 2008 indicates that in 2006 only 25% of elderly were covered by NIS. Grenada has no unemployment insurance benefit even though it has the highest unemployment rate among OECS (24.4%) and one of the highest in the Caribbean. More women (32%) than men (18%), 42% of youth and 35% of the poor were out of work. Respondents were asked to select a household income range and then state sources of income for all household members. The options offered were a) work, b) money from friends/family abroad, c) government payments, and d) other sources (please describe). Separately, they were asked to select and describe remittance income and 26% of the study received over EC$500 a month, 30% between EC$251 and EC$500 and another 26% between EC$101 and EC$250. The distribution of household income before remittances is not significantly different for remittance and non-remittance receiving households. Figure 14 shows distribution without remittances and it is close to the distribution in Figure 12. However, an additional monthly

31 The East Caribbean Dollar is a currency shared by eight of the nine Organization of East Caribbean States (OECS) that are members of the Eastern Caribbean Currency Union. Six of these countries are independent: Antigua and Barbuda, Dominica, Grenada, Saint Kitts and Nevis, Saint Lucia, and Saint Vincent and the Grenadines. Two, Anguilla and Montserrat, still remain British overseas territories. The British Virgin Islands is the ninth member of OECS, but it opted to use the US dollar. The currency replaced sterling when it was established in 1965, as the Caribbean states approached independence. It became tied to the US dollar in 1976 at a rate of EC$2.70 (US$ .37), which it maintains until currently.
Figure 13. Average Remittances

remittance income of US$185 (US$2,222 a year) significantly improves households standard of living and ability to save, invest, educate and provide healthcare and medicine. The 2008 Country Poverty Assessment (CPA) indicated that given the high cost of food in Grenada and the average adult equivalent household average size of 2.61, households require at least EC$1,271 per month for food in order to be adequately fed.

Figure 14. Average Income Remittance Households

The Grenada Social Safety Net Assessment estimated 2008 inflation at 8% with 59% of that accounting for increases in food prices. The remittance amounts provided by participants did not include barrels of food received from family abroad. The CPA also
indicates “although remittance income is important to the country, its development can be better anchored in its productive base, which, with appropriate measures, can put the country on track to realize employment and income growth for the resident population” (CPA Volume 3, 20). The study shows a predominant pattern of use of remittances to stabilize households and provide access to strategic services that would not otherwise have been possible. As Figure 13 indicates, with 30% of the study’s households receiving between EC$251 and EC$500 a month (US$93 and US$185 a month, US$1,116- US$2,222 per year) in remittance income, there is enormous potential for remittances to be a flexible force controlled at the household level to protect the household economic base and foster growth.

**Education**

The sample population showed significant variability between urban and rural education levels. Rural participants were 71% primary educated and had another 7% with primary plus some trade training (e.g., construction, sewing, computer engineering, the type of training offered by NEWLO described below). Urban were 51% primary educated, and in addition to trade school accounted for most of the tertiary educated (highly skilled) respondents.
Figure 15. Urban-rural Education (all)

CPA 2008 found that at a national level 6% of household heads are tertiary educated and 65% of heads of households attained only primary as the highest level of education. They reported that although functional literacy and school enrollment are high, especially among quintiles 4 and 5 distance from schools, access to books and ability to pay bus fare affects school attendance and participation. Of the sample of 118, there were eight university graduates (seven of them were urban) and 27 secondary school graduates, disproportionately urban. When segregated by remittance receiving and non-remittance receiving households, more remittance receiving households had gone to trade school and they were largely in the construction trade, all self-employed. In spite of financial support offered to needy and deserving students by organizations such as GREned, secondary school education still faces significant barriers for rural students, which include unafforability of school books and school uniforms which are mandatory. Remittances help to defray these costs. The slightly lower than national average level of secondary school education in the sample may reflect the dynamic of an older, more rural
population that characterizes heads of households as Grenada now has universally free and compulsory education for ages 5-16.

Grenada’s literacy rate is 95% and The Grenada Industrial Development Corporation statistics indicate that in 2011 Grenada had 82 primary schools, 22 secondary schools, three technical and vocational training centers and three tertiary institutions: T. Albert Marryshow Community College (TAMCC), Grenada’s Medical School listed as St. Georges University (SGU) and a non-campus facility of the University of the West Indies (UWI Centre). Prior to establishment of SGU in 1976, Grenada had no tertiary institutions, all tertiary and specialized skill training (except primary school teachers and manual trade) was gained offshore. As an example, police were sent to Barbados and England to be trained. Even today, Pan American Health Organization (PAHO) and the World Health Organization (WHO) are collaborating to train nurses offshore through bilateral arrangements.

Although none of the random sample included anyone who was affiliated with SGU, as Grenada’s largest institution, it significantly reduces skill and brain drain, is the Island’s largest employer and its most significant source of foreign currency.\textsuperscript{32} Established as an offshore medical school, primarily training students from the US and Canada who return to their home countries for their internship and residency periods, SGU is one of the early institutions in the Caribbean medical school market, which by

\textsuperscript{32}In addition, the University contributes US$225,000 for hospital equipment and general welfare each year and provides salary supports for its educational programs at the hospital. The University employs more than 600 Grenadians, with that number increasing as new professionals are brought on staff for the School of Arts and Sciences. It built an impressive city of campus buildings and its building program has contributed significantly to employment levels within the local economy.
2011 numbered 60 medical schools, 31 of them offshore, the other 29 regional. The skill drain/brain drain data of institutions such as the World Bank usually counts Grenada’s SGU graduates that rotate off the island and by doing so inflates Grenada’s already serious brain/skill drain data (see Footnote 3). In 2013/2014, SGU enrolled 6620 students from 96 countries across four schools (medicine, veterinary, arts and science and graduate studies) and exported most of them under the offshore model. Grenada educated and exported more than 900 residents in 2015, in all more than 11,000 doctors left for 140 countries after clinical training in over 60 hospitals in the US and the UK. On the other hand, SGU’s faculty of over 2000 includes some of medicine’s prestigious names who come to Grenada to teach certain courses.

During SGU’s first ten years, fewer than five places in a class of approximately 600 students were reserved for Grenadian students. In all, over the years the medical school has provided a little over 100 scholarships to Grenadians. With the launching of the School of Arts and Sciences in 1997, and the Grenadian government providing 91% paid scholarships for Grenadian students to attend the university, enrollment of Grenadian students in the School of Arts and Sciences grew to more than 50%, although levels remained very controlled in the School of Medicine. The Grenadian government also provided scholarships for a limited number of Grenadian youth (variable, but with an average of 100 per year) to study abroad. They were bonded and under obligation to return and work in Grenada. Many of these students go to Texas, Morocco and Beijing.

SGU, United Nations Offices (UNDP and UNEP) and the hospitality industry draw foreign high skilled individuals to Grenada. However, Grenada lacks the managerial class for farm, government and private sector jobs; an indication of a
deficiency in education that adequately prepares workers to meet industry needs. Given the OECS/CARICOM model of regional institutions with the borderless flow of skilled labor, countries with better institutions and more tertiary educated draw the labor pool. This is an area that requires more study and recommendations are made in this regard in the next chapter.

Another institution referred to in the data is NEWLO (New Life Organization) a two-year program established by Grenada’s churches in 1984 that provides youth with free post primary trade and vocational training that provides practical alternatives to farming for rural youth. This organization is responsible for almost all of the trade school training referred to in the study.

Home Ownership

Eighty percent of the rural participants and 72% of urban owned their homes.

Figure 16. Urban-rural Home Ownership (all)

A social stratification model is required to understanding the extensive ownership of land and homes even among the poorest in Grenada.\(^{33}\) The poorest of the poor

\(^{33}\)M.G. Smith writing on Stratification in Grenada (1965) indicated that since emancipation in 1838 so little changed in Grenada in more than 100 years that in 1950
obtained land for homes through three avenues. First, through the “land for the landless” campaign that Eric Matthew Gairy initiated in the 1950s, as a part of his labor union organizing, poor, rural workers were given land from the estates on which they were laborers. These plots were large enough for a house with a small garden. Secondly, some redistribution was done willingly by plantations through their relationship with ex-slaves. Several of those interviewed indicated that their “Janet” house was destroyed by Hurricane Ivan and this is the third means through which many of the poor acquired homes. Hurricane Janet, a tropical cyclone and one of the strongest hurricanes on record, killed 147 people and destroyed almost all of Grenada’s houses. Britain and other European countries rebuilt Grenada and provided a wooden house for anyone who needed one; in all they built 5000 houses, locally called ‘Janet Houses’. Since Janet, the traditional approach of home ownership and expansion in Grenada is to build within one’s means and to improve with household wealth and savings. Worker remittances have played a large role in creating household wealth that built, renovated, upgraded, expanded and sustained the housing stock. This phenomenon has been described more fully in the background, referred to in the literature, and illustrated in the thematic analysis in Section C. After Hurricane Ivan, the Chinese government built about 500 houses for the poor. This was the largest donation to the housing stock at this time.

At the mid-level strata, houses were inherited or purchased – most without a mortgage, building bit by bit over time. The significant mortgage holding sector is within the upper tier. Apartment buildings, a recent and emerging development around the St. Grenada still had an elite of 7% and 93% was everyone else. The “Land for the Landless” Program began a sweeping social transition.

34Interview with Dr. Dessima Williams 7/22/15.
Georges Medical School, meets student housing needs but may have some contribution to the lower rates of urban home ownership reflected in the data. In larger economies, there is a pattern of rural to urban flows before outward migration which accounts for some population displacement. There were, however, few instances of this pattern in remittance receiving households in the study. With the exception of migration from Carriacou and Petite Martinique to mainland Grenada, urban or rural people seems to be able to find their way directly to Trinidad, Barbados or Guyana or whereever the opportuntity for work or tertiary education was located. Family members called on family in Brooklyn or in Port-of-Spain as easily as they called on those in St. Georges.

*Home Insurance Coverage with Cost as a Deterrent*

![Figure 17. Ivan Reconstruction (all)](image)

The data shows that only 10% of Grenada’s population had homeowners insurance at the time of Hurricane Ivan. This is borne out by the study where 91 of the sample households owned their home but only 11 were insured\(^\text{35}\). Ninety-seven percent were damaged and within a year 91% had rebuilt. Most of the 30% who responded

\(^{35}\text{This is not unique to Grenada; a World Bank (Williams et al. 2013) study found low levels of insurance throughout the Caribbean. For example, only 8.9\% of Jamaican households were insured in 2009.}\)
“partial rebuild” were building back in brick and doing so incrementally based on
cashflow. The few with formal insurance had a household monthly income of more than
EC$3,000. Figures 19 and 20 below illustrate the gap between the desire to ensure and
the absence of faith in insurance institutions as a risk protection mechanism.

Figure 18. Ivan Damage (all)

Reasons for non-insurance extend beyond costs. When asked “If you could buy
insurance to protect your home at an affordable price, how likely would you be to buy
insurance” (Figure 19) only 60% responded “likely” or “very likely”. This was lower
than the response to the statement “insurance is worth having” (Figure 20) where 72%
indicated “agree” or “strongly agree.” Some respondents had lost premiums to insurance
fraud and everyone knew someone who had, this created a deep mistrust for insurance as
an institution. The impact of the failure of the regional insurance conglomerate, CLICO
and its subsidiaries is described more fully in Chapter III.
Business Ownership

The survey did not anticipate farming as a business and questions relating to income and losses from farming as a business were not provided in the survey. For example, questions documenting loss in the hurricane were restricted to loss related to buildings and property and did not include questions on the massive destruction of trees and crops. Throughout the interviews rural households indicated that their income sources, as well as food sources had been devasted by the impact of the disaster on their farms. One participant indicated that three trees remained of his acre of nutmeg trees. It takes a nutmeg ten years to bear and fifteen to reach full maturity.
The research revealed a higher level of business ownership among remittances receivers than among the larger survey sample. This is supported by other data such as the higher number of remittance receivers who accessed trade training and started their own businesses or those who received barrels and used the content for businesses. The survey did not anticipate farming as a business; instead, this pattern emerged from the interviews and its relationship to remittances must be explored more fully. The data also indicates that remittance receiving households are almost evenly distributed between rural (48.84%) and urban (51.16%) households, whereas the sample population is 36.44% urban and 63.56% rural.

Figure 22. Business Ownership Remittances

Of the 118 households sampled, 43 received remittances, 21 were rural and 22 urban; 74% owned homes, and 32 of their homes had to be rebuilt. Fifteen owned businesses that included a guest house, shops, carpentry and masonry, barbershop, food
catering musicians and several that engaged in farming as a business. In all cases, they ran their business out of their homes or adjoined to their homes.

**Figure 23. Urban-rural (all)**

**Figure 24. Urban-rural (Remittances)**

**Section B: Remittances**

**Figure 25. Average Income (Remittances).** Note: Figures 25 and 26 correspond to Figures 13 and 14 on pages 118-119.
Educational Profile of Remittance Receiving Households

For many remittance receivers post-secondary or post-primary education tended to be trade school (17% of participants). There was one university educated household among remittance receivers in the study—a medical doctor, for whose household remittances were gifts used primarily for savings and for facilitating private school education. This study found it important to establish skill level of households from which emigrants leave and which they continue to support. Education is used as a proxy for skill level and where possible is supplemented by actual employment information.

Figure 26. Average Amount of Remittances

Figure 27. Education Among Remittance Recipients
The survey and interviews were able to collect data that suggested whether remittance senders were working in highly skilled jobs or less skilled ones. Most of the highly skilled workers were in the nursing profession.

Table 2

*Skill Level for Remitters and Remittance Receiving Households*

<table>
<thead>
<tr>
<th>Remittance Receiver</th>
<th>Skill</th>
<th>Education</th>
<th>Remittance Sender</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recipient Highly skilled</td>
<td>1</td>
<td>university</td>
<td>professional</td>
</tr>
<tr>
<td>Recipient medium skilled</td>
<td>2</td>
<td>secondary</td>
<td>nonprofessional</td>
</tr>
<tr>
<td>Recipient lower skilled</td>
<td>40</td>
<td>primary</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>43</strong></td>
<td><strong>43</strong></td>
<td><strong>43</strong></td>
</tr>
</tbody>
</table>

Table 2 summarizes data on both the skill level of receivers and senders. If, as the literature suggests, education is used as a proxy for skill level with tertiary represented as highly-skilled and lower-skilled used for all others, then the sample had one highly skilled remittance recipient. Estimating the actual skill level of the remittance senders was possible by information provided by the recipients or by the description of how they emigrated. Nurses and those in banking largely accounted for the professional group.

Table 3

*Uses of Remittances*

<table>
<thead>
<tr>
<th>Food &amp; Clothes</th>
<th>Save in Bank</th>
<th>Improve Home</th>
<th>Health &amp; Meds</th>
<th>Education</th>
<th>Bills / Emergencies</th>
<th>Invest in Business</th>
</tr>
</thead>
<tbody>
<tr>
<td>25</td>
<td>14</td>
<td>6</td>
<td>19</td>
<td>9</td>
<td>9</td>
<td>5</td>
</tr>
</tbody>
</table>

Investment in food, savings and health care are the three primary uses of remittances to the sample population. Table 3 above indicates that 58% of households used remittances for food and clothes (half of them said they bought food and not clothes
as their relatives also sent clothes), but it also filled the health insurance gap as 44% of households depended on remittances for healthcare and medicine. Thirty-three percent saved some of their remittance. It facilitated education, maintained and improved homes, responded to emergencies and promoted business investment.

Although Grenada’s remittances rose by 66% from $US48 million in 2003 to US$73 million in 2004, the year Hurricane Ivan devastated homes in Grenada, only 12 of the 43 responded positively to the survey question “Did money you received from abroad help to repair your home.” The in-depth interviews revealed a pragmatism where households used all assets available to help rebuild and recover. Several remittance-receiving households indicated that international churches seeking new members helped them rebuild, the Chinese government built 500 homes for the most in need, the United States Agency for International Development (USAID) and other agencies distributed roofing sheets and plywood through the Grenada government. Almost all participants reported receiving money and barrels of goods from family and friends abroad which helped them recover and restore all that was lost in the storm and “build back better.”

Most of the 17 households that had used remittances to increase savings indicated that they were able to draw on those savings to meet emergencies such as rebuilding after the hurricane. They also spoke about building back in concrete and how family members helped them do so little by little over time. In several cases, the church helped them put back up the structure, but over the following months or years, family members abroad helped them add the porch. Only one of the respondents indicated receiving funds from an insurance policy, but it was insufficient to rebuild so he took a loan and had to keep
the insurance until he finished paying off the loan. He planned to cancel the insurance as soon as the loan was paid because he felt it did not serve him well.

Grenadian households consider future household emergencies as a factor in supporting the emigrant leaving. “When I need, I pick up the phone” is a frequent response to questions about frequency of remittances, apart from those who receive remittances on a monthly, quarterly or annual basis. Almost all households receiving remittances received transfers on “special occasions” as well as “when there is a need.”

*Post-hurricane Reconstruction*

![Figure 28. Ivan Reconstruction (all)](image)

The study did not show a significant difference between rates of rebuilding among remittance receiving and those that did not after Hurricane Ivan although among the few that did not rebuild are four stories of remittance arrangements that failed. These are dealt with more fully in Theme 6. The in-depth interviews provided the insight that of the four households that did not rebuild two relocated and two felt abandoned by family abroad and were are still trying to get some assistance to rebuild.
Figure 29. Ivan Reconstruction Remittance

Section C: Themes

Of the 43 remittance-receiving households, 32 agreed to in-depth interviews which were conducted in person with follow up by phone as necessary for clarifying questions. In 17 instances, the respondent wanted to tell the story of the relationship with the emigrant; these became the case studies. One of the largest number of non-responses in the survey and evasiveness in the interviews was in responding to the question regarding the emigrants source of income “what do they do?” In some cases it was apparent that the status of the emigrant was being protected. The in-depth interviews are summarized in the six following themes that illuminate how these spatially diversified households are constructed and how they function as contributors to building resilience. Supported by the respondent’s words, the first five themes describe contributors to success within transnational households and Theme 6 addresses instances when emigration did not serve households:

Theme 1: Enables household to set up a foreign beachhead so it has “Someone on the outside”
Theme 2: Sends children away to be educated — “When they prosper, I prosper”

Theme 3: Enables Household Advancement without Debt — “This is your cow…take care of it”

Theme 4: Establishes agreements around caretaking in the absence of health insurance — “I took care of him now he is taking care of me”

Theme 5: Responds to emergencies — “When I need, I call”

Theme 6: Emigration does not work as a development mechanism when the social contract is broken — “If only they looked back”

**Theme 1: Enables household to set up a foreign beachhead so it has “someone on the outside”**

The NELM and transnationalists literature establishes the concept of spatially diversified households, an alternative way that emigrants largely from poor, lower-skilled household build household resilience. This emerged as a strong theme in the study. One participant, F.C. (Age: 51-60 years, secondary education, grew up rural) stated, “We had no one on the outside, I had five sisters, I had to go so they would have someone.” He describes how he did so: “We were poor, my father drank, my mother was a cook in the only hotel in Carriacou. When I was 17 I left school and went to work in the government power station and made $15/day. I knew this could not work, my family needed someone abroad who could help us out of poverty”.

He tried to get a visa to America but failed. So he went to the regional airline office, Leeward Islands Air Transportation (LIAT), and said, “Tell me all of the places that do not require a visa”; they gave him a list — St. Vincent, Barbados, Antigua, Bermuda and Canada. He bought a 21-day ticket for EC$520 in 1973 and went to all of
those places. In Bermuda, he made $400 in one week before he entered Canada on a visitor’s visa using the address of a random business as his destination. Trying to leave the airport, he stood in front of the elevator trying to figure out how to use it when a couple came up. They asked where he was from. Upon hearing he was from Grenada, they told him they had gone to Carriacou and stayed at its only hotel. They knew his mother and invited him to stay with them. He did so for two weeks and learned he could apply for landed immigrant status. Within a few months, he was legal in Canada. He sent home barrels (bought five of everything) and money (his sisters all finished secondary school in the years before a secondary education was free and compulsory). When he met a woman who felt he was spending too much on family and told him he had to choose them or her, he asked her to leave. He sent for his brother, his five sisters, and his mother. They all came on legal visas. Then he sent for his entire class: “They came two by two and stayed at my house in Canada. We put a chair at the foot of the bed so they did not fall off.” He returned home and bought a house in St. Georges and turned it into a guest house charging $100 a night. His sisters and his friends send him barrels and money, much of which he saves, invests or uses for the guest house. He finished his education in Canada and became an airline pilot.

Others such as Ms. X (primary educated, 18-30) who now lives with her mother-in-law and her three young children whose only source of income is remittances of $201-500 a month said, “One of us had to go because we were not doing well, he is in New York.” When asked what he did in New York both she and her mother-in-law became very tense and refused to respond. “He does informal work,” she indicated in a followup call when her mother-in-law was not around.
The concept of “family on the outside” was particularly important to rural families in a time when secondary schools were expensive and the family’s vision for their children went beyond planting cocoa and nutmeg. After leaving primary school, Mr. F’s nephew could not find work and asked him to work on the farm, he told him “I will give you work but not for long, I want you to think about your future.” He got a friend in Brooklyn to send for his nephew and paid his passage. He did the same when his eldest daughter got pregnant after finishing primary school. When she got pregnant the second time, he said “leave the children with us, you have to do something with your life.” Mr. F’s motivation was for a better life for his children but he had a larger view of family advancement, he said “When they prosper, I prosper.”

*Theme 2: Sending children away to be educated “When they prosper, I prosper” (Mr. F. over 60 years old, farming as a business, primary education).*

For rural families in a small market the rural to urban migration is not the path to prosperity. Friends and family in a foreign market where there is the opportunity for work and further education is a better option both for those who remain and those who leave. This usually involves some level of sacrifice for all; those who stay forego the essential farm labor of those who leave, in those cases where those who emigrate leave children behind the choice is painful. For those farming as a business, it could mean the end of the business, but it appears that the family gambles on someone wanting to return and carry on the family farm.

In the case of Mr. F, that person may be his nephew who has asked him to help him find a nice piece of land by the river as he is thinking of building his house for his return home. In the meantime, the household receives remittances totaling more than
$500/month from that nephew and Mr. F’s two daughters in Canada (a geriatric worker and a housewife), augmenting a household income of $201-$500 from sale of produce and a NIS pension, enabling the household to buy school books and school uniforms for the younger children and the grandchildren left behind, and to even save some for a rainy day. His wife also receives money separately from the children. Eighteen years ago when he had the conversation with his pregnant daughter, he envisioned that one day she would send for her younger sisters after sending for her own children. He told her “once you go, look back and think of who you left behind.” Today his last daughter has graduated from secondary school and wants to be an attorney. Her sister is working with her to go to school in the US. He said, “I invested in them so they can invest in each other.” He told his nephew, “When I am sick look for me, but for now take care of your future.” He has never had to ask him for the remittances he sends.

During Hurricane Ivan, Mr. F. lost most of his nutmeg and cocoa trees, as well as the roof on the house and all of the household appliances. When the rain stopped, along with his wife and last son he assessed what needed to be done. He first fixed the house and then restored his farms one by one. He did not wait for the government to help. In 2-3 weeks they cleaned up everything and got the farms back in order. He ploughed his savings into Ivan recovery and thanks God he had some savings, which was made possible by the remittances he had received from his children over the years. His children also sent barrels of food and household goods. The following year when the island was again hit by a strong hurricane, Emily, he thought about getting insurance. He does not want to consider his children his insurance because he does not want to “make it a must” for them to support him. For him “when they prosper – I prosper” and when he
needs something, he asks. His children visit every 2 to 3 years, and he has plots of land for them. When they are ready, they may come back and build their houses on their land. The most important thing to him is that his grandchildren get a good education.

In many instances, the family lends the emigrant their bank account as proof of sustainability so they can travel. This was the case with Mrs. E.J. (primary educated, over 60), a business woman whose shop is in front of her house and who rents out two other small buildings on her property as kiosks– she has a total household income of $1500-3000. She receives remittances of $251-$500/month from her daughters who live in the US. She used her house papers to help her daughters go to the US, one who is now a nurse and has lived there for 14 years, another whom she recently helped to escape an abusive husband. Grandchildren from both daughters continue to live with her and the money she gets from her daughters help to pay for their children’s education and that of their younger siblings. Mrs. E.J. gets a barrel from the US every year and sells about 30% of its contents. She does not have insurance because she cannot afford it, but even if it were affordable, felt she may not consider purchasing insurance because the odds of never using it are too great.

In the few instances in the study where the household was tertiary educated, such as Ms. E.B. (60 years, Carriacou) who has had a secondary school education but also finished teacher’s college, there was significant and expected investment in her daughter’s education. She provided her the first level of tertiary which Grenada had at the time (TAMCC, a 2-year college) after which her daughter worked in a bank in Grenada, and then she helped her emigrate to the US to finish college. Her daughter now works as an accountant and occasionally sends remittances of between $251-500, much
of which Ms. E.B saves and invests in her shop. More importantly, her daughter sends her frequent barrels, the contents of which she sells in the shop. Once a year she would travel to the US, visit her daughter and they both would shop and send a barrel back to Carriacou. Her monthly income is between $500-1500 including a government pension. She has no house insurance, never considered it, but says it is worth having. She has life insurance and health insurance because she had been a government employee.

**Theme 3: Household advancement without debt “This is your cow...take care of it” (Mr. B. primary educated, over 60 years old, farming as a business)**

Home ownership among Grenadians is high, and carrying debt has traditionally been frowned upon, therefore the statistics both in this study and in the general population data show high levels of mortgage-free ownership and no insurance. There is a tradition among rural families to give the child something that is her own from the farm even if it is just a chicken. Mr. B. recounted how values were changing in Grenada. He recently had a conversation with a young man who told him that in order to get anything in life you had to go into debt. But Mr. B. said he could not sleep with debt and he did not know anyone who could; everyone he knew owned their home without a mortgage. He pointed to the home of a local medical doctor in the village who has been building his house for more than a year “when he accumulates enough money he builds the walls, then he accumulates more money to build the roof.” He told the story of another man, a successful businessman in the area who began with one fowl. “He sold eggs. His farm grew, he bought turkeys, then pigs, then goats now he owns a trucking business and sells building material.” Mr. B describes the philosophy of rural people taught to him by his
mother who did not have even a primary education but understood the value of investment:

“My family was poor, she raised us alone. My father left and went to Trinidad and every now and then would send my mother money. When I was nine years my mother gave me a cow — she said ‘this is your cow, take care of it.’ She also gave a cow to each of my three other brothers.” Every day he took care of his cow before going to school and again in the afternoon. There was no time for play. When his elder brother decided to go to England, he sold his cow, but the money was not enough, so the other three brothers decided to sell their cows and gave the money to him so that he could travel. His brother worked and sent money back and sent for his three brothers. He said, ‘My mother did not have an education but she believed that even if all you had to give your children was a fowl — it is an investment, mind it.’”

Mr. B. owns his home. Although he considers himself retired, he still works both his land and his brother’s. He has a household income of between $201 and $500 from an overseas pension, sale of products from his garden and NIS and he receives remittances of EC $251-$500 from his brother in England who is also retired and lives in England for more than 40 years. When he was in England, he sent money to his mother. His brother was planning to return home but recently discovered that the insurance he purchased was not what he though and changed his mind about coming back home to live. Mr. B. lived in England from 1961-71 and returned home when he could not take the cold anymore. The money from his brother helps to pay bills and buy medicine.

His wooden house fell down during Hurricane Ivan. Things were bad – he did not see how he was going to rebuild. With his brother’s help and that of the church he was
able to rebuild completely in a new durable product called concrete board at $130/sheet. He does not believe in insurance. “They are tricky,” he said. “They take your money…save your little money and in God we trust.” He lamented Grenada’s changing values “Some families these days don’t feel responsible for each other and young people want to get rich quick.”

Families sometimes run their households like a multinational business. Mrs. L.C. (Carriacou, primary educated) is 84 years old and lives with her two adult sons and grandchildren in a big, concrete, two-storied house. A farmer all her life, she supplemented her income as an elder care worker. She has eight children, six of whom are in the US and two in Carriacou and more than 20 grandchildren, five or six in the US Army, many of these she raised before their parents sent for them to go to the US. Her children in the US work as a caterer, seamstress, hospital worker, mechanic, and doing body-work. One son who lives with her is a full time farmer (farming as a business) but he also helps run their shop near the home where they sell stuff which they receive from monthly barrels sent by family members in the US. One son travels to the US and back regularly to shop and runs his business as a mechanic out of the house. She receives remittances monthly of over $500 and does not receive any pension or Government payments. The money she receives is used to buy food and clothes, pay doctor bills and buy medicine, improve the home, and for savings. On special occasions like birthdays or Christmas, the remittances increase. She has no insurance whatsoever and believes that insurance is good but not for poor people.
Theme 4: Agreements around caretaking with no health insurance  “He takes care of me as I took care of him” (Ms. E.P. primary education, 101 years old, urban)

Almost every household had a story of decisions around caretaking. In several instances when the opportunity arose, they decided that someone would take care of all the children including those of the emigrating family member and the elderly parents:
“"I raised my nephew and my sister’s children while their mother went to England. He was my special child. Now he takes care of me, he sends me everything I need. He owns a funeral home in Brooklyn and he pays for SD to take care of me and comes to chat with me several times a year.”

Ms. E. P. never married; she took care of her nieces and nephew when their parents went abroad. She used her house papers to send her nephew to the United States and over the years he sent her money and barrels. He owns a funeral home in New York and takes care of all of her needs. He pays a fulltime caretaker to live for her. She proudly calls her nephew her “special child.” He visits often and spends hours chatting with her. She receives NIS but her household income is mostly from remittances. When Hurricane Ivan destroyed her house, her nephew moved her to a new, solid brick house with wheelchair accessibility and good neighbors.

Like Ms. E.P., Mr. P.B. (primary educated, 31-40 years old, rural) raised his nephew. “My sister left her son with me, I raised him.” His nephew just graduated from secondary school with 10 subjects and now has a job with the government. Mr. P.B. describes himself as “a serious Rastafarian” and as living “in a Ghetto” (he built a wooden house on somebody else’s land while his sister in the UK was helping him build his house which was destroyed by Hurricane Ivan. He received some trade training and
works as a mason and a farmer and earns between $1501 and 3000 a month. He is also a
musician and sells his CDs as well as produce from his garden. He is a businessman.

After Ivan and Emily, he now he has a heap of about 2000 bricks but had not rebuilt
because now there are new government guidelines. His aunt has been living in the US
for more than 11 years babysitting and taking care of the elderly. She now sends him less
than EC$100 a month and on his birthday, but now that his nephew is grown, she is no
longer helping him build his house. Instead, she bought another piece of land and is
planning to build her own home there.

Families find solutions so they can take care of the elderly in their homes.

Retirement homes are not a cultural norm in Grenada. With an aging population of
retirees with savings and foreign pensions there may be room for a high quality
retirement community but one does not currently exist. Ms. R.F. (secondary educated,
51-60, rural) is the live-in caretaker of her cousin’s aunt who has dementia. She was
unemployed and living in Trinidad, her children are grown. Her cousin, a kindergarten
teacher in the United States said, “come and stay with my aunt in Grenada who has
dementia, and I will pay you.” She sends remittances of between $501 and $1500 every
two months which takes care of all of her aunt’s needs. When there is an emergency, she
sends more. She also sends barrels.

And when more than one sibling want to travel and there are elderly parents they
decide who goes and who delays going and stays as the caretaker, “I stayed and took care
of our mother and then our father and my sister went to the States and worked as a nurse
so we could pay the bills.” Ms. P.C. (primary educated, 41-50) took care of father and
inherited the family home but it was badly damaged in the hurricane and 11 years later
she is still looking for help to rebuild. After Ivan, she got a promise of help from USAID — the house is covered with a USAID tarp. She is a single parent with two children, one a 15 years old with a disability and an unemployed son who lives with her. Her household income is less than $200. Her sister sends more than US$500 every quarter although she now is disabled, and more on special occasions such as Christmas, Mother’s Day and on her birthday. She increases payments when there is an illness. After Ivan she got three times the regular amount and a barrel but the damage to the house was too extensive. She is rebuilding in small increments as doctor’s bills and medicine are also expensive and uses a lot of the remittances. She does not feel positively about insurance, she knows of too many losses.

There are times when emigrants leave but return when if their departure does not work for the family. Mrs. P.C. (80 year old, primary educated) with a household income of $501-1500 said, “I left the children with my husband and went to Canada as a maid when my aunt who had emigrated gave me the opportunity to do so as well. One day I got a call from my son’s teacher, she said ‘it is good for you to be in Canada, you can make money but your children need you.”’ Mrs. P.C. returned home. When her last child was graduating from secondary school she made plans to leave again. Her daughter said to her, “Mommy, give me this chance to go instead.” Her daughter went as a maid and now works for the Canadian government, she sent for her siblings. Mrs. P. C. receives between $250 and 500 a month from them. Her last son stayed home to help her take care of his sick father and runs a mason business out of their home.

Similarly, Mr. L.J. (primary, 51-60) went to Trinidad in 1980 with his mother’s help and sent money and boxes home. His mother also helped his sisters go to the US
and Canada so they could help themselves. He said they grew up without a father, so the family depended on each other. They all left their children with their mother. But the children got to be too much for his mother. She told him, “come back, the children need you.” So he did. He came back home and went to work as a laborer on a plantation, farmed the family land and helped his mother take care of his sisters’ children as well as his. “Our wooden house fell down in the hurricane and our sisters built it back in brick…” All the appliances and furniture were also sent from America. His mother’s sister owned the house, the household income is between $1,501 and $3,000 with three people working now and they receive remittances of more than $250/month. His sister is trying to send for one of his sons to go to Canada. They send money to take care of the mom when she is sick and to buy medication. They also get money on special occasions such as Christmas and when there is an emergency such as Hurricane Ivan. They had to stay in a shelter after Hurricane Ivan as the old Janet wooden house they lived in was rebuilt with remittances into a beautiful solid brick house. They rebuilt bit by bit and now the entire house is finished.

They still do not have insurance because they know people who have had bad experiences with it. Insurance salesmen came around, sold them a policy, and pocketed the money; people thought they were insured until they had an emergency and realized that it was a scam. That scared a lot of people. They get remittances via Western Union which became popular after 9/11. He believes a lot of the rural bank branch closures (RBTT, Scotia) are because people are now getting money through Western Union. Mr. L.J. was concerned about trends, privatization on one hand, but inefficiency of the marketing board to which small scale farmers like him sell their products. Out of acres of
trees, Ivan left him with just 10 nutmeg trees. They get barrels from their sisters who also ship furnishings such as the beautiful marble dining room set, living room set, modern kitchen appliances, TVs and furnishing. The sisters plan to come back to Grenada to live.

**Theme 5: Responds to emergencies: “When I need, I call”**

The spatially diversified household functions as a private emergency response unit. Family members called for education expenses, they called after the hurricane, in medical emergencies, when stocks are low, the elderly cared for or a family member needs to escape an abusive husband. These calls go in both directions, family members abroad also call when in need.

Mr. B. (secondary, 31-40) is a police officer and backyard farmer who owns a rural home. He grew up with his aunt and her two children who were more like his siblings. His grandmother helped his aunt emigrate and she works as a geriatric caretaker. She sent for him but he did not want to live in the US. He receives between EC$251 and EC$500 several times a year and more if he has a special life event. He receives a barrel occasionally and on special occasions. For example, he is planning an official 85th birthday celebration for his grandmother. Family members are coming from Trinidad, his aunt from the US and she will send a barrel with everything needed for the celebration. When Mr. B lost his roof in Hurricane Ivan, his aunt sent funds to help him fix it. He has had no major emergencies but knows that if he did he could count on his aunt to respond. The barrels of food and goods she sent after Hurricane Ivan helped the family recover quickly.

Ms. E.M. (primary, 18-30) was one of the youngest and poorest participants in the study; yet, though living in the rural area neither she nor her child went hungry. The
Interview was conducted under a cashew tree with cashew fruit and nuts falling all around us surrounded by a red carpet from a nearby cherry tree. Living in her boyfriend’s house, she had no income except the remittances she occasionally receives from her cousin who has lived in Canada for over 20 years, and now some income from babysitting. Household income is less than $200 a month. She is trying to get work on a cruise ship as a housekeeper but the couple who recently moved to Grenada and are operating the placement agency for work on cruise ships charge a fee of EC$3000 for training and placement. She is trying to raise the money and her cousin is helping. In the meantime, she has tried to help herself by going to NEWLO for hospitality training and spending a year in Imani, a new government-run internship collaboration with businesses for young people that currently has 9000 young people enrolled. She did not complete the program because she failed the “customer is always right” test. Occasionally, her cousin sends her a barrel. She lived with her mother during Hurricane Ivan and the house was completely destroyed. They did not rebuild. She does not believe in insurance because family members have lost money in insurance.

Recruitment to cruise ships is a changing emigration pattern and families seem to get less remittances, less frequently from those working on cruise ships. They also do not get barrels. One example is Ms. E. M. (primary, 51-60), a small-scale farmer and vegetable vendor who sells her farm goods by the side of the street. Her total household income is $200-$500 a month and includes government assistance. She receives a variable amount from her son who has worked on a cruise ship for the past six years. Sometimes she gets as much as EC$250 but often it is less. The remittances help to pay the bills and contribute to education expenses of her other children who are all in
secondary school. She gets no barrels, and school uniforms and shoes are expensive. Life for her is difficult. Much of the produce she sells she buys wholesale. Her house was completely destroyed in Hurricane Ivan. She rebuilt it within three months and then it burnt down. She rebuilt it again. She does not have a mortgage and does not have insurance. She does not trust insurance since the failure of CLICO and others.

Ms. A. M. C. (primary, over 60) also has a daughter in Imani, a son on a cruise ship, and a son who is a consistent remitter. She helped him go to Trinidad, and he met and married a woman who lives in England who sent for him. He sends her mother between $101 and 250 every three months; she uses this to buy food and medicine. She also gets money from a daughter in the US. Her household income of $501-$1500/month includes NIH, the stipend her daughter receives from her enrollment in Imani program and income from another daughter who works. Years ago, she left an abusive husband, joined a Susu (savings club), and built her little wooden house. When Ivan completely destroyed her house, the Pentecostal Church helped her rebuild. She was not Pentecostal so she joined the church. She now has a concrete house (no mortgage, no insurance) with an extended porch which her son helped her build.

Theme 6: Emigration does not work as a development mechanism when the social contract is broken “If only they looked back”

Both Ms. C.C. and Ms. J.P. feel that when family members who leave do not look back, those who remain have greater difficulty lifting themselves out of poverty. “They did not look back, all we needed was a hand up and we would have been able to cope,” said Ms. C. C. (primary, well over 60) who lives in a tiny apartment above a store in an industrial neighborhood. Her granddaughter and great granddaughter live with her on a
household income of less than $200 a month. She lost her house to Ivan and was not able to rebuild. She has three daughters in Canada and Trinidad but they rarely send anything to her or their children who live with her. Sometimes at Christmas, she would get less than $100, but mostly they don’t look back. Her granddaughter said “jobs are hard to find, if they would only send a little money every now and then we could make it.” Her great granddaughter is completing secondary school and hopes to find a job immediately. If not, she will join Imani.

Ms. J.P. (primary, over 60, urban) is a retired street vendor with a household income of $501-$1500. She does not own a home but raised eight children (five boys, three girls) in a small rented house, and as a single mother she paid $825 a quarter per child for school fees. She describes her children as bright and sweet as children; she put them all through secondary school and one of them got eight subjects and did well for herself. None sends her money on a regular basis — this hurts her deeply. She believes her children are ashamed of her and her poverty. She said, “you don’t make them to come back to mind you but what am I, chopped liver? I spent everything I made on their education. I ask them ‘what did I do that was so wrong?’” One son works on a cruise ship but has never sent her any money. Another son lives in California and helped with school fees and books for his youngest sister. But since she graduated he rarely sends money. Once when he had visa problems he came home for two years until he got on his feet and did not look back. Her last daughter runs a small beauty shop out of her house — her last son also lives with her but is unemployed. Another son’s two children live with her but he provides no support. A ray of hope in her life is a young woman she took in as a child who had no place to live, so she raised her as one of her own. Then she
helped her go to the US to live with an aunt and when she found work she sent her occasional small remittances. Ms. J.P. told her “take care of your mother and then help me if you can.” Recently, she told Ms. J.P. now that she is legal and has sent for her mother, she will increase remittances to what she used to send to her mother.

Emigration also does not work when the contract is broken by those who receive remittances. Mr. J.L. (secondary, 31-40) is a Mason who was a single parent with three houses and a business in Grenada. “I needed capital, so I left my daughter, properties and running the shop in the care of my mother and my sisters and went to Canada to work in construction…but when Ivan destroyed my houses they got material from the government and rebuilt their own houses, they did not look out for mine and when I returned they were so addicted to the money I sent they were angry when I decided to stay.”

He is rebuilding his life, has an income of $501-1500/month, lives in the urban area and receives small gifts occasionally from friends in Canada. In addition to working as a private contractor as a mason he teaches Tai Kwan Do but is disappointed by what he considers to be a lack of discipline in Grenada. He feels quite bitter about his family and feel that people who receive remittances do not appreciate how hard emigrants have to work, that his family had no understanding of what it must feel like to work outside as a construction worker in Canada’s winter, so they misused what he send them.

He came back to Grenada to hear people talking about “Eating a Food” – meaning not working for what they want but getting it for free. He believes they are speaking to extensive corruption in the system that is set up to rip off rather than support returnees. He said, “As a returnee, you are expected to pay for everything everyone uses until you
run out of money, and then everyone goes away.” Even his daughter does not speak to him now. He feels that the insensitivity is systemic. For example, although education is free the books change every year so many families still don’t send children to school because they cannot afford the books without help from family abroad. He is in court with the State which stopped his rebuilding of two of his houses because he was doing so in concrete without an official plan, and since Hurricane Ivan the State requires a building plan for certain houses. However, he has difficulty accepting the uneven application of the laws as he was building on his own land, not affecting anyone else’s property and knows others with friends in government who did not need a plan to rebuild in concrete.

Summary

1. The interviews confirmed, complemented and expanded upon survey findings. They confirmed that more unskilled than skilled households emigrated and both remittance senders and receivers were lower skilled.

2. The interviews also confirmed that households do not insure for life, health or property even when they can afford to do so, but that at least for the 36% of the study that received remittances, households were able to compensate for the deficiencies in the system and create a buffer of savings, business investments and investment in their homes. The interviews expanded the data to illustrate the impact of Hurricane Ivan on agriculture, the primary income source for rural dwellers as approximately 97% of Grenada’s agriculture was destroyed. After the hurricane rural households depended on aid and remittances to survive. The literature established that approximately US$25 million (difference between 2003 level of US$48 and 2004 level of US$73) in assistance
came to households through remittances and that foreign governments including USAID and the Chinese government helped with infrastructure reconstruction and building of homes. But the interviews provided a profound story that created a bridge from Janet, the former devastating hurricane of 1955 to Ivan of 2004. With a broad base of household members abroad Hurricane Ivan recovery took months while Hurricane Janet recovery took years.

3. The interviews expanded the understanding of the higher level of business ownership among remittance receiving households (35%, Figure 22) as opposed to 25% (Figure 21) among non-remittance receiving households which was revealed by the surveys. Although proportionately more urban households than rural household receive remittances (Figures 23 and 24), the interviews supported the finding that more rural remittance receivers than urban used remittances to start off-farm and farm-related businesses. Through the interviews an understanding emerged of the lack of community structures that provided opportunities for poor populations that were higher remittance receivers to invest these funds in income generating enterprises that met vital community needs. Small businesses are the economic lifeblood of rural communities. Farming feeds rural households but only those households that have something to sell are able to save and meet health and education needs of families. Remittances serve as a buffer to crop failure. Often what rural households sell comes in a barrel from family and friends abroad. The interviews provided examples of how cash remittances enabled household to purchase farm inputs, to save and to expand.

4. Rural youth who received remittances were more likely to attain trade training and work as independent contractors as Grenada’s high unemployment rates leaves rural
families at a disadvantage with most of the off-farm jobs located in the urban area. The government ministries are all located in St. Georges and it is difficult for rural dwellers to get the much coveted government jobs. The country’s industry base in very narrow and are tied to the tourist industry which centers around Grenada’s famous Grand Anse beach, its only deep-water harbor and yachting industry and the St. George’s Medical School all based in and around St. Georges. The interviews describe how facing fewer opportunities, rural families depend on their members who emigrate for support of the household particularly during adversity. Remittances facilitate post-secondary education – whether trade school, paying the high cost of the 2-year college (TAMCC) or SGU or more frequently facilitating emigration.

5. Complementing the findings of the surveys, the interviews supported the theory that households make migration decisions based on a complex of household needs and in response to anticipation of risks that they cannot cover while remaining in a single market position. This is reflected in the sharing of child rearing so that those who travel can earn in a higher market or acquire higher skills; or in the sharing of the care of the elderly as collaboration between those who leave and those who remain. The interviews not only established the frequency of that pattern but the inter-generational nature of it. For example those who stayed and took care of children left behind, were then taken care of by those children when they emigrate.

6. The interviews also complemented the surveys which highlighted systemic issues and historical patterns that required further exploration. One example is that the surveys indicated an absence of faith in the insurance industry. However, it was through the interviews that the CLICO failure emerged and the connection to all of the past
negative experiences of these poor households who at some point had became victims of the door-to-door insurance salesmen only to realize when they faced crises that they had no insurance. Another issue is the glass ceiling to tertiary education on the island both with SGU and TAMCC. The interviews illustrated that the cost of access was prohibitive but by going abroad young people could work and help themselves while getting an education, thereby helping siblings and contributing to the household.

7. The interviews expanded the scope of understanding with regards to circularity. In as many as 9 of the 17 case studies, household members who were remitters became receivers of remittances. Many with Green Cards are regular circulators, spending part of the year in the US getting medical care, visiting their families, working, shopping and shipping home barrels which they use for businesses.

There was not a single instance where a remittance receiving household reported that the individual made the decision to emigrate independent of considering the needs of the household as a whole. The case studies volunteered the information that emigrants had important needs that would serve as barriers to emigration without the support of the remaining household members. Whether it was taking care of the emigrant’s children, land, property or sharing responsibilities (elderly parents), emigrant household members owed a debt to those who made it possible. Although this reciprocity is well known it is not well documented and has great significance for small island developing states.
CHAPTER VI

CONCLUSIONS

This dissertation examined the effects of remittances of lower skilled emigrants on two issues that are of great significance to small island developing states (SIDS). These issues are risk mitigation and management and improvement in livelihoods and living standard (expressed in terms of savings, investments, education and healthcare). It set out to establish a source country perspective to contribute to a gap in the labor migration literature that predominantly posits an immigration perspective from the viewpoint of destination countries, and to use new theories and a triangulation of methods to do so. New theories of labor migration that use the household as the unit of decision making and the assumption of circularity as the goal of emigration enable a deeper explanation of patterns of risk insurance, remittances and return that are common features of SIDS emigration. These theories also accommodate an evaluation of non-economic factors such as household structure in explaining the commitments and agreements that underpin those patterns.

Building on Grenada’s two country poverty assessments that occurred in 1998 and 2008, primary data is collected through a survey of 118 randomly selected households in Grenada and in-depth interviews with 32 of the 43 respondents that received remittances and agreed to in-depth interviews. The findings of this study were used to develop recommendations for source country policy making and scholarship.

This chapter concludes the dissertation by first discussing issues relating to the study’s structure. Secondly, it connects back the findings to the application of theory. Third, it makes practical recommendations to policymakers and scholars of SIDS.
development and migration studies, for more effective polices to improve the lives of emigrant sending households and enable their mobility to contribute to national development, while relieving them of some of the burden of risk. Finally, it closes with some observations and concluding statements.

Discussion of the Structure

Surveys and in-depth interviews were conducted to describe and analyze the effects of Grenada’s emigrant remittances on risk mitigation and poverty, particularly with respect to lower-skilled emigrants in the 118 households included in the study. The demographics of the simple random sample reflected the population demographics. Geography, level of education and income in Table 4 illustrates how they compare:

Table 4

*Population demographics vs. demographics of study sample*

<table>
<thead>
<tr>
<th>Distributions</th>
<th>Sample</th>
<th>Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urban/rural</td>
<td>36% urban/64% rural</td>
<td>36% urban/64% rural</td>
</tr>
<tr>
<td>Level of education</td>
<td>68% HH primary</td>
<td>65% HH primary educated (CPA, 2008)</td>
</tr>
<tr>
<td>Income$^{36}$</td>
<td>28% poor</td>
<td>37.7% headcount poverty (CPA, 2008)</td>
</tr>
</tbody>
</table>

In achieving its goals, the study contributes to a source country perspective on subsidiary phenomena, such as institutional failure and return migration as it contributes to a necessary and emerging framework. It uses this framework to better understand the above issues in the particular context of small island developing states (SIDS). The World Bank (2013) describes the special conditions of SIDS as characterized by heavy

$^{36}$Because the study used ranges instead of absolute household income there is some variation between the sample and the population
reliance on imports and tourism, with limited productive sectors, a large elderly population, small labor markets with limited skilled labor, high unemployment, and especially vulnerable to economic and environmental shocks.

The persistence of a fragmented and weak institutional environment challenges small states, negatively affecting their administration and sustainable development, shifting the burden of risk to households while limiting the choices available to them to mitigate those risks. As these small island states face diminishing Overseas Development Assistance and loss of preferential treatment by former colonial powers they have taken stock of their assets and found potential in their Diaspora, returning nationals and the various remittances and capital that the migration process offers. Current theoretical frameworks of circularity and transnationalism as described by NELM accommodate an examination of the other issues which are important to understanding SIDS emigration. The study applies these theoretical frameworks to draw meaning from its findings, which in turn, support, illustrate and expand upon the literature as they strengthen a SIDS perspective.

Overall, the dissertation rests on the underlying theories that were well described in the literature review and triangulates the survey and interview results to each other and to the literature of both the theories of the New Economics of Labor Migration and those of Circularity and Cumulative Causation, along with a continued comparison with that of empirical data from official sources. In doing so, the analysis of the study describes how the theory and findings apply to Grenada’s patterns of migration and provides evidence of the effects of lower-skilled migration as a contributor to development in Grenada. In
addition, it argues that policymakers and scholars can benefit from these findings. An analysis of the findings in the context of the theory follows.

Application of Theory to Findings

Evidence of Agency in Lower Skilled Emigration

The 43 remittance-receiving households present a view of emigration as a dynamic household decision making process. More lower-skilled than highly-skilled, more rural than urban, the compelling story is one of agency. The decision to emigrate, whether made by the émigré or some other household member, often a parent, was typically taken after assessing the effects on the entire household and the opportunity weighed against alternatives. Often the care of children was involved with decisions about who would take care of them made on a communal basis. Forty-seven percent of Grenada’s households are single women headed (UNICEF 2010), and households are typically complex and multi-generational with elderly parents, siblings and children of those abroad and those at home as well as other family members who are not in formal employment but who are contributing to the household needs.

Remittance receiving households in the study maintained fluid and continuing relationships with those abroad. Beyond the 43 households currently receiving remittances there are many that said they used to receive remittances indicating a change over time in the circumstances to which remittances were tied. In most cases, as Massey (1987) and others indicated, remittances are not altruistic, they are intended to take care of children left behind, to take care of obligations to parents, to care for the land and the workers, and to repay loans under informal agreements to those who put up their house papers and their bank accounts for the emigrant to get a visa to travel. Emigrants
returned in a pattern where they lived part of the year in Grenada and the remaining months in the destination country where their pensions, savings and often, their children continued to reside. The above represents the core of the study’s finding and it is replete with people’s agency on behalf of themselves and those they consider family.

Although this study did not have the opportunity to extensively examine the case of highly skilled emigrants as there were only six among the 118 households, and only one highly skilled emigrant among the 43 households who received remittances in the study, the multi-generational household pattern that applied to most of the study’s lower-skilled emigrant households, seemed to extent to highly-skilled households as well.

Beyond the 118 households in the study, in the process of conducting the surveys many skilled returnees volunteered their stories, and the care of parents or those who acted as parents emerged as a common theme. Households shared common responsibilities and benefits, and families facilitated the emigration process.

The findings presented in Chapter V are discussed below and given additional meaning in the context of NELM’s three cornerstone R’s of risk, remittances and return and the concepts of circularity and cumulative causation. This is followed by recommendations and concluding statements.

*Risk*

Figure 7 in Chapter I raised the initial question about the risk sharing nature of Grenada’s emigrant households and the need to better explain the 40% post-Ivan spike in 2004 remittances, an increase of over US$25 million from 2003 and representing a historic high level. The study provided evidence that household risk assessment occurred within a mutual interdependence framework where emigration was used to solve a range
of economic and non-economic household problems. Given the many instances of families deciding how to take care of aging parents without insurance, expand a family home without a mortgage, or educate the next generation without access to tertiary institution, income security, savings, education and training emerged as motivators for emigration. The interviews enabled more complex motivations for emigration to emerge such as a parent helping an adult child escape an abusive marriage or, parents helping a teenage daughter after two pregnancies “find her footing” through emigration.

Households were responding to risks generated by imperfect markets and absence of institutions that enabled households to mitigate crises such as illness, unemployment and other personal and systemic hazards routinely covered by insurance and systems of social protection in advanced societies. Low tertiary education levels even when there are local options (albeit expensive), may reflect the concern that tertiary education is a high risk investment and one not easily made within a country when there are few professional opportunities to recoup the investment. Respondents frequently talked of putting up home or bank account papers to enable a family member to travel for an education, and it was seen as a recoverable investment. On the other hand, no one spoke of doing the same to facilitate local tertiary education.

Information, technology, insurance and financial institutions are not symmetric in Grenada, and choices responding to market failure are not available to all equally. Some risk-mitigation strategies are well known. As an example, because the island is small even the poorest families know how to get on the list for free healthcare in Cuba when Grenada’s poor healthcare infrastructure failed to present adequate diagnosis and treatment.
In their Mexico studies, Massey et. al (1987) found that where social protection is weak, markets imperfect, and/or income opportunities are limited, Mexican households performed consumption insurance analysis to control economic risk where they are vulnerable to exogenous shock. They found that families then put in place diversification strategies to maximize income, minimize risk and mitigate market failure. This pattern was reflected in the findings of this study and supported by empirical studies by Williams et al. (2013) who found that even though Grenada instituted some social protection systems in recent years such as National Insurance Scheme (NIS) for the aged and to cover maternity leave, because the level and extent of coverage is so thin, the poor, the unemployed, the young and the ill are still quite vulnerable and underserved and show limited responsiveness to shocks.

In addition, with increased regional mobility based on CARICOM and OECS labor policies promoting freedom of movement, many workers are at increased risk because regional harmonizing of social protection systems and policies to facilitate portability of insurance coverage is still lagging. In terms of disaster recovery, several Caribbean-wide products are under development. Among them, the Caribbean Catastrophe Risk Insurance Facility (CCRIF) created in 2007. Another product, Grenada’s partnership in the 2013 development of a Livelihood Protection Policy (LPP) supported by the Munich Climate Insurance Initiative (MCII), may begin to fill the risk management void to compensate vulnerable low income individuals in the form of small cash payouts after extreme weather events. A World Bank report (2013) suggests that this facility may be used more extensively to increase social protection and make social safety net programs more efficient and effective. Until Grenadians can count on social
protection systems such as these, households bear the burden of risk which they manage through labor diversification strategies.

Remittances

In 2011, Grenada imported 48% of its goods and services, lower than the mean for the world’s small states (57%) and higher than the world mean at 30% of GDP (World Bank 2013). Food prices were affected by several significant global trends, and Grenada’s already high food prices made some food items largely unattainable for most households. In 2008, Grenada’s inflation was 8%, and food price increases were responsible for 59% of that inflation (The Grenada Social Safety Net Assessment – SSNA 2010). Grenada has the highest poverty rate among OECS, and 54% of Grenada’s poor are children.

Rural households that are able to live off the land to a significant degree do so, but they also develop a “calculated strategy,” such as that articulated by NELM, to embrace emigration when the opportunity presents itself or to seek the opportunity to emigrate when the need arises. Sometimes the decision is based on an imminent crisis (economic or otherwise) or an assessment of relative deprivation, also as articulated by NELM. For all of the reasons described above, for 36% of households in the study attaining the ability to remit served as an important motive for emigration and a central consideration in decision making particularly as it relates to rural out-migration. Many of those who took the opportunity to emigrate as domestics or farm workers were not domestics or farm workers at home but were willing to take those jobs in destination countries to serve the larger goals of the households. Others that went abroad to higher education or training did so supported by household resources and begin sending money
home as soon as feasible and for as long as needed. The benefits to the households emerged as findings in the study. Many of those benefits were necessary consumer goods the household could not otherwise be able to acquire.

For example, respondents spoke of building their homes with cash and expanding them with cash often provided by family and friends abroad. Furthermore, for those caring for the elderly, from Depends to Zantac, family members abroad sent barrels containing everything needed for elder care. In Grenada, medicine is either herbal and wild crafted or so expensive that only the wealthy could afford it. The above sometimes is called the barrel economy, and even families that do not receive cash remittances often receive an annual barrel of goods from family and friends abroad. Respondents suggested that the prevalence of cell phones was one outcome of that economy. Of the 118 households in the study, all but three had a cell phone. Initial efforts to locate listed landline telephone numbers to set up interviews did not prove useful because few households have landlines. The listings reflected those who did so often were urban, affluent households, tourist serving enterprises or businesses. Once contact was made, 97% of households had the means for follow up calls—on a cell phone.

Remittances also affect the levels of education and training, savings and business investment, and these were described in the previous chapter where the data was presented and described. The findings reflected the literature in establishing the correlation between household income and human capital investments. As indicated above, remittances are most often not a result of altruism but based on a complex mix of inter-temporal contractual agreements of mutual support, co-insurance, and investment motives. The literature argues that emigration positively affects households when they
are disproportionately poor and when a large number of that sector who emigrate return. Although the study did not directly investigate rates of return, it found that approximately half of remittance recipients were themselves former emigrants or circulators and that most remittance recipients were from lower-skilled emigrant households.

Return

NELM sees emigrant return as a success and a logical outcome of emigration. Often, failure of the emigrant to return was linked to failure in the plan, often as a result of external processes that were not foundational to the plan. The literature claims that building a home and planning an early retirement in it, or at least a circular retirement, is often the goal. But Grenada’s healthcare system is not efficient and in many cases the plan to return requires an option for healthcare in the former destination country.

Examples of necessary policy and infrastructure development such as those that facilitate transferability of pensions and sharing of benefits are discussed in earlier chapters and recommendations are made below.

In recent years, many countries have developed policies and launched experimental programs aimed at promoting circularity to fit a paradigm shift toward perception of emigration as intended to be temporary. This can hold significant benefits to investment and development as well as support programs such as the mentoring of youth listed in recommendation 3 below. Chapter 3 describes additional programs from the literature that facilitate innovations in investment to be studied and proposals developed for adaptation. Some examples are France’s, Italy’s and Sweden’s bilateral labor agreements with African and East European countries promoting the circular flow of trade in services (Saez 2013). Although programs are tailored to the specific
circumstances, one type called co-development initiatives uses microcredit funds of EU development agencies for projects in cooperation with migrants who continue to live abroad and invest their personal savings in their home country. In one such bilateral collaboration, a 1 + 3 financing scheme (one quota consists of the immigrants savings, one quota from a bank loan and one quota from the France’s development agency), local public administrations assist Moroccans living in France to set up businesses in their home countries. France has similar programs with Senegal and Mali where individual or collective projects work with local NGOs or associations to co-finance local income generation and development projects (Zupi 2002). A key contributor to these programs’ success is the involvement of home country governments through enabling policy framework, appropriate training and public sector support.

The literature indicates that the key to return is the ability to re-emigrate as necessary and that this is true for both highly skilled and lower skilled emigrants. Like many other Caribbean states, Grenada has participated in farm worker and hospitality worker programs with the United States, Canada and the United Kingdom that provided temporary opportunities for lower skilled workers and even programs for training nurses and other professionals. However, OECD countries are creating new kinds of programs that promote entrepreneurship in source countries and facilitate mobility and circularity. Communication and information technology, affordability and speed of transportation as well as access to information fuel this circularity. It also improves monitoring and control on the part of states and recommendations are made on this below.
Circularity

The theory of circularity provides explanatory power to movement of human capital found in SIDS, where not just one cycle but repeating circuits of the phenomenon of emigration and return is the norm. It also explains the flows of other capitals associated with labor migration. These include economic, political, social and financial capital. Many Grenadians hold a US Green Card and enter that country every six months to maintain their permanent immigrant status. The study shows that Grenadians value the opportunity and that they use these regular periodic visits to shop for their small businesses, take care of healthcare needs, stock up on basics at discount prices and visit with family. Many without a Green Card come to the United States on vacation seasonally outside of a temporary worker program and find work in the building trades or in the care sector for the extent of their visa. There is significant circulation of money, goods and labor around caretaking, that is, among those who stay to take care of family while others work in the United States. In a few instances, participants spoke of rotation where family members from abroad return to take care of the elderly for a few weeks while those who chose to stay at home went to Canada or the United States to maintain their Green Card and enjoy a shopping–medical care vacation or even find short term work.

The regional structure of Caribbean institutions through CARICOM and sub-regional institutions through the Organization of East Caribbean States (OECS) is based on the principle of circularity. The University of the West Indies serving the entire English speaking Caribbean is set up with three campuses in three larger, more developed islands, Trinidad, Jamaica and Barbados. To become highly skilled, most citizens of
smaller island states have to emigrate. Other institutions, such as the OECS high court system, is based on one island, currently St. Lucia, and serves all OECS countries. This structure begs the question of how to incentivize those that leave to return. The answer may depend on how many PhDs a system without a university can absorb. Those countries with the better institutions and greatest number of tertiary educated benefit most from international systems based on circularity. The secret to viability in a circularity framework lies in removing the blocks to free flow of talent, and extracting optimal benefits from each cycle of the flow. Grenada’s failure to address two kinds of barriers that weaken the benefits of circularity are briefly discussed below: 1) the lack of a management class and 2) the lack of adequate systems of social protection.

A recent World Bank study (Williams et al. 2013) found that Grenada was seen as having an excellent pool of lower-skilled workers to support foreign direct investment needs, but that sourcing management and technical staff was a problem leaving a gap for 40% of employers. Employers particularly had difficulty finding employees with appropriate soft skills. On the other hand, for those who emigrate for purposes of education there must be a job to come home to at a level that will pay a student loan incurred in US or Canadian dollars? Without an alignment that addresses the needs of the supply and demand of management level labor, any hope of return in that category of worker is deferred at least until the student loans have been repaid. Grenadian governments have tried to address skill gaps by providing a small number of scholarships for training abroad tied to a bond to return. Beginning with the Peoples’ Revolutionary Government of the early 1980s, Cuba provided free training to a generation of young Grenadian doctors and other professionals that are currently serving in Grenada. This
gap, however, has not been filled by SGU and management level professionals remain one of Grenada’s significant labor gaps.

A second barrier is Grenada’s weak social protection system, a driver for lack of return on the lower-skilled end. For a small number of the poor, social protection offerings include conditional cash transfers and medical, medication, home repair, food transfer, school feeding and emergency assistance. Yet, the practical effects are negligible because investment is too small. Like many SIDS, Grenada provides an emergency cash transfer program in the event of an unexpected shock and has a Basic Needs Trust Funds that provides community investments. The real benefits of all of these programs have been limited to a small number of beneficiaries, with the result that except for abject poverty which decreased significantly between 1998 and 2008, rates of headcount poverty and unemployment remain the highest among OECS countries, and there is no safety net for the middle class. The 2008 CPA indicated that the reduction in abject poverty may have been tied to these limited social protection investments. However that is doubtful given the deficiency in these programs. The hurricane recovery inflow may have made a significant contribution to the reduction in abject poverty.

Grenada’s recently launched first long-term planning process offers new opportunities to be proactive in addressing the causes of migration and in establishing polices that reduce risk, provide an enabling investment environment for remittances and returnees to contribute actively to the development agenda and for households to harness the benefits of circularity. The recent global focus on circularity can benefit from the EU model of building partnerships with members of Diaspora communities who want to return. Models are included in recommendations below.
Cumulative Causation

Myrdal (1954) held that cumulative effects are not a function of the single event but of all the other changes in the system that occur as a consequence of that event. Cumulative Causation may be applied to each household decision to emigrate that fosters education and healthcare and enables households to lift themselves out of poverty, build businesses, accumulate assets and savings and affect the lives of future generations. For the emigrant, this single intervention also changes circumstances that otherwise would offer few opportunities for skill training, overcoming limited options for tertiary education and for accumulating savings.

However, the introduction of the St. Georges Medical School is more clearly the sort of “primary change” agent Myrdal had in mind in articulating the thesis that a single institutional change or innovation can have circular impacts with cumulative effects that are far-reaching. As one of 30 off-shore models, SGU’s potential for wider impact is enormous, but its effects on circularity and skill retention has not been evaluated. Evidence that the full potential and magnitude of its cumulative effects has been fully explored is missing. Its contribution is obvious from an aerial view of the southern peninsular of the island in 2015 versus an aerial view prior to SGU’s establishment in 1976. Today, a new sprawling, modern and self-contained city exists where before there was only grassland and a few houses. This city connects (and is in symbiosis with) the other industries that define the mostly foreign wealthy class who own and manage the tourist and yachting industry. This area also serves as a Mecca for well-established retirees who are mostly returnees. Yet, as the full cumulative potential of SGU has not been realized, the question remains whether the failure is in the offshore model or in the
government ability to optimize the primary change agent. The services, apartment
buildings and visitors that the school brings to the island also counts; as do the potential
cumulative effects on improved health services, and the image and brand improvements
the presence of a successful medical school bring to the island.

Yet, given the focus on brain drain in the mainstream migration literature, the
question continues to be asked of Grenada: “What would have occurred had its skilled
labor force not migrated?” Given the Grenada context where emigration is still required
to attain skill, questions connecting skill and emigration are important. For example,
what if Grenada was able to use St. Georges University to produce a more highly-skilled
labor force? Or, what if the Grenada was able to develop a functioning healthcare system
that absorbed more of the graduates of the medical school? What if it created incentives
to train and adequately absorb the soft skills and trained managers that would enable
Grenadian youth to adequately fill the needs of economic entities and dramatically reduce
unemployment? SGU’s skill level contribution is obfuscated by the brain drain analysis
as trained doctors leave the island for internships and residencies. The replacement effect
of hundreds of physicians and PhDs that the medical school brings to the island and that
stay on the island as a function of the medical school must be measured and factored in to
account for Thomas Hope’s argument (2006) that emigration of skilled labor does not
necessarily have a negative effect if there is an equal inflow.

Apart from the consideration that many Grenadians who emigrate do so to acquire
higher skills in the first place, there are critical data gaps affecting comprehensive
analysis that would facilitate a strategy for long term solutions to Grenada’s higher
education gap/skill gap problem. In addition, given the success of the Caribbean
Community’s (CARICOM) 1998 Protocol II to liberalize regional movement of skilled labor to foster the regional Single Market Economy, policymakers might ask “How should Grenada position itself to maximize this opportunity?” How should it conceptualize a plan to enable all who emigrated to acquire skills and want to return after doing so to return earlier as opposed to at retirement? There is insufficient information for a comprehensive strategy and this presents an important need for a large scale study to address some of the questions above. Elements for such a study are outlined later in this chapter under recommendations.

In the final analysis, Grenada has to deal with the issue that with 40 years of a tertiary institution on the island the level of tertiary educated falls short of the country’s economic development needs. The State must also deal with the fact that the presence of the medical school has not improved healthcare on the island and it must create policies to better leverage opportunities. For example, with a medical school on the island, is there potential for attracting retirees home with an exclusive retirement community option where high quality medical care is provided? Evidence of cumulative effects are found in apartment buildings and tourism but this innovation could have greater development effect and benefit for skill circulation and return as well as higher potential for leveraging donor interest in building sustainable health care systems as a sustainable development strategy.

Policy Recommendations

These recommendations will enable government agencies, communities and scholars to increase source country development potential with benefits particular to
lower skilled emigrants, increasing productive use of remittances to their households and optimize gains from circularity.

*Recommendation 1.*

Data improvement to provide more accurate information

Improve the quality of data available on the effects of Grenada’s emigration, by creating a comprehensive study of migration and remittances, evaluating effects for both highly skilled and lower skilled immigrants and disaggregating the findings of the study.

First, analyze how Grenadians acquire higher level skills and tertiary education and the extent to which they have to emigrate in the first place to acquire those skills. Such an analysis will help to contribute a SIDS focused analysis of brain and lower skills circularity.

Secondly, evaluate how the OECS structure of regional institutions and CARICOM policies affect the data on skill mobility and the applicability of the concept of brain circulation in the regional context.

Third, create a Grenada-originated analysis of skills flows that can be of benefit to other OECS countries given the exceptional CARICOM and OECS models that foster regional institutions, freedom of movement and circularity.

Fourth, assess SGU’s contribution of education and skills to Grenada. What are its effects on the general level of skills and scholarship? Estimate what would have been the capacity of the island to retain these skills without SGU. Provide leadership in the Caribbean by evaluating the effects of the offshore medical school model and how to make the effects more cumulative.
Fifth, an examination of the research instruments of the last Country Poverty Assessment (CPA) illustrate that the weakness in collecting remittance data, which resulted in the lack of data for a thorough analysis of effects of remittances. This should be rectified in the next CPA.

Recommendation 2.
Jobs Program to Mitigate Youth Emigration Solely for Work
Assess youth jobs programs from a long term sustainable developmental perspective and with a view to reducing youth unemployment by 50% to bring Grenada’s unemployment rates within range of the other OECD countries and with the goal of even further reduction across the system.

First, make employment a priority issue for Grenada and job creation for youth a major part of any long-term planning strategy. With no unemployment compensation provisions, Grenada has the highest rate of employment among Caribbean SIDS, (25%) and an unacceptable rate of youth unemployment (48%).

Secondly, assess cruise ship training and placement programs as an opportunity for youth employment. Cruise ship placement as an emigration option may not further the networking and remittance model that has benefited Grenada to date, but particularly among youth there is interest in those opportunities, and such a program can be part of a youth unemployment reduction strategy. Participants in the study indicated that a local recruiting firm’s $3,000 cost to be trained and recruited by cruise ships is prohibitive for them and success dubious. As a tourism-based economy, the country can benefit from a hospitality training model that can help close the gap between skills and market need for labor.
Third, examine public/private models for financing such a program evaluation models such as the Florida based Carnival Cruise Lines’ Scholarship Program that was developed in collaboration with the Florida Prepaid College Foundation that partners with the Miami HEAT Academy as an innovative financing option for training and placement of youth.

Fourth, evaluate current trade training programs and business community needs to close gaps, align mismatch between business needs and available talent and set progressive targets for meeting management level skill gaps with local talent and develop skill building programs to fill the gap. The church-based training school, New Life Organization (NEWLO), seems to be providing valuable training to youth. However, even after attending NEWLO and serving in the government-sponsored Imani internship program, scores of youth still remain unemployed and unemployable while jobs remain to be filled. An evaluation of what is still missing beyond NEWLO and Imani is necessary as organizations indicate difficulty finding talent with soft skills for the available jobs. An obvious need is to create a subsidiary customer service training program for developing soft skills.

Recommendation 3.
Promote Grenada’s active participation in the transnational circulation of skills and promote bilateral labor agreements that are favorable to emigrants

First, provide leadership in promoting collaborations on co-development projects to result in creative innovations, deeper involvement of emigrants in their home countries and new investment of skills and job producing enterprises from effective public/private partnerships, and between local NGOs, migration organizations, financing institutions,
donor agencies and government institutions. Explore host country productive reintegration programs that provide grants and assistance schemes for migrants who plan to start a business in their home country.

Secondly, create a strategy to provide support to those who wish to invest remittances in small businesses that are more lucrative and engaging for youth. More than 34% of those in the study who received remittances owned small businesses as opposed to 20% of non-remittance receiving households. A recent World Bank (2013) study indicates opportunities for small businesses in fisheries and organic vegetable farming in Grenada.

Third, explore new sources of partnering and funding for collaboration on research. As global institutions develop new interest in the power and potential of the circularity of labor, new sources of funding are available for research, surveys of returnees and Diaspora for precise information on what would optimize circularity. Research should identify SIDS appropriate models such as Jamaica’s program to match open jobs at home with needed Diaspora skills with the view of possible adaptation and replication. At a minimum, appropriate models should show results in:

1. Safe mechanisms to incentivize returnee households to increase savings and investments
2. Support for Diaspora linkages back to home country
3. Improved institutional frameworks
4. Improved social protection
5. Advanced approaches that support circularity such as transferability and portability of pensions and benefits
Finally, Grenada has the opportunity to connect two strong demographics in the migration story: youth and retirees. Youth mentoring programs engaging Diaspora and Grenada’s youth can yield benefits to both. With Grenada’s high unemployment rate and Grenada’s 2003 public debt of 113% of GDP which almost doubled in 2004 with Hurricane Ivan, increased investment in unemployment insurance may not be feasible. Therefore, innovative alternatives for investment in training, particularly in the area of customer service must be explored.

Concluding Statement

The dissertation responded to the dissonance that occurs when data for SIDS is translated using the same model and scale as that used for large countries with large budgets, populations and land masses. Movement of a population that can all fit into Penn State University’s Stadium which seats 107,282 may seem insignificant, but the populations of the 52 SIDS\textsuperscript{37} are to a large extent the arms and legs of the care professions and farm labor in developed countries.

SIDS by redefining islands as guardians of the oceans were able to change the climate change adaptation and mitigation conversation and posit a scenario where policymakers began to see these islands beyond the few miles of their land mass but extending over the 200 miles offshore that each island manages. Similarly, through their

\textsuperscript{37}Thirty-eight SIDS are UN members, 14 are not. The following are the 34 UN affiliated SIDS: Antigua and Barbuda, Bahamas, Bahrain, Barbados, Belize, Cape Verde, Comoros, Cuba, Dominica, Dominican Republic, Fiji, Grenada, Guinea-Bissau, Guyana, Haiti, Jamaica, Kiribati, Maldives, Marshall Islands, Federated States of Micronesia, Mauritius, Nauru, Palau, Papua New Guinea, Samoa, São Tomé and Príncipe, Singapore, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Seychelles, Solomon Islands, Suriname, Timor-Leste, Tonga, Trinidad and Tobago, Tuvalu, and Vanuatu. SIDS are located in the Caribbean, the Atlantic, Indian and Pacific Oceans, the Mediterranean and South China Sea (AIMS).
contribution to a transnational migration analysis, SIDS can play a significant role in redefining their labor market and the value of labor migration to their sustainable development as well as to the wellbeing of developed countries.

This redefining requires a source country perspective in order for significance and differentiation to be recognized. Measured by percentage of labor force Grenada is one of the leading sending countries; and measured by contribution to GDP, Grenada is a significant remittances receiving country. Studies of Grenada can add value in terms of emigration and risk management, potential for remittances’ developmental use and the harnessing of the value of Grenada’s Diaspora as emigrants plan to return and actually do. The core of this study’s finding is that the agency of lower-skilled emigrants and their families expressed as mobility, is as important to the island’s development as increasing insurance and risk management products, expanding options for tertiary education and skill development on the island, and providing creative decent paying jobs to absorb those skills.

None of the above can be achieved without a strategic analysis of the problem. This requires the development and translation of real data. In Grenada, usable information is not easily accessible because of the confidential nature of some of the data. When the data exists from household surveys and population censuses these surveys and censuses only partially cover concerns about migration and are still very general since they do not target this theme exclusively. Inconsistencies have been observed between data on the same topic depending on the source, because of the different definitions and methods of calculation used. Data is interpreted using a broad, general lens and attention is not paid to SIDS exceptionality.
A comprehensive alternative approach aimed at improving statistical migration data and analysis from a SIDS source perspective must be implemented. Such an analysis must bring together household surveys, risk and institutional analysis findings, emigration and returnee surveys for Grenada and for other OECS countries, and new theories and emerging international policy recommendations. These should be integrated into a national planning such as Grenada’s first long-term planning process which is currently under development. Out of such a process, both skilled and unskilled emigration would be leveraged for developmental byproducts that contribute to national development and contribute to lifting the standard of living of the most highly affected countries.
APPENDIX A

INSTITUTIONAL REVIEW BOARD NOTICE OF COMMITTEE ACTION

The project has been reviewed by The University of Southern Mississippi Institutional Review Board in accordance with Federal Drug Administration regulations (21 CFR 211), Department of Health and Human Services (45 CFR Part 46), and university guidelines to ensure adherence to the following criteria:

- The risks to subjects are minimized.
- The risks to subjects are reasonable in relation to the anticipated benefits.
- The selection of subjects is equitable.
- Informed consent is adequate and appropriately documented.
- Where appropriate, the research plan makes adequate provisions for monitoring the data collected to ensure the safety of the subjects.
- Where appropriate, there are adequate provisions to protect the privacy of subjects and to maintain the confidentiality of all data.
- Appropriate additional safeguards have been included to protect vulnerable subjects.
- Any unanticipated, serious, or continuing problems encountered regarding risks to subjects must be reported immediately, but not later than 10 days following the event. This should be reported to the IRB Office via the "Adverse Effect Report Form".
- If approved, the maximum period of approval is limited to twelve months. Projects that exceed this period must submit an application for renewal or continuation.

PROTOCOL NUMBER: 15031605
PROJECT TITLE: Remittances as Contributor to Poverty Reduction and Risk Management in Granada
PROJECT TYPE: New Project
RESEARCHER(S): Dianne J.R. Forte
COLLEGE/DIVISION: College of Arts and Letters
DEPARTMENT: Political Science, International Development and International Affairs
FUNDING AGENCY/SPONSOR: NIA
IRB COMMITTEE ACTION: Expedited Review Approval
PERIOD OF APPROVAL: 04/07/2015 to 04/06/2016
Lawrence A. Hosmani, Ph.D.
Institutional Review Board
APPENDIX B

SURVEY AND IN-DEPTH INTERVIEW QUESTIONS

Interviewer name__________________________Respondent #_________________

Location____________________________Page number 1 of ___(total number of pages including all numbered pages of notes from interview).

0. Gender of Participant: 1) Female___ 2) Male____

SURVEY QUESTIONS ON EFFECTS of REMITTANCES

Thank you for agreeing to participate in this study. Your information will become part of a total pool of data. No identifying information will be reported.

SECTION A. Some General Information -12 questions – please ask all sub-questions

1. What is the highest level of education you have completed a) primary___ b) secondary____ c) trade training_______ d) university undergraduate _____________e) university graduate________________

2. What age range do you fall into? a) 18-30___b) 31-40___c) 41-50___ d) 51-60___e) Over 60____

If 3a and/or 4a + 5a and/or 5c please insert a flag to remember to ask questions in Sections C.

3. Do you own a home in Grenada a) yes____ b) no____
c. If “no” do you (i) rent________  (ii) live with family_______ (iii) Other (please explain)_________

4. Do you own a business in Grenada a) yes____ b) no____ if yes, in what town is your business located________

5. Was either your home or business damaged by hurricane Ivan a) home yes ___ b) home no ___ c) business yes____ d) business no___ e) Please describe any damages_____________________________

6. Did you rebuild a) not at all___ b) partially____ c) completely___d) not planning to rebuild____

7. Are you currently employed in your business? a) Yes_____ b) No_____ 

8. Are you currently employed apart from your own business a) Yes___ b) No ___

9. What is your occupation? ______________________________________________________________

10. How many people live in your household? ______ b) How are you related to each?

11. Is your total monthly household income between a) ECS $ 200 – 500 ___b) ECS $ 501 – 1500_______
c) ECS $ 1501 – 3000; d) more than ECS $ 3000___ e) less than ECS $ 200____

If question 12b is positive please answer questions in Section B and flag for Section D.

12. Considering all in your household, how many receive income from:
   a) Work________________
   b) Money from friends/family abroad________________________________________________________
   c) Government payments______________________________________________________________
   d) Other sources (please describe)______________________________________________________

Form DF-400
If you (or anyone in your household) receive money from friends or family abroad (and/or received money from abroad after 1998) please answer the following questions and the 3 questions in Section D.

D. If not skip this section and go to Section C.

SECTION B. MONEY FROM FAMILY/FRIENDS ABROAD – 9 questions, please ask all sub-questions (if you or anyone in your household receive money from more than one person abroad please fill out this form for each).

13. a) Who do you receive money from? ___________________________________________________
   b) What country are they working in? ___________________________________________________
   c) What do they do?____________________________________________________________________
   d) How long have they lived abroad? ____________________________________________________
   e) Was there (i) an agreement that they would send money back home, (ii) was it expected or (iii) was it a pleasant surprise? ___________________________________________________________

14. Check all that apply. Do you receive money a) every week____ b) every month_____ c) once a year_____ d) on special occasions ____

15. If “on special occasions” please tell us about those occasions________________________________

16. On average how much do you receive a) $EC100 or less____ b) $EC101 - 250 ____c) $EC 251-500 ____d) More than EC $500____

17 Is it always the same amount  (a) yes___ (b) no___  (c) If no what causes it to increase?___________

18. Did the amount of money you received increase after Hurricane Ivan a) yes____ b) no ___
   c) if it did, how much did it increase to per week/month/ year_____  

19. Check all of the ways in which you used the money you received from family and friends abroad a) buy food and clothes___ b) buy equipment ___ c) pay school fees (or other education costs___ d)pay doctors bills and buy medicine___ e) saved some of it in a bank___ f) invested in a business____ g) improved the home____ h) spent it in other ways (please describe)______________________________
20. Have you ever received a barrel? a) yes_______ b) ________ How often do you receive the c) 1 X a year______ 2) 2X a year______ 3) more often______

21. If you receive a barrel, how much of the content is used for business a) 0-9%____ b) 10% - 30%_____ c) 31% - 60% d) More than 60%_____

SECTION C. Hurricane Ivan Rebuilding - 7 questions – please ask all sub-questions

22. You have said that you own your home, was it damaged by Hurricane Ivan? a) yes___ b) no______ c)Please describe any damage ___________________________________________________________

23. Did money you received from abroad help to repair your home? a) yes___ b) no _________________

24. How long did it take to rebuild your home after Hurricane Ivan a) 3 months or less___ b) 6 months______ c)12 months ___ d) more than 12 months____________________

25. Did you have home owners insurance?  a) yes ______ b) no ______ c) If no, why not_________

26. Insurance is worth having:  a) strongly agree ____ b) agree_____ c) don’t agree_______ d) strongly disagree __________________________________________________________

27. If you could buy insurance to protect your home at an affordable price, how likely would you be to buy insurance: a) highly likely ___b) likely___c) unlikely ___ d) highly unlikely___

28. Do you have any other kind of insurance such as health or life a) yes____ b) no_____ c) if yes, please describe____________________________________________________________________________

SECTION D. Close out questions

29. If you or anyone in your household receives money from abroad would you like to participate in another brief interview of approximately 10 questions a) yes _____ b) no______

29c. If yes, contact information __________________time____________place____________________

30. Are there any additional thoughts or comments that you would like to share____________________

____________________________________________________________________________________

____________________________________________________________________________________

Thank you for your time and for sharing your thoughts.

Form DF-400
In-Depth Interview with household receiving remittances

Thank you for agreeing to this interview regarding how remittances have helped you. Please note that your information will be kept confidential and only reported as part of collective information.

1. Please tell me more about your family member/friend abroad who sends you money (how are you related, what made them decide to travel abroad)?
2. How did their decision to work abroad affect you and your household? Do you think they will return to live in Grenada?
3. Tell me more about why they send money back home? Was there an agreement when _______travelled that they would send money back home? (Sometimes there is an agreement within families where the family helps someone go abroad and in return they send money back home to help with bills but also to expand the house, educate the children or start a business).
4. Please tell me all of the ways the money you receive from _______ helps you cope?
5. If you did not receive money from _______ how would these things been possible?
6. Have you invested any of the money? Do you save some of it? What do you plan to do when you have saved enough money?________
7. Was your home affected by hurricane Ivan? How was it affected? Did your family from abroad help you rebuild? Tell me how that happened? Did the money you received from abroad increase after Hurricane Ivan?
8. Do you own a business? What kind? Is it your primary source of income? Did money from ____ or other friends or family abroad help you set it up?
9. Is your home covered by insurance against hurricanes or any other kind of disaster? If yes, how much do you pay in insurance and how often have you used it? If no, why not?
10. Are there special times when your person abroad sends more money? (illness, Christmas, school fees, weddings and other life events). If so, tell me about some of those events?
11. How is the money usually sent (by mail, Western Union, bank transfer)? Is there another way that will be more convenient to you?

Thank you for this interview. Your thoughts on these questions are very important to us.

Form DF-700
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