

Migration, Remittances and Development: Constructing Colombian Migrants as Transnational Financial Subjects

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Abstract

In recent years, remittances have been hailed as potential drivers of economic development in migrant-sending countries. Over four million Colombians (around 10% of Colombia's population) reside abroad and the UK is their second most favoured destination in Europe. Approximately 100,000 Colombians live and work in London and, in turn, the UK is the fourth biggest source of remittances to Colombia. In recent years, the Colombian Government has introduced policies to make their citizens abroad an integral part of a reconstituted definition of the Colombian nation. It has sought to render migrants as agents of economic development by channelling their remittances towards 'productive investment'. The main component of this investment is mortgage-financed housing. To this end, the government has promoted 'Mi casa con remesas', a model of housing finance for people who receive remittances periodically from their family members abroad, and sponsored housing/property fairs for Colombian migrants in their main cities of destination in the global north: Madrid, London, New York and Miami.

This thesis situates the Colombian government's narratives around the use of remittances to finance housing investment within broader discourses of development and neoliberalism and the strategies and experiences of accessing housing articulated by Colombian migrants in London and their households in the Coffee Region of Colombia. Based on empirical data collected at both ends of the migration network, it argues that the conception of migrants as agents of development – and hence as transnational financial subjects – is tightly linked to wider attempts at the institutionalisation of the transnational social field. These attempts are embedded in ideologically-driven discourses of citizenship that privilege financial markets as the medium for individuals' and households' socioeconomic reproduction. Furthermore, they displace the responsibility for economic development from the state to its citizens (at home and abroad) and bring to the fore investment as the preferred mechanism for the 'proper' use of remittances and through which migrant households' connection to broader circuits of capital and finance can be exploited. Although housing is a growing component of remittances expenditure, for the most part, Colombians in London are not embracing their newly-assigned financial subjectivities but are instead using alternative channels for housing acquisition and financing.

To my mother / Para mi mamá, Cielo

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Introduction

1.1. Introduction

Since the 1970s, the dominance of neoliberal development economics as a discourse has opened new avenues for the construction of economic subjects while at the same time it has placed financial markets at the centre of the process of capital accumulation. Growing financialisation has translated into a deepening and expansion of the reach of finance capital over all other areas of the economy as well as into all aspects of social life. Although financialised capitalism is a trait often associated with the Anglo-American mode of development, developing countries are increasingly being drawn, albeit unevenly, into global circuits of capital and finance. The power of the state and other powerful transnational actors such as the international financial and development institutions has been mobilised for the expansion and consolidation of finance's process of capital accumulation and its penetration into processes of social reproduction. In the process, the centrality of financial markets for individuals' and households' socioeconomic reproduction has progressively been incorporated into old and new forms of economic and social policies, as well as into discourses around poverty-alleviation and development.

Given that workers' remittances have become one of the main sources of finance for developing countries in recent years, migrant workers have emerged as one of the most important agents to be incorporated into the dynamics of the global financial system. This has translated into a coordinated effort on the part of international financial institutions and governments in the north and south to establish a discourse that links migration, remittances and development. This migration-development discourse has been one of the most prominent features of the global development agenda in the last decade and is based on the idea that (financial) remittances have the potential to act as drivers of economic development in migrant-sending countries (this will be explored in chapters 2 and 3). This has been accompanied by the establishment of a range of programmes that seek to spur economic development based on the 'proper' use of remittances by channelling them towards 'productive investment'. Although the World Bank has been in charge of coordinating these efforts,

these programmes are being pushed at a global scale by a range of different institutions such as the European Union, the International Labour Organisation (ILO), the International Organisation for Migration (IOM), the United States Agency for International Development (USAID), the Inter-American Development Bank (IADB) and the German Agency for International Cooperation (GTZ). In this context, migrant-sending governments around the world are taking bold steps to establish (and maintain) links with their citizens abroad while financial institutions have been driven into a fierce competition to capture a greater portion of global remittances flows.

The increased outflow of people and the increased influx of material (and cultural) goods have not only produced important socioeconomic transformations in thousands of households and communities in the global south but have in effect, turned migrant workers into one of the main intermediaries in charge of facilitating the flow of money, ideas and subjectivities within and between the global south and north. Against this backdrop, there has been a considerable amount of research detailing the prominence of migrants' transnational socio-economic and cultural practices and the multiple social, economic, political and cultural transformations they have produced at the family and community levels (cf. Bryceson and Vuorela, 2002; Glick Schiller, 1997; Glick Schiller and Fouron, 1998; Herrera Lima, 2001; Itzigsohn et al., 1999; Levitt, 2001a, 2001b; Mas Giralt and Bailey, 2010; Portes 2003; Vertovec, 1999). However, much more research is needed in order to understand the complex implications that migrants' multifaceted links with their countries of origin have had at the household, city and community levels as well as the country and global levels. In particular, the link between migration and development has rarely been framed in terms of a systematic analysis of the process of financialisation of economic and sociospatial relations, its uneven geographical development and the role of the state in the construction of migrants as consumer-investors-citizens.

This thesis is an attempt to fill this void. In particular, it aims to elucidate the multiple political, financial and social linkages that are generated by migrants' transnational practices while contextualising the connections between state policy, economic development, global financial flows, family livelihood strategies and migration experiences and aspirations. It does so by tracing migrants' socioeconomic practices along the geography of the migration network and exploring how migrants are being constructed as transnational financial subjects and how these subjectivities are being incorporated into neoliberal development discourses that link north-south economic and sociospatial relations through remittances. In a broader sense, this thesis aims to

answer the call made by Pollard et al. (2009) for 'crossing disciplinary boundaries' to create an arena for analysis that emphasises the mutual constitution of the global north and south and 'de-compartmentalises space'. It is also an attempt at 'bridging the divide' (Vira and James, 2011) between economic geography and development studies.

The analysis is grounded in an examination of Colombian migration to the United Kingdom and the Colombian government's attempts to make their citizens abroad an integral part of a reconstituted definition of the Colombian nation. Having recognised migrants as a current and potential economic and political force, the Colombian government has actively embraced the migration-for-development discourse emanating from the international development and aid agencies. It has engaged in a dynamic campaign to redefine its relationship with its diaspora in an attempt to institutionalise remittances flows and the transnational economic practices that derive from it such as their use for consumption or investment. In particular, the Colombian government has sought to construct migrants as consumers-investors-citizens abroad and thus render them as agents of development by designing specific programmes to channel remittances to key sectors such as housing and finance. Under the umbrella of the 'ColombiaNosUne' (Colombia Unites Us) programme established in 2003, the government has promoted a programme designed and financed by the Inter-American Development Bank, based on the use of remittances for mortgage-financed housing. The government has also put its weight behind the institutionalisation of transnational housing investments by promoting and facilitating the expansion of the national property (and financial) markets to include Colombians abroad through the international property/housing fairs. Hence, on the one hand, this thesis examines the ways in which Colombian migrants are being constructed as consumers-investors-citizens by exploring the government's remittances for housing programmes. On the other hand, it explores the socioeconomic transnational practices of Colombian migrants at both ends of the migration network, London and Colombia, in particular with reference to their strategies and experiences of accessing housing.

The significance of this research emanates from the fact that the UK is the second most favoured destination of Colombians in Europe. Approximately 100,000 Colombians live and work in London and, in turn, the UK is the fourth biggest source of remittances to Colombia. However, most research on the transnational practices of Colombians abroad has been conducted either at the point of departure or destination and has mainly focused on the transnational connections established by Colombians in

the United States and more recently, in Spain (cf. Bermúdez Torres, 2006; Cock, 2008; Echeverri, 2010; García, 2008; Gimeno Collado et al., 2009; Guarnizo, 2006b; Guarnizo and Diaz, 1999; McIlwaine, 2005; Portes, 2003; Puyana Villamizar et al., 2009; Sørensen and Guarnizo, 2007). In addition, no empirical studies to date have documented these new transnational initiatives on the part of the Colombian state and migrants' level of engagement with them.

1.2. Research Questions

This thesis will answer the following questions:

- 1) How are Colombian migrants being constructed as transnational financial subjects? And what role is the state playing in shaping the construction of these new financial subjectivities through housing?
- 2) How are Colombian migrants in London and their households in the Coffee Region of Colombia realising their dream of homeownership? And what implications do their transnational housing investments have for our understanding of the link between migration and development?

The thesis is based on multi-sited empirical data collected at both ends of the migration network, London and Colombia, between 2008 and 2009. It employs a multi-method approach that includes semi-structured interviews, participant observation and the collection of secondary qualitative and quantitative data.

1.3. Thesis Overview

Chapter 2 presents the cross-disciplinary theoretical framework that informs the critical analytical approach taken in this thesis. The chapter is structured in three sections. The first section situates the Colombian government's promotion of the use of migrant remittances to finance housing investment within broader discourses of development and neoliberalism. The second section draws on the transnationalism literature to frame the practices that link the flows of people and resources along the geography of the migration network. The last section explores why the housing and financial sectors have been chosen by migrant sending states to render migrants as agents of development and how development discourses have been incorporated into the realm of Latin America's housing policy.

Chapter 3 provides a context for framing the empirical findings of this thesis. In particular, it presents detailed contextual information about the transnational flows of people and resources between the UK and Colombia and how they fit into the wider

Latin American and global contexts. Chapter 4 discusses my motivations to pursue this research, a justification for the methodological approach and research methods employed and a detailed description of the research sample. It also includes a reflexive account of the research process and the methodological contribution that is researching both ends of the migration network.

Chapter 5 unpacks the ways in which the Colombian government is constructing migrants as transnational financial subjects, how these financial subjectivities have progressively been incorporated into the national policy discourse and practice and the degree to which it has succeeded in trying to extend the national housing and financial markets to Colombians abroad. It does so by exploring the two main remittances for housing programmes the government is currently promoting.

Chapter 6 charts the alternative strategies and experiences of accessing housing articulated by Colombian migrants in London and their households in the Coffee Region of Colombia. In particular, the motivations behind using remittances to finance housing investments and the different ways in which these activities take place over the transnational space. Chapter 7 questions the premises that underpin the migration-development discourse promoted by the international development and aid agencies by providing a more nuanced interpretation of development to account for the socioeconomic spinoffs that occur in the process of migrant households' attempts to produce and reproduce their livelihoods over the transnational social field.

Finally, chapter 8 revisits the research questions and outlines the main findings of this research. It also highlights the theoretical, empirical and methodological contributions of this research to current debates on migration and development. The chapter ends with a summary of the policy implications that derive from this study and highlights the avenues for future research.

Chapter 2

Migrants as Agents of Development: Financial Subjectivities, Transnational Processes and the Political Economy of Housing

This chapter brings together different theoretical perspectives from a range of disciplines in the social sciences such as, Human Geography, Sociology, Anthropology and Economics and creates a cross-disciplinary conceptual framework that allows for an understanding of the interactions between the political, financial and social geographies of transnational migration in the context of housing. A key aim is to produce a framework that brings geography back into the transnational discourse by tracing migrants' transnational practices along the geography of the migration network and thus, connecting subjects to multiple sites and geographical scales. Thus, this chapter contextualises the link between state policy, economic development, global financial flows, family livelihood strategies and migration experiences and aspirations.

This chapter informs the empirical chapters of this thesis and is thematically structured in three sections. The first section situates the Colombian government's narratives around the use of remittances to finance housing investment within broader discourses of development and neoliberalism. It argues that the conception of migrants as financial subjects abroad and hence as agents of development is tightly linked to wider attempts at the institutionalisation of the transnational social field. These attempts are embedded in ideologically-driven neoliberal discourses of citizenship that privilege financial markets as the medium for individuals' and households' socioeconomic reproduction and displace the responsibility for economic development from the state to its citizens (at home and abroad).

The second section draws on recent scholarship on the processes of transnationalism in order to frame the diverse practices that link the flows of people and resources along the geography of the migration network and how these articulate with the state's efforts to institutionalise migrants' practices in the transnational field. It argues that migrants' locally grounded transnational practices provide a window for understanding the broader structures and processes that frame their lives across borders and the way

they shape and are shaped by these processes. In particular, it highlights the crucial role that the nation-state continues to play in framing the terms under which transnational practices take place and the ways in which it is being pushed to redefine its domain of action in an attempt to capture the resources of the population beyond its borders.

Finally, the third section explores the reasons why migrant sending states have focused on rendering migrants as agents of development through the housing and financial sectors and how development discourses have been incorporated into the realm of Latin America's housing policy. Specifically, it revisits the existing literatures that highlight the political economy of housing policy in the region, with the aim to provide a historical and political background against which a diasporic dimension can be added. It argues that the singling out of these sectors is not a coincidence, rather it is based in a belief in the neoliberal orthodoxy of development economics and a recognition of the potential that migrant households' links with global circuits of capital and finance have for countries' incorporation into the global capitalist system.

2.1. Construction of subjectivities under neoliberalism

This section draws on recent debates on the political economy of neoliberalism to explore the role of the state in producing consumer-investors-citizens in an era of growing financialisation of the process of capital accumulation. It then turns to explore how migrants are being constructed as financial subjects abroad and how these subjectivities are being incorporated into neoliberal development discourses that link north-south economic and sociospatial relations through remittances.

The dominance of neoliberal development economics as a discourse has opened new fields for the construction of economic subjects (Cooke, 2004; Escobar, 1989, 1995; Kothari, 2005). Neoliberal economic forms have become the norm and have been expanded through deregulation to allow for the penetration of the private sector into all spheres of the socioeconomic landscape. However, at the same time, there has been a new wave of regulation (though somewhat disguised) to guarantee that the new policies and practices adopted take the desired and expected form.

As Peck and Tickell (2002) have argued, although markets constructed under the model of neoliberal economic globalisation are considered highly unregulated, they implicitly follow a set of rules and standards, a sort of 'metaregulation'. These dynamics are a signal of what these authors have termed, 'roll-back' and 'roll-out'

neoliberalism, respectively, the mobilisation of state power for the dismantling of the Keynesian welfare apparatus and the creation of new forms of technocratic economic management and invasive social policies (Peck and Tickell, 2002: 388-389).

This reading of the socioeconomic and political implications of neoliberalism is useful because it points to recent transformations in the political economy of the state (the reconfiguration of the relationship between state and society) and the way in which the state exercises its ideology through the market. In the global north, as well as in many parts of the developing world, this has translated into the state taking an active role in the creation/production of consumers-investors-citizens. As Paul Langley (2007: 74) has argued: *'the neoliberal state plays not only a supervisory role in relation to the market but also stimulates, promotes, and shapes subjects who, self-consciously and responsibly, further their own freedom and security through the market in general and the financial market in particular'*¹. In other words, the state has not only allowed the involvement of the private sector into areas previously reserved for itself but has also sought to shape the socioeconomic practices of its people according to a narrowly-defined, market-promoting notion of citizenship.

Langley's argument is of particular importance here because it highlights the pre-eminent place that financial markets occupy in this market-centred notion of citizenship. Since the turn towards neoliberal political-economic practices in the 1970s, the financial system has been essential to the process of capital accumulation. In effect, David Harvey (2005: 33) has suggested that, at the global scale, *'neoliberalization has meant the financialization of everything'*.

In practice, this growing financialisation has translated into a deepening and widening of financial capital and the array of services that are extended to individuals, households and businesses alike (Pike and Pollard, 2010), and in the penetration of monetary relations into every corner of the world and every aspect of social life (Harvey, 1982). As Langley (2006b: 284) has eloquently explained, *'contemporary finance, and ultimately the changing place of finance within Anglo-American capitalism, is constituted in important ways in the realm of everyday life'*. Randy Martin (2002) has further argued that the financialisation of daily life has translated into a deepening of the linkages between economics, politics and culture, *'making global movements of finance intimate with daily life and animating the rules that order human affairs'* (page

¹ A similar conceptualisation of the neoliberal state has also been put forward by Peck (2004) and Mitchell *et al.* (2004).

191). Moreover, financial markets, officially endorsed by the state, punish those who refuse or are unable to take up the new social contract that is forged between state and society (in the developed world) and/or those developing countries that do not adopt a financialised mode of development. Although widespread financialisation has meant a growing entanglement of people's everyday lives with global circuits of capital and finance, the thesis will show that the unfolding of this financialisation has been geographically uneven and it has meant different things to different people in different places. Thus, although by definition, globalisation has meant that '*local happenings are shaped by events occurring many miles away and vice versa*' (Giddens, 1990: 64), the outcomes of this global financialisation in different localities (and for different actors) are quite varied.

Although growing financialisation has been more clearly observed in Anglo-America, the implications of this important transformation have not been limited to its confines. As Pike and Pollard (2010: 37) have pointed out: 'The growing social and geographic scope and extent of financialization has drawn *existing and new agents and sites* into often reconfigured roles and relationships within the financial system, broadening and deepening the reach of finance capital' (emphasis added).

These developments have had wider implications for the political-economic organisation of institutions around the world. In this sense, Saskia Sassen (1996) has argued that as a result of the transformations brought about by economic globalisation, global financial markets embody a new sort of 'economic citizenship' that gives them the power to hold governments accountable the world over and influence national public policies. In a similar vein, Pike and Pollard (2010) have suggested that this growing financialisation has not only become a powerful force in shaping the sociospatial relations of economic actors but has the potential to intensify existing global economic, social and political unevenness. Likewise, French, Leyshon and Wainwright (2012) have argued that the process of financialisation of economy and society and their complex uneven geographies can only be understood by considering the geographically embedded nature of the networks and flows of international finance. In other words, given the growing influence of the financial system over social life, a proper analysis of the recent process of financialisation and its uneven geographical development must trace and connect the flows of resources that underpin the process of capital accumulation. This thesis uses this approach to analyse how migrants are being constructed as financial subjects abroad and how their transnational

relations are shaping, and being shaped by, the economic, political and sociospatial nature of international finance.

In summary, the most recent bout of financialisation of the economy that has taken place since the 1970s has positioned financial markets at the centre of individuals' and households' socioeconomic reproduction, albeit in a geographically uneven manner. The rise of finance capital has had two important consequences. On the one hand, the growing importance of finance has meant that the productive sectors of the economy are being held to more exacting standards in terms of profitability. On the other hand, given the pervasive nature of its power, the state has become an instrument for the expansion and consolidation of finance's process of capital accumulation and its penetration into processes of social reproduction.

Given that the neoliberal project has been about the commoditisation of more and more aspects of social life, inevitably, the centrality of financial markets for the socioeconomic reproduction of individuals' and households' has progressively been incorporated into old and new forms of economic and social policies, as well as into discourses around poverty-alleviation and development. Economists from the World Bank and the IMF have argued that this globalisation of finance would provide more choice and widespread market access (financial and otherwise) to consumers the world over and this has materialised in a number of programmes that seek to promote 'financial inclusion' (Dymski, 2007). However, the integration of individuals and households to these circuits of capital and finance has, by no means, been homogeneous. Instead of promoting the notion of 'financial citizenship'² (Leyshon and Thrift, 1995), under the current configuration of the global financial system, the poor and socially vulnerable groups, often members of minorities or migrant communities, continue to be 'financially excluded' and/or are usually unfairly targeted (i.e. charged higher interest and/or fees) because of their geographical location and perceived higher risk³. Thus, financial globalisation is producing new forms of market segmentation and creating new spaces for the financial exploitation of low income populations (Dymski, 2007). One of the prime examples of these new forms of financial exploitation is what Ananya Roy (2010) has termed, 'poverty capital'⁴: the recent

² Financial citizenship, as it applies to individuals, denotes an all inclusive, rights-based approach to formal financial services.

³ This exploitative form of lending is known as 'redlining'.

⁴ This 'poverty capital' is part of a 'Washington consensus on poverty' promoted by the World Bank's Consultative Group to Assist the Poor (CGAP) and whose main purpose is the integration of the poor into financial markets as the key to development (Roy 2010).

reconfiguration of microfinance from a non-profit model of financial services with a social purpose to an 'asset class', a 'resilient subprime market', subjected to financial sustainability and exploited by finance capital.

In this context, migrant workers have emerged as one of the most important agents to be incorporated into the dynamics of the global financial system. In recent years, the prominence gained by the vast amount of remittances they send home has driven sending governments around the world to take bold steps to establish (and maintain) links with their citizens abroad. At the same time, it has driven banks and other financial institutions into a fierce competition to capture a greater portion of the remittances market in order to control the global flow of money as well as to offer an increased number of financial services to migrant households at origin and destination. The control of cross border flows which connect global financial centres such as London and New York, as opposed to merely financial territories, is indeed one of the most important mechanisms through which finance capital exerts its influence and power on the world stage (Agnew, 2009). There is no doubt that financial globalisation is fuelling this fierce competition and that this sudden interest in promoting 'financial inclusion' (democratising finance) is part of a wider strategy of capital accumulation on the part of the financial sector, often in collusion with the state. As Harvey (2005: 73) has asserted: *'Neoliberal states typically facilitate the diffusion of influence of financial institutions...and they also guarantee the integrity and solvency of financial institutions at no matter what cost'*.

These readings of the political economy of neoliberalism, in particular with regards to the process of financialisation of spatial socio-economic relations and the construction of new economic subjectivities that has accompanied it, are relevant to this research as they contextualise recent trends in the political economy of the state and its efforts to capitalise on migrants' transnational practices. Hence, these readings provide the first building block in our efforts to link transnational flows along the geography of the migration network, that is, the movement of people from the global south (Colombia to the United Kingdom) with the flows of money from the global north (United Kingdom to Colombia). The next section explores the ways in which migrants are being constructed as new financial subjects abroad and how they are being incorporated into the dynamics of the global financial system through development discourses.

2.2. Subjectivities, financialisation and transnational migrant flows

As mentioned previously, widespread financialisation is not exclusive to the global north but has become an important feature of socio-economic relations in societies throughout the world. In recent years, there have been rapid and systemic changes in global financial markets and institutions and the increasing visibility and economic importance of remittances mean that more and more households in the global south are also being directly or indirectly connected with global circuits of capital and finance.

Although migrant households may not necessarily be fully integrated into the formal financial system, despite the aggressive efforts on the part of financial institutions to 'bank' them, they may have a partial relationship with the banking sector, for example through the sending of remittances, the importance of this new reality cannot be underestimated. As Katharyne Mitchell (2002a: 77) reminds us: *'transnational migrants are important agents of economic transformation in themselves, and their activities and practices in numerous spheres have had a major economic impact on local, regional and global arenas'*.

Indeed, one of the most important transformations that has taken place in the last two decades is the fact that workers' remittances have become one of the main sources of finance for developing countries. Nowadays, remittances constitute the fastest growing capital inflow to the global south, exceed the flows of Official Development Aid (ODA) and, in many countries, have surpassed Foreign Direct Investment (FDI) inflows (Adams Jr and Page, 2005; Datta et al., 2007; Fajnzylber and López, 2007; Garcia and Palewonsky, 2006; Orozco, 2002). As Portes (2003) has rightly pointed out, migrants have become a *'key export'* and *'one of the primary means [of sending nations] of maintaining their integration into the world economy'* (page 878).

Mitchell and Portes' arguments are particularly relevant here because they reveal the vital place that migrants have come to occupy in the workings of the global economic system and incorporate labour migration as a factor of global integration for countries of the south. In recent years, the increased outflow of people and the increased influx of material (and cultural) goods have not only produced important socioeconomic transformations in thousands of households and communities in the global south but have in effect, turned migrant workers into one of the main intermediaries in charge of facilitating the flow of money, ideas and subjectivities within and between the global south and north. Thus, at the time that states are restructuring welfare provision, the affluent invest and those who cannot are left to the residue of any state services, it is

clear that it is precisely this connection of migrants and migrant households to global circuits of capital and finance that governments with sizeable migrant populations and international financial institutions are seeking to tap into.

The most evident effort in this regard has been the establishment of a discourse that links migration, remittances and development. These discourses have translated into specific policies and practices that have sought to render migrants as financial subjects abroad and hence as active agents of economic development. In turn, these discourses tend to ignore structural constraints and allocate to individuals an unlimited capacity to overcome them (De Hass, 2010; Glick Schiller and Faist, 2010). Furthermore, given that only a small percentage of migrants' income is sent back home in the form of remittances, these discourses ignore the fact that migrants contribute more to the development of the host society, via higher productivity and consumption, and the cost of training and reproduction of the migrant labour force that is borne by the sending-country (Delgado-Wise et al., 2009). In addition, most studies have concluded that migration, remittances and investment by migrants do not produce development but instead, good institutional conditions and development are a precondition for migrants to invest (Faist, 2007; Levitt and Lamba-Nieves, 2011). However, the insistence of the nexus between migration and development persists and continues to gain ground and some have even hailed the potential of remittances as a panacea for development (see Ratha, 2003)⁵. This migration-for-development discourse therefore seems to obscure the underlying power relations that underpin uneven development processes, which expel a great mass of workers from their countries of origin into a precarious and restricted labour market abroad (Delgado-Wise et al., 2009).

At the same time that financial markets have been positioned as the main vehicle for individuals' and households' socioeconomic reproduction, these discourses have become mainstreamed and have been incorporated into the poverty-alleviation and development programmes emanating from the main international development aid and lending institutions. Spivak (1996: 257) has eloquently summarised this situation: *'the word Development covers over the economics and epistemics of transnationality'* – the fact that the so-called developing world could not escape being subjected to the neoliberal economic system, the financialization of the world – which *'in the name of*

⁵ This call is widespread in policy circles (governments and IFIs) in the global north and south. In academic circles, some have suggested that reinforcing the image of migrants as a development resource is a 'pressing need' (see Sørensen *et. al.* 2002).

Development, removes all barriers between itself and fragile national economies' (page 245).

For instance, the Inter-American Development Bank (IADB) through its Multilateral Investment Fund (MIF)⁶ has clearly stated its views in the numerous publications it produces, with regards to the role of remittances. Its premise is that a significant portion of the money that is sent by migrants to their families back home bypasses the formal banking system, hence these flows have to be controlled so that the challenge of 'financial democracy' can be met. As established in a landmark paper published in 2006, entitled 'remittances as a tool for development': *'These remittances can be considered as financial flows in search of financial products'* (page 9, my translation). Thus, the cornerstone for economic development is the improvement, expansion and deepening of the sort of financial services that are offered to remitters and their families and the establishment of the necessary channels for the release of the investment potential of remittances (BID, 2006).

In summary, the articulation of this discourse reveals important features of the political economy of neoliberalism and the reconfiguration of the relationship between the state and its citizens. A close examination of this discourse reveals that they are ideologically driven and grounded in neoliberal development economics. I would argue that they elucidate three important features. Firstly, they reproduce the centrality of financial markets for individuals' socioeconomic reproduction and explicitly tie economic development to the expansion of the financial sector. Secondly, they displace the responsibility for economic development from the state to its citizens (at home and abroad) and thirdly, they bring to the fore investment as the preferred mechanism for the 'proper' use of remittances and through which migrant households' connection to broader circuits of capital and finance can be exploited.

It is against this backdrop that states have begun designing and implementing programmes that exploit migrants' loyalty to their households and communities of origin, usually veiled under discourses of expanded rights and citizenship. Thus, I would argue that the primary reason behind sending country governments' newly-found interest in their migrant populations is an attempt at the institutionalisation of remittances flows. This includes in some sense, gaining control over the transnational

⁶ The MIF is a fund administered by the IADB. It provides technical assistance and promotes private sector growth through grants and investments. (<http://www.iadb.org/mif/home/index.cfm?language=English>).

socio-economic activities that derive from it, such as their use for consumption or investment, education, health and private enterprise. Accordingly, migrants' linkages are being manipulated through ideologically-driven discourses of citizenship that privilege financial markets as the main medium for individuals' and households' socioeconomic reproduction. The importance of this argument can not be underestimated. As James Scott (1998) reminds us, historically the state's attempt to compile, standardise and classify civil society's social action has been linked to the need to control and exercise power over the population through taxation and direct rule.

Following the lead of the World Bank and other international development and aid agencies, various Latin American governments have, in recent years, attempted to re-incorporate migrants into their polity and render them as financial subject abroad who can act as agents of development. In the form of a critical genealogy, the next section will show that these efforts have broader historical connections to the political economy of development discourses in the region. Tracing these historical connections is important because it opens a window to understand the political and intellectual arrangements that underpin the different programmes that are being developed by sending states. This approach allows us to identify the old continuities and disruptions present in the current articulation of this particular development discourse.

2.3. Migrants as agents of development: a critical genealogy

The World Bank and other international development and aid agencies have had a long history of influencing (sometimes directly assisting and drafting) the social, economic and political agendas of countries in Latin America. The socio-political reorganisation of the world that took place after the Second World War saw the consolidation of the discourse of development economics and planning as a solution to the problems of poverty and lack of development throughout Latin America (Escobar, 1989, 1995). This particular discourse of development⁷ (henceforth 'the development discourse') was grounded in neoclassical economic growth theory and treated 'underdevelopment' as a process of capital accumulation and technical progress which ignored social, political and cultural differences. Adhering to this development paradigm meant putting an emphasis on savings, capital investment and productivity increases as the main vehicles for economic growth and employing the appropriate techniques and methods

⁷ Saldaña-Portillo (2003) has argued that this development discourse emerged as a response to the looming crisis in US capitalist expansion brought about by the end of WWII. As such, development emerged as a 'supplementary discourse' to replace the colonial 'civilizing mission' in the then recently decolonised economies.

developed in the north (Escobar, 1995). Following this paradigm also meant opening up the doors to foreign aid and investment. In short, as Escobar (1995: 88) has pointed out, *'the overall goal was dictated by development economics: to promote growth through certain types of investment projects, resorting to foreign financing when possible or necessary. This goal required the rationalization of the productive apparatus, according to the methods developed in industrialized nations'*. The main mechanisms for the production and reproduction of this particular discourse relied on the power at the behest of the international financial and development institutions such as the International Monetary Fund and the World Bank.

In the post war era, a process of professionalisation and institutionalisation of the development discourse and practice has taken place, particularly in terms of the production and circulation of knowledge and the systems of power that reproduce the development apparatus. Institutionalisation has been achieved through the establishment and encroachment of planning institutions in charge of designing policies for all social and economic aspects of society. Professionalisation has been achieved through the articulation of a set of mechanisms and disciplinary practices that legitimise and privilege the development discourse and the formation and deployment of local and foreign 'experts' (Escobar, 1989).

In this vein, Timothy Mitchell (2002b) has argued that it is through these experts and a sort of 'monopoly of expertise' that international development agencies reproduce and expand the reach of the development discourse. They do so by recasting a country's economic, social and political problems as internally produced (never in light of their global interconnections and associated structural inequalities), and hence as objects of development to be modernised through external (rational and impartial) technocratic and managerial fixes. Similarly, Uma Kothari (2005) has argued that the increasing professionalisation of the development discourse in recent years has not only enabled the mainstreaming of the neoliberal agenda and the *'unilinear notions of modernising progress'* (page 426) embodied by international development agencies, but has also ascribed a political neutrality to the development discourse. Moreover, Bondi and Laurie (2005: 394) have argued that, *'processes of professionalisation form an integral part of the production of the globalised spaces of neoliberal governance'*. In summary, the professionalisation of the development discourse and practice has taken place at a global scale, and is part and parcel of the rise of neoliberalism as a hegemonic economic discourse in the 1980s. This professionalisation has entrenched technocratic processes and has entailed the entrusting of development to external 'experts'.

In practice, the institutionalisation and professionalisation of the development discourse has meant that in Latin America, as well as other parts of the 'developing world', *'Development was – and continues to be for the most part – a top down, ethnocentric, and technocratic approach, which treated people and cultures as abstract concepts. Development was conceived...as a system of more or less universally applicable technical interventions intended to deliver some "badly needed" goods to a "target" population'* (Escobar, 1995: 44). As Sheppard and Leitner (2010) have more recently argued, despite the confidence crisis in the Washington consensus in the aftermath of the Asian financial crisis of the late 1990s, a new phase of development economics, a new global governance discourse for the third world, has emerged. This new development discourse is not entirely new but a 'supplement of capitalism' (page 193) that is globalised *'as a sequential trajectory to be followed by all countries, as flattening the world to enable catch-up by backward countries'* that reaffirms a developmentalist socio-spatial divide that renders *'legitimate expertise located in the first world, and global capitalist governance, irrespective of serial policy failures'* (page 185).

In essence, the mechanisms and procedures of development are designed so that countries fit a pre-fabricated model which is conceived and designed in, and after the historical experience of, the modern north (Escobar, 1997; Frank 1995: [1966]). This narrow, a-historical, one-size-fits-all approach to policy-making has been one of the most important features of the application of neoliberal economic policies pushed by the major international lending and aid agencies in the last forty years. This has facilitated the transfer of policies from place to place while ignoring the specificities of the social, economic and political environment of the locations where they are implemented (Bondi and Laurie, 2005). Or as James Scott (1998: 6) has suggested, there is *'an imperial or hegemonic planning mentality that excludes the necessary role of local knowledge and know-how'*.

The most recent example of this one-size-fits-all approach to development is the World Bank's 2009 World Development Report. As Rigg et. al. (2009) have suggested, although one of the main objectives of the report is to render the geographical issues of space and scale critical for development policy interventions, the report is riddled with the old neoclassical/orthodox economic recipes that have failed to bring about the growth and human welfare that the bank professes to promote⁸. The report's policy messages continue to privilege easily quantifiable general measures of development

⁸ A similar argument has been made by Peck and Sheppard (2010).

while ignoring the historical lessons learned in terms of the specificity and embeddedness of spatial and power relations and the intrinsic linkages that exist between geography, political economy and society and spatial economic and development processes. Other authors have suggested that the contemporary development discourse emanating from the north articulates new forms of control and domination through innovative methods and techniques in the name of noble causes such as poverty alleviation and by 'co-opting' forms of alternative and participatory development (Kothari, 2005).

In this context, new critical policy studies⁹ have emerged to suggest that in the current process of the globalisation and transnationalisation of neoliberal policy norms and practices, policies are not simply travelling intact from place to place but are instead 'mutating', being reconstituted during the process. Furthermore, these mobile policies are reconstituting the power relations between their places of production and experimentation (Peck and Theodore, 2010). This is not to say, however, that the power of the traditional multilateral agencies such as the World Bank has been lessened. Rather, these agencies have simply changed their modus operandi so that, global development discourses, for instance, are no longer enforced through the implementation of structural adjustment programmes but are disseminated through *'favored models of development and socio-technical fixes, like micro credit programs, arrangements to regularize property ownership in informal settlements and conditional cash transfer schemes'* (Peck and Theodore, 2010: 171). These global development discourses are disseminated by 'travelling technocrats', whose embodied multiple and shifting expert subjectivities may alter the policy transfer process and produce diverse political-economic geographies of neoliberal globalisation (Larner and Laurie, 2010).

These different critical readings of the political economy of neoliberal development are relevant here because they highlight the technocratic and Anglo/Western-centred nature of development policies and the high degree of influence that multilateral organisations still exert in the production and implementation of public policy throughout the global south. Furthermore, they highlight the fact that, in contrast to the previously held view in much of the globalisation literature that the power of the state had been diminished in this era of globalisation, the state continues to be central to the production and reproduction of specific discourses and practices and it is a key actor in

⁹ A compilation of these studies can be found in *Geoforum* 41 (2010), themed issue on Mobilizing Policy.

the configuration and reconfiguration of national and global socioeconomic processes (cf. Dicken, 2003; Porter, 1998; Wade, 1996).

These two distinct but interrelated trends can be appreciated in many Latin American governments' current policy articulations towards their citizens abroad. The governments of Mexico, El Salvador, Dominican Republic, Guatemala, Honduras, Brazil, Ecuador, Peru, Bolivia and Colombia, among others, have actively sought ways to attract more of the funds that migrants send to their families back home (Goldring, 2001; Jones-Correa, 2001; Ratha, 2003). They have done so through a variety of political, social, cultural and economic outreach initiatives such as extending political rights to migrants, in order to incorporate them into the polity and make them the subject of public policy, sponsoring formal migrant associations, creating cultural centres abroad, addressing the cost of remittance transfers and channelling remittances to development projects and 'productive' investment schemes (these initiatives are discussed in detail in chapter 3). However, the programmes designed to achieve these goals tend to be based on a set of narrow, prescriptive and economic practices that exult migrants' role as consumers and producers of wealth. These initiatives ignore their condition as citizens with social rights and the social, cultural, political and historical factors that pushed them to leave their countries of origin and the conditions in which most of them enter (and remain in) their societies of destination in the global north. In addition, these practices and their associated discourses also tend to ignore the country's inherent structural and institutional constraints which may ultimately determine the success or failure of these migrant-led 'development' programmes. The next section draws on recent scholarship on the processes of transnationalism to frame the diverse practices that link the flows of people and resources along the geography of the migration network. It examines how these flows articulate with the state's efforts to institutionalise migrant transnational practices.

2.4. Framing migrants' transnational practices

One of the main arguments of this thesis is that the conception of migrants as financial-investor subjects abroad and hence as agents of development is tightly linked to wider attempts at the institutionalisation of the transnational social field. So what is understood here as the transnational social field? Who are the main actors of this transnational arena? What is the role of the nation-state in shaping the processes that take place in this transnational field? And how do these migrant transnational practices link to wider global processes?

2.4.1. Migrant Transnationalism: current scholarship

To date, the literature on migrant transnationalism has sought to answer questions related to whether transnational migration produces social and political change or has focused on the construction (or reconstruction) of migrants' racial, ethnic, class, national and gender identities (Glick Schiller, 1997; Levitt, 2001b). In this sense, there has been a considerable amount of research detailing the prominence of transnational socio-economic and cultural practices within the family and the multiple social transformations that they have produced (cf. Bryceson and Vuorela, 2002; Herrera Lima, 2001; Itzigsohn et al., 1999; Levitt, 2001a; Mas Giralt and Bailey, 2010; Vertovec, 1999).

In recent years, it has become evident that examining both ends of the migration network is crucial for understanding contemporary migration processes (Levitt, 2001a, 2001b; Portes et al., 1999) and calls have been made to include those who are left behind on the research and policy agenda (Henry and Mohan, 2003; Kothari, 2003a, 2003b). Hence, numerous scholars have called for the sort of research exposed in this thesis, that is, multi-sited empirical research that follows the transnational flows and connections of people, money and information across space (Faist, 2007; Glick Schiller, 1997; Levitt and Lamba-Nieves, 2011; Ong and Nonini, 1997; M. P. Smith, 2001).

In this context, the transnational practices that institutional actors such as the state, political parties and religious organisations have promoted in recent years have begun to be documented. For example, Glick-Schiller and Fouron (1998) have documented the ways in which Haitian leaders, since the time of Jean-Bertrand Aristide, have attempted to build Haiti as a transnational nation-state and how the state's efforts to shape national culture have been confronted by migrants' multiple identities as they incorporate into their societies of destination. Using a broad range of examples - from the Non-Resident Indian Division created in the Gujarat state of India and Ireland's efforts to incorporate Irish emigrants and their descendants into the national polity to the Brazilian Business Network created by the Brazilian Consul in Massachusetts to foster business links between entrepreneurs at both ends - Levitt (2001b) has highlighted the political and economic factors motivating states to systematically offer social and political membership to their citizens abroad. Portes (2003) has also drawn our attention to the fact that governments' actions to promote and sustain migrants' transnational links only emerged as a reaction to the transnational activities that had been consolidated by migrants' popular initiative and not the other way around.

Currently, however, there are not enough empirical studies to suggest what type of people are engaging with these governments' initiatives and the socioeconomic impact they may have on households and home and host-country communities (Levitt, 2001b). Against this backdrop, the field of geography is especially suited to unpack the complex processes that are produced and reproduced by these transnational flows of people and resources. As some scholars have pointed out, transnationality is an inherently geographical term (Jackson et al., 2004) and '*transnationalism necessitates a crossing of borders, both literal and epistemological*' (Mitchell, 1997: 101). A key aim here then is to provide an empirically grounded theoretical framework that brings geography back into transnational discourses by tracing migrants' transnational practices along the geography of the migration network thus, connecting subjects to multiple sites and geographical scales.

2.4.2. Defining migrant transnationalism

Although initially developed by Anthropologists in the early 1990s (see Glick Schiller et al., 1992; Grasmuck and Pessar, 1991; Rouse, 1991), this theoretical concept is now widely used in the social sciences for understanding contemporary migration processes (Sørensen, 2005; Vertovec, 2009). Broadly speaking, transnationalism refers to the multiple ties and interconnections that link people or institutions across national borders (see Foner, 1997; Glick Schiller et al., 1992; Guarnizo and Smith, 1998; Portes et al., 1999; Vertovec, 1999). This definition is used here as a starting point because it leaves the door open for an understanding of a broad range of processes – political, economic, social and cultural – that extend beyond borders.

This thesis is only concerned with one of the subsets¹⁰ that form the vast field of transnationalism: transnational migration and its impacts on both ends of the network. The concepts of transnationalism from below and above¹¹ are called upon here to distinguish between the actions of individual migrants and their families from those of state actors and other macro-level institutions. Thus, transnationalism from below puts

¹⁰ Other subsets include, among others, transnational capital flows, trade, inter-governmental agencies, identities, global communications and public culture (Vertovec 1999). In addition, other authors have argued that although transnational migration is not the only force at work in the emergent transnational social spaces, it is indeed one of the most important ones (Pries 2001b).

¹¹ In practice though, distinguishing between these two forms of transnationalism is a difficult task because they are quite interrelated (Mahler 1998). Smith (2001) has spoken of a 'transnationalism from between' which transcends the binary of above and below, traces and re-traces people and resources across national boundaries and grounds globalisation in people's everyday social practices. Uma Kothari (2008) has introduced the concept of 'cosmopolitanism from below' to refer to the non-elite openness to difference that is developed and/or reworked by migrants in the context of transnational migration.

an emphasis on the actions of non-elite actors who are less organised (than a 'social movement'), tend to act out of self-interest and have no collective purpose (even if they ultimately influence policy changes at the national and international level) (Paul, Malher and Schwartz 1997). Transnationalism from above refers to macro-level structures and processes of transnational capital, global media and other supra-national political institutions (Guarnizo and Smith, 1998). As several migration scholars have pointed out, transnationalism is not a new phenomenon rather, the speed and extent of transnational connections have intensified due to advances in transportation and information and communication technologies that allow (almost) instant travel and communication. Although early waves of migrants engaged in some transnational economic and political practices, these lacked the regularity and critical mass that characterises contemporary migration flows (Guarnizo et al., 1999; Guarnizo and Smith, 1998; Hannertz, 1996; Kearney, 1995; Levitt et al., 2003; Portes and DeWind 2004; Portes 1999; Smith, 2003; Vertovec 1999; 2009).

One of the main advantages of using transnationalism as a theoretical lens to study migration processes is that it allows for placing the agency of individual non-state actors within broader socioeconomic and institutional structures across time and space¹² (Kofman, 2004; Levitt et al., 2003). In addition, an important feature of transnationalism is that it recognises the importance that geography has in explaining connections between distant places and takes into account the role that the nation-state continues to play in framing the terms under which transnational processes take place (Glick Schiller, 1997; Jackson et al., 2004; Levitt et al., 2003). These two characteristics of transnationalism are relevant for this research. As is explored in detail in the empirical chapters of this thesis (5-7), structural constraints on individual decisions such as state policies in home and host countries, regional and supra-national contexts such as immigration and banking legislation, and political and economic contexts are as important as individuals' and families' agency in understanding migrants' socioeconomic transnational practices. In this sense, this thesis aims to answer the call made by Pollard et al. (2009) for 'crossing disciplinary boundaries' to create an arena for analysis that emphasises the mutual constitution of the global north and south and 'de-compartmentalises space'. It does so by articulating the local-to-global connections of the transnational practices that flow, between the north and the south, through both ends of the migration network, privileging embodied

¹² Baillie Smith and Jenkins (2011) have argued that this is particularly relevant to understand notions of cosmopolitan citizenship and the political transformations that are taking place in the spaces of global civil society.

accounts of migrant households' livelihoods and challenging the boundaries between economic geography and development studies¹³. So where do these transnational practices take place?

2.4.3. Transnational social field: geographical scale

Different metaphors have been employed to describe the arena in which transnational activities take place: transnational social field (Glick Schiller et al., 1992); transnational migrant circuit (Rouse, 1991); translocalities (Goldring, 1998; Smith, 1998); transnational community (Georges, 1990) and transnational social space (Pries, 2001a). In their groundbreaking article, *Transnationalism: A New Analytical Framework for Understanding Migration*, Glick Schiller, Basch and Szanton-Blanc (1992) established the transnational social field as a key element to the conceptualisation of transnationalism. Transnationalism was then defined as *'the processes by which immigrants build social fields that link together their country of origin and their country of settlement'*. *Immigrants who build such social fields are designated "transmigrants". Transmigrants develop and maintain multiple relations – familial, economic, social, organizational, religious, and political that span borders'* (page 1). A few years later, these authors went further to suggest that this transnational social field constituted a new 'de-territorialised' social phenomenon, that is, migrants' transnational practices were not bounded by the old conceptualisations of race, ethnicity and nation (Basch et al., 1994).

The relevance of these conceptualisations for the purpose of this thesis is that they emphasise the fact that migrants no longer solely live their lives within the boundaries of their host societies and highlight the dual context in which migrants' everyday lives take place. However these early conceptualisations have been criticised for exaggerating the scope of migrants' transnational activities and assuming that all migrants live transnationally (see Guarnizo, 2003; Portes 2003) and because they do not clearly define the location of this transnational space and thus give the impression of migrants who are socially, politically and culturally unbounded (Guarnizo and Smith, 1998). In this sense, Pries (2001b) attempts to pinpoint a more explicit location for the transnational field by focusing on the spatial nature of transnational practices. Thus, he defines transnational social spaces as *'pluri-local frames of reference which structure everyday practices, social positions, biographical employment projects, and human*

¹³ This is in line with Vira and James' (2011) call for 'bridging' the divide between these two sub-disciplines and creating an interdisciplinary development-economic geography 'trading zone' and Murphy's (2008) call for stretching economic geography's research to the confines of the global south.

identities, and simultaneously exist above and beyond the social contexts of national societies' (page 23). In contrast to Basch *et al.* (1994), this definition argues for social practices that span different geographical spaces in at least two nation states without constituting a new 'deterritorialised' social space. Thus, the usefulness of Pries' definition for the context of this thesis comes from the links it establishes between the social and material with the geographical. Specifically, the fact that migrants' socioeconomic and cultural terms of reference operate simultaneously in the society of origin and destination and this simultaneity shapes their practices in the transnational field¹⁴.

Although these different conceptualisations of the transnational social field shed light on the multiple aspects that are involved in living transnationally, and their relevance to this research has been explained, the understanding of the transnational social field used throughout this thesis is more in line with that provided by Guarnizo and Smith (1998). Their definition grounds transnational practices in the localities in which they take place, so that '*...the context in which transnational actions take place is not just local, but also "trans-local" (i.e., local to local). Translocal relations are constituted within historically and geographically specific points of origin and migration...such relations are dynamic...they form a triadic connection that links transmigrants, the localities to which they migrate and, their locality of origin'* (page 13).

This conceptualisation of a transnational social field is employed here because it emphasises the simultaneity of transnational flows while at the same time allows for context-specific understandings of the different socioeconomic, political and cultural practices that take place in the transnational arena. This is important because although the flow of people and resources (material and otherwise) span across one or more borders, people ultimately sit in place and their practices materialise in specific localities. As King (1995) has suggested, migrants' personal experiences of mobility are always place-specific. Similarly, commenting on recent debates about the fluidity of contemporary economy and society, Ray Hudson (2004: 463) has rightly pointed out that '*there is undeniably evidence of greater mobility, albeit unevenly, across a wide range of activities and spatial scales yet, for social life to be possible, for the economy to be performable, fluid sociospatial relations and flows require a degree of permanence, of fixity of form'*. Therefore, the transnational social field that is referred to throughout this thesis consists of the multiple interactions and socioeconomic practices

¹⁴ This argument is brought to light in chapter 7.

that flow through both ends of the migration network, that is, between migrants and their households of origin across the transnational field. This transnational social field is constituted mainly through the sending of remittances, phone calls, email exchanges, gifts and occasional visits by actors at both ends. This social field also takes into consideration migrants' occasional contact with other relatives and country people at destination as well as consuming 'nostalgic' products and culture (usually through socialising in local ethnic focal points). So, what is the importance of this transnational social field and its actors for understanding global migration processes?

2.4.4. *Transnational family: social unit of analysis*

Several scholars have pointed out the importance of focusing on migrant households as the unit of analysis, although the 'house' has not been the central focus of much of these analyses. In this vein, Vertovec (2009: 61) has suggested that *'the provenance of most everyday migrant transnationalism is within families'*. Similarly, Herrera Lima (2001: 78) has argued that the transnational family is *'one of the most important social institutions that makes possible the operation and persistence of transnational social spaces'*. Given that the focus here is to examine the interactions between the political, financial and social geographies of transnational migration, this thesis takes the migrant and her/his family/household as the methodological starting point¹⁵ but places an emphasis in the articulations of these geographies in the context of housing.

Several definitions have been put forward to identify the transnational family. For instance, Bryceson and Vuorela (2002: 3) define transnational families as *'families that live some or most of the time separated from each other, yet hold together and create something that can be seen as a feeling of collective welfare and unity, namely 'familyhood', even across national borders'*. They focus on the fluidity of transnational family relations by advancing the concept of 'relativizing' which *'involves the selective formation of familial emotional or material attachments on the basis of temporal, spatial and need-related considerations'* (page 14). Similarly, Mas Giralt and Bailey (2010) have advanced the concept of liquid life paths to explain the nature of the transnational family. That is, fluid interdependent life paths shape the material and symbolic identities of transnational families at multiple geographical scales by reproducing spatial and temporal imaginaries that structure the everyday material, social and cultural experiences and transnational practices of migrants.

¹⁵ The terms family and household are used interchangeably throughout this thesis. The positioning of households as targets of social policy has made equating family with household a common practice, especially in Western societies (Bryceson and Vuorela 2002).

Although these definitions provide useful insights into how transnational families may constitute and reconstitute themselves as social units, they over-emphasise the fluidity of familial social ties and fall short on providing clues as to which mechanisms are employed for their maintenance and reproduction across the transnational space. In other words, for most people, the notion of family is not based on some utilitarian use of social relations rather, as will be explored in chapters 6 and 7, familial attachment continues to be structured around existing nuclear and extended kinship ties that pre-date migration.

Hence, the definition of transnational family used throughout this thesis, is that generally used in migration studies which favours the use of the term household to identify such formation as '*the group of people that, although separated by migration, are nevertheless linked by direct economic ties, such as those associated with the flow of remittances*' (Zlotnik, 2000: 254). Because the purpose here is to study both ends of the migration network, the understanding of transnational household employed here includes those members of the unit (nuclear and extended) who have stayed behind and remain connected with the migrant through kinship, economic and social ties.

So, taking migrants and their households as the unit of analysis is also important because it brings their agency to the fore and recognises the fact that migrants' transnational activities were not initiated by governments' actions or policies but emerged mostly as mechanisms through which they could aid in the socioeconomic reproduction of their families from a distance. In addition, migrants' locally grounded transnational practices provide a window for understanding the broader structures and processes that frame their lives across borders and the way they shape and are shaped by these very practices. As Portes *et al.* (1999) have advocated, studying the migrant and her/his 'support networks' is '*the most efficient way of learning about the institutional underpinnings of transnationalism and its structural effects*' (page 220).

In this context, Guarnizo and Smith (1998) have called for 'grounding transnationalism', that is, placing transnational practices within the larger constraints and opportunities (e.g. labour market conditions, immigration laws, perception of migrant group) present in the particular localities where these practices occur. Furthermore, they argued that these local contexts, '*shape not only the likelihood of generating, maintaining or forsaking transnational ties but also the very nature of the ties that migrants can forge*' (page 13). Thus, it is important to note here that although migrants' agency is the

driving force behind their transnational practices, these are inevitably conditioned by the different opportunities and constraints afforded to migrants in both their locality of origin and destination. In addition, these opportunities and constraints are, in turn, embedded in global macro-structural processes.

Various scholars have emphasised the importance of the latter point. While some have stressed that migrants' lives take place at the interplay of a broad range of complex phenomena such as historical experience, structural conditions and home and host societies socio-cultural ideologies (Glick Schiller et al., 1992); others have emphasised that transnational migration and the social spaces that emerge from it shape and are shaped by the changing conditions of global capitalism and so must be analysed in the context of global capital-labour relations (Basch et al., 1994; Levitt, 2001b; Portes et al. 1999; Sassen, 2003; Vertovec 2009). In this respect, Guarnizo and Smith (1998: 6) have further argued that transnational practices *'are embedded [in] and they sometimes even perpetuate enduring asymmetries of domination, inequality, racism, sexism, class conflict, and uneven development'*.

These readings on the linkages between capitalist global processes and transnationalism are of particular interest here because they point to the political economy of transnational migration and its practices. In particular, they call our attention to the micro-macro (local-global) connections that exist between migrants' social and economic relations within and across national boundaries and aspects of the global capitalist system such as the international spatial division of labour and the changing dynamics in the production and reproduction of the process of capital accumulation. After all, as Giddens (1990) has pointed out, one of the consequences of globalisation in the modern era is that social relations have become 'stretched' across time and space. So, how do these migrant transnational practices link to wider global processes? And what role is the state playing in the constitution and maintenance of these local-global linkages?

2.5. Institutionalising the transnational field

In recent years, it has become evident that the individual practices of transnational households encompass all aspects of social life and have had much broader institutional, economic, social and cultural effects in communities, regions and nations at both ends of the migration network. In this vein, a wealth of research investigating the effects of remittances in multiple arenas of social life has been produced. While some have investigated particular issues such as improvements in migrant households

in terms of human capital formation (López-Córdova, 2006; Rapoport and Docquier, 2005), school attendance (Cox and Ureta, 2002; López-Córdova, 2006) and lower infant mortality rates (Frank and Hummer 2002; Hildebrandt and McKenzie, 2005); others have focused on broader issues such as poverty alleviation (Adams Jr and Page, 2005; López-Córdova, 2006). Certainly, even when purely economic in its origins, various scholars have documented how transnational migration and its practices across the transnational space have had broader implications for socio-cultural value systems such as reconfigurations of gender and family relations and identities at home and abroad (Levitt, 2001a; Ley and Waters, 2004; Mitchell 2001; Yeoh and Willis, 2004).

Alejandro Portes (2003: 877-878) has aptly summarised the importance of migrants' transnational practices: *'While from an individual perspective the act of sending a remittance, buying a house in the migrant's hometown¹⁶, or travelling there on occasion have purely personal consequences, in the aggregate they can modify the fortunes and cultures of these towns and even of the countries of which they are part'*. Furthermore, some scholars have suggested that important microsocial structures are created when a large influx of people from the same town, city, region or country converges into a particular place of destination. And these microsocial structures have important implications not only for attracting future migration flows but also influence the sort of links that these migrants maintain with their places of origin (Rumbaut, 2002).

In this sense, Itzigsohn *et al.* (1999) have distinguished between 'narrow' and 'broad' transnational practices¹⁷. They define narrow transnationality as the socio-economic, cultural and political practices in which there is a high degree of institutionalisation, constant participation and regular movement among the actors involved. Broad transnational practices can be material or symbolic and involve a low level of institutionalisation, occasional participation and sporadic movement among the actors. Following this line of thinking, Levitt (2001b: 197) has argued that *'the more diverse and thick a transnational social field is, the greater the number of ways it offers migrants to remain active in their homelands. The more institutionalized these relationships become, the more likely it is that transnational membership will persist'*.

¹⁶ The process of incorporation of migrants into wider development discourses through the housing sector is spelled out in section 2.6.

¹⁷ Similar distinctions have been put forward by other authors. Portes (2003) distinguishes between 'strict' and 'broad' transnational practices and Levitt (2001a) has spoken of 'core' and 'expanded' transnational activities.

I argue that it is precisely the institutionalisation of this transnational field and/or the promotion of 'narrow' transnationalism that seems to be driving the radical changes in the discourse towards migrants that have taken place, primarily in the last two decades, in a diverse set of sending countries around the world from Colombia and Mexico to the Philippines and the Dominican Republic. In particular, as is argued in section 2.2, this institutionalisation is being sought by articulating and reproducing a discourse that renders migrants as financial-investor subjects abroad and hence as agents of development. In effect, in recent years, migrant-sending states the world over have attempted to capture migrants and their economic resources by designing and implementing programmes that exploit migrants' loyalty to their households and communities of origin, privilege financial markets as the medium for households' socioeconomic reproduction and bring to the fore investment as the preferred mechanism for the 'proper' use of remittances.

And so, in the arena of migration and transnationalism, the nation-state not only continues to play a crucial role in framing the terms under which transnational practices take place (because of its monopoly on power), but it is also being pushed to redefine its territorial domain of action in its attempts to control the population beyond its borders (Basch et al., 1994). Thus, it seems that now, as Katharyne Mitchell (1997) has put it, *'state practices and the rights and responsibilities of state citizenship expand and contract with prevailing transmigration currents and capital flows'* (page 106). Examples of these developments can be seen throughout the world. One classic example of a government's attempt to institutionalise the transnational field by rendering migrants as agents of development is that of the Indian Government. After failing to attract a high flow of capital by lifting restrictions to foreign investment in the 1980s, as part of the country's industrialisation and development strategy, the Indian government (using a nationalistic discourse) turned to Non-Resident Indians (NRIs). NRIs, especially those residing in the United States and Europe and employed as professionals in scientific, industrial and financial institutions, were given special tax incentives and logistical and planning assistance in setting up new businesses, partnering with local firms and investing in a wide range of private ventures (Lessinger, 1992).

Attempts by governments of the global north have also been documented, although these efforts have mostly focused on attracting specific kinds of migrants with specific resources and exploiting their transnational connections as opposed to institutionalising the transnational practices of migrants already residing within their borders. The classic

example here is that of the Canadian Business Immigration Programme, which encouraged the entry and settlement of wealthy investors and entrepreneurs (mostly from Hong Kong) into the country. However, analyses of this programme have questioned the idea of the footloose migrant entrepreneur and exposed the weaknesses of assumptions of portability and smooth transferability of skills by migrants that dominate globalisation theory. In addition, they have highlighted the geographically bounded nature of transnationalism and questioned ideas of the 'spacelessness' of neoliberalism (Ley and Waters, 2004; Mitchell 2004).

As mentioned in section 2.3, many Latin American governments have followed suit in designing a range of programmes that aim to establish and reproduce a discourse that links migration, remittances and development. One of the ways in which many Latin American states have sought to construct migrants as consumers-investors-citizens subjects abroad and thus render them as agents of development is through the housing and financial sectors. The next section explores why these specific sectors have been chosen over others and how development discourses have become incorporated into the realm of Latin America's housing policy. These discourses are then framed into the political economy of housing policy in the region. As will be demonstrated, the singling out of these sectors is not a coincidence but is based in a belief in the neoliberal orthodoxy of development economics. This belief is in turn compounded by a recognition of the increasing significance of migrant remittances for alleviating internal social and economic pressures and the potential that migrant households' links with global circuits of capital and finance have for countries' incorporation into the global capitalist system.

2.6. Remittances, housing policy and development

This section revisits the existing literatures that highlight the role of the state (articulated through housing policy) in shaping housing markets in Latin America, while drawing attention to the ideological foundations of the changes that have taken place since the mid twentieth century. Despite sending governments' growing interest in incorporating migrant workers into development policies by channelling remittances to the housing sector, these literatures have yet to articulate how these new developments are reconfiguring the political economy of housing policy and markets in Latin America. Thus, revisiting these literatures is important because they provide the historical and political background against which this new diasporic dimension can be added. The aim here then is to extend the political economy of housing policy to

include the growing number of Latin Americans living abroad whose states are now attempting to render as agents of development through the housing market.

2.6.1. Development discourses and the political economy of housing policy in Latin America

The process of industrialization in Latin America in the post war era was the result of the state's recognition of increased production as a means to progress at a time when a process of consolidation of the development economics discourse, emanating from the United Nations and International Financial Institutions (IFIs) such as the World Bank, was taking place. This discourse translated into specific economic development strategies that were conceived and modelled in the social and economic context of the industrialised / developed north¹⁸ and provided the means for capital accumulation and modernisation of 'underdeveloped areas' (Escobar, 1995). Under the lead of the United States, the consolidation of the development discourse meant that the IFIs had a strong degree of influence in the affairs of Latin America and in effect were establishing the parameters under which the social and economic policy of the region was to be defined. For the most part, housing policy has been modelled in the framework of this broader political economy of development and as will be shown, it has not only ignored the particular features of the social, economic and political apparatus of the region but has also left very little room for the articulation of alternative approaches.

The rapid pace of industrialization in the major cities of Latin America caused an increased demand for jobs in a wide range of sectors from manufacturing to commerce and finance and as a result, an exodus from rural to urban areas¹⁹. However, structural problems such as low wages, a highly unequal distribution of wealth, a monopolised land market and a construction sector that favoured the better off, meant that this new class of workers could not afford a home (Gilbert, 1998). Because the focus was then on industrial production, housing was not seen as a propeller of growth but as a consumption item. Although this would radically change with the move towards a neoliberal approach to development problems centred around finance and investment, around this time, Latin American governments were not encouraged by the IFIs to invest in the sector (Gilbert and Ward, 1985; Jones and Datta 1999). Consequently, in

¹⁸ According to Gilbert Rist (1997), development has historically been a preoccupation of the industrialised north and the first important manifestations of the discourse can be traced to the Industrial Revolution.

¹⁹ Gilbert (1998) and Gilbert and Ward (1982) have argued that this exodus had more to do with the gap between urban and rural living conditions and less to do with poverty per se.

the major cities of Latin America the urban poor had to resort to the construction of 'illegal' (self-help) settlements to meet their housing needs (Gilbert, 1987; Gilbert and Ward, 1985; Varley, 1998).

Between the middle of the 1960s and the late 1980s, governments throughout the region maintained a mixed approach to housing policy that consisted mainly of poorly funded public housing projects, that failed to meet the enormous demand and a politically-driven changing stance on squatter-upgrading (improvement projects through provision of infrastructure) and sites-and-services projects (settlements where the state provided cheap sites and a basic range of services and house construction was left to the residents) (Gilbert, 1997; Gough, 1999). By the late 80s, the negative effects of the debt crisis were widespread and the previous trend of increasing rates of home-ownership, mostly in the form of self-help homes, seemed to be reversing due to a combination of factors such as decreasing wages, lack of accessible land for low-income housing, not-so-favourable state policies, growing commercialization of land and subsequently rising land prices (Gilbert and Varley, 1991).

2.6.2. Housing: from consumption item to driver of economic growth

The dreadful state of public finances in most of the region as a consequence of the debt crisis in the 1980s provided a perfect excuse for the introduction of market-friendly housing policies in the 1990s. This approach was in line with the new ideology of limited government and the promotion of market-based solutions to development problems and was built upon the neoliberal orthodoxy emerging from the World Bank and the major development agencies.

The new housing policy (known as the Capital Housing Subsidy Model) placed a greater emphasis on housing finance and urban management. It aimed to incorporate the private sector into the social housing market, promote transparency and explicitly target the poor. More broadly, the policy aimed to reform the economic and financial structure of the countries that adopted it and promote economic growth (Gilbert, 2004; Jones and Datta 1999; Jones and Ward 1994a; 1994b). On one hand, the policy meant that the provision of social housing would be transferred to the private sector which would be more efficient in providing the poor with more 'choice'. On the other hand, it would give subsidies to the poor to buy privately supplied housing. This form of housing policy had been pioneered by the Pinochet government in 1977 and was adopted (fully or partially) by other Latin American countries such as Colombia, Costa

Rica, Ecuador and Panama as part of the process of structural adjustment reforms in the 1990s (Gilbert, 2004; UN-Habitat, 2005; Winchester, 2005).

I would argue that the introduction of this housing policy meant much more than simply a transfer of responsibility from the state to the private sector. Two radical and important changes were introduced to the functioning of the housing market: obtaining credit became the only way for the poor to get on the housing ladder and the status of housing changed from being considered a consumption item to an investment vehicle and key driver of economic growth and employment. However, as is explained in detail in chapter 5, doubts should be cast on the reliance on a housing policy that exclusively favours the market and emphasises a neoliberal macroeconomic style of management. As is illustrated by the Colombian case, the great mismatch between supply and demand has meant that the 'logic' of the market has proven inadequate to provide housing solutions to the most vulnerable populations, the very people it intended to help.

2.6.3. Political and economic significance of the housing sector

Even though housing did not explicitly become a driver of economic growth until the introduction of structural macroeconomic reforms, the housing sector has historically had a great deal of political and economic significance for governments throughout Latin America, even if this has not always been explicitly articulated. The use of housing policy as a political tool²⁰ is a trait shared by many governments in Latin America. As Gilbert and Varley (1991: 10) have pointed out, *'the housing issue can hardly be divorced from the wider political arena in Latin America where the state has manipulated low-income populations for political purposes'*. In addition, governments throughout the region have realised the benefits that increased rates of homeownership could bring in terms of social and political stability and thus have actively fostered the ideology of home-ownership²¹. This strategy seems to be the reason behind Latin American governments' implicit acceptance of 'self-help'

²⁰ Gilbert and Varley (1991) and Varley (1998) provide a compelling account of the political uses of housing policy in Mexico. For example, Varley (1998) concluded that in the early 1970s and the late 1980s, national housing policy in the form of land tenure legalization was used by the Mexican government to bring about the political integration of the urban poor (settlements with active independent political organizations were targeted) with the aim of maintaining political stability in the cities.

²¹ Fostering this ideology is not unique to Latin American governments. Many other governments in developing and developed countries have made the promotion of home-ownership central to their national housing policies (see Gilbert (2008) for a worldwide overview; Smith (1988) for the case of the US; Smith (2008) and Smith *et al.* (2004) for the case of the UK).

settlements and the establishment of housing subsidy programmes in recent years (Gilbert and Varley 1991).

In addition, given the macroeconomic context of Latin America, the construction sector's relative importance to the economy, especially in terms of employment generation, has been significant. It should not be surprising then that the government has actively intervened to favour this specific sector, especially in times of economic downturns. According to Gilbert and Ward (1985), the use of public housing policy to create jobs and sustain the private construction industry is one of the many instances in which the government may appear to be intervening on behalf of the poor²².

Another important issue that has to be considered in this politically-driven use of housing policy is the expressed desire of most people to own their homes. Previous studies have found that the majority of people in the cities of Latin America have a strong desire for home-ownership (Gilbert, 1987; Gilbert and Varley, 1991). According to Gilbert (1987: 47), this desire goes beyond common aspirations and *'is partly a recognition of economic realities, partly a consequence of the wish to be independent....but it is also an attitude stimulated by the whole ideology of capitalism, reinforced continuously by television advertising and soap operas'*. In this context, it is perhaps reasonable to argue that governments' promotion of home-ownership as an integral part of national housing policies is both influencing and being influenced by people's desire for home-ownership and it is difficult to assess where one begins to be imposed on the other. Although the state's housing policy is a critical determinant of housing tenure, there are many other factors that influence tenure choice. Several studies of urban housing markets in Latin America have concluded that households' decision to buy or rent a house is also determined by the different kinds of choices and constraints they are faced with in terms of their socio-economic structures. Land prices, cost of building materials, income, cost and availability of transport and the trade-off between renting and owning appear to be important ingredients in this mix (Gilbert, 1987; Gilbert and Varley, 1991; Gilbert and Ward, 1985).

²² Gilbert and Varley (1991) illustrated how, during the recession of the 1980s, the Mexican government gave a boost to the national employment rate by effectively increasing the production of low-income housing.

This brief historical overview of housing policy and its political uses in Latin America illustrate the vital importance that non-economic factors play in the definition of public policy in the region. It also illustrates some of the political calculations and ideological underpinnings that have shaped housing policy in Latin America. In particular, the fact that housing policy is not primarily determined by the state of affairs of a country's housing market but rather it is heavily influenced by other factors such as the socio-political ideology of the government in power, the degree of influence exerted by international agencies in the country's public policy, the perceived centrality of the housing sector to a country's social and political stability and the capacity of interest groups to influence housing policy.

Thus, the recasting of housing as a driver of economic growth and development provides a clear example of the ways in which financial-investor subjects are constructed under neoliberalism. These efforts have, no doubt, been aided by the media's reproduction of a capitalist discourse that equates home-ownership with responsibility, independence and the exercise of citizenship. Having recognised migrants as a current and potential economic and political force, sending governments are trying to exploit migrant households' connections to broader circuits of capital and finance by attempting to institutionalise remittances flows and the transnational socio-economic activities that derive from it such as their use for consumption or investment, education, health and private enterprise. They are doing so by reproducing ideologically driven discourses that shift the responsibility of development from the state to its citizens, insist on the centrality of financial markets for households' socioeconomic reproduction and promote 'productive' investment (i.e. housing) as the preferred mechanism for the 'proper' use of remittances. As Smith (2008) and Smith *et al.* (2006) have pointed out, markets are made not given and the housing market (especially the segment of owner-occupation) has an explicit non-monetary element that makes it deeply embedded in a network of social relations; thus its dynamics can only be understood in light of the wider political economy. Yet, there has been a tendency in the literature to analyse housing markets from a purely economic perspective. This thesis, especially chapters 5-7, aims to move beyond economic considerations by exposing the links between the political, financial and social geographies of housing in the context of transnational migration.

2.7. Concluding remarks

This chapter has brought geography back into the transnational discourse by tracing migrants' transnational practices along the geography of the migration network while engaging with development issues surrounding the processes and practices that link north-south economic and sociospatial relations. Specifically, it has articulated the local-to-global connections of the transnational practices that flow through both ends of the migration network and how they shape and are shaped by the wider socioeconomic and political-economic processes of capitalist development.

In this context, it has put forward three main arguments. Firstly, the conception of migrants as financial subjects abroad and hence as agents of development is tightly linked to wider attempts at the institutionalisation of the transnational social field. These attempts are embedded in ideologically-driven neoliberal discourses of citizenship that privilege financial markets as the medium for individuals' and households' socioeconomic reproduction and displace the responsibility for economic development from the state to its citizens (at home and abroad). Secondly, the nation-state continues to play a crucial role not only in framing the terms under which transnational practices take place but it is also being pushed to redefine its domain of action in an attempt to capture the resources of the population beyond its borders. Finally, the singling out of the housing and financial sectors for migrants' incorporation into the polity as agents of development is not a coincidence, rather it is based in a belief in the neoliberal orthodoxy of development economics, which renders investment central to the production and reproduction of individual security and freedom. It is also a recognition of the potential that migrant households' links with global circuits of capital and finance have for countries' incorporation into the global capitalist system. Furthermore, this migration-for-development discourse and its programmes tend to be based on a set of narrow, prescriptive and economistic practices that exult migrants' role as consumers and producers of wealth. Conversely, it ignores their condition as citizens with social rights and the social, cultural, political and historical factors that pushed them to leave the country and the conditions in which most of them enter (and remain in) their societies of destination in the global north.

The next chapter provides a context for framing the empirical findings of this thesis. Specifically, it provides detailed contextual information relevant to the issues and countries at the centre of this thesis: migration, remittances, the role of the state and the transnational flows of people and resources between the United Kingdom and Colombia.

Migration, Remittances and the State: Situating Colombia in the Latin American and Global Contexts

This chapter draws primarily on secondary qualitative and quantitative data and studies to provide detailed contextual information relevant to the issues and the countries at the centre of this thesis. The chapter is divided in four parts. It begins by providing an overview of the historical and recent developments in terms of Colombian migration and the socioeconomic and political context that underpin these developments. Section 3.2 unpacks the significance of the flows of Colombian migrants to the UK and the socioeconomic characteristics and transnational practices of this group. Section 3.3 presents an overview of the global, regional and national remittances markets. Lastly, the chapter frames the Colombian government's response to the recent developments in the arenas of migration and remittances within the wider regional and global context.

3.1. Brief history of migration from Colombia

Colombia has one of the highest rates of emigration in the world (Guarnizo, 2008). The official statistics suggest that approximately 10% of Colombia's population, over four million people, live and work abroad (MRE, 2008). However, some authors estimate that the real number of Colombian émigrés is double the official figure or around nine million Colombians (Cardona Arias, 2010).

Unlike many other countries in Latin America such as Brazil, Argentina, Venezuela and Mexico, Colombia never received a significant number of immigrants from Europe in the period between the time of the Spanish colonisation and the Second World War (Durand 2009). Colombians began to emigrate in significant numbers in the 1960s in the context of the end of 'La Violencia'²³, the subsequent socio-political instability that

²³ 'La Violencia' or 'The Violence' was a period of bi-partisan civil conflict, especially in the Colombian countryside. La Violencia was triggered by the death of Jorge Eliecer Gaitán in 1948, the charismatic and popular presidential candidate of the Liberal party. It ended in 1958 with an agreement of power sharing between the Liberal and Conservative parties known as the 'Frente Nacional' or 'National Front'.

has ensued until today and the relatively weak performance of the Import Substitution Industrialisation (ISI) Model that had been implemented in the post war period. In the decades of the 1960s and 1970s, Colombians emigrated primarily to the United States and Venezuela, mainly as a consequence of the high labour demand of these economies. While the former was determined by economic factors and the geo-political context of the Cold War and attracted mostly the professional middle class, the latter was the result of an oil boom that attracted workers of all types and from all socioeconomic strata (Guarnizo, 2006a; Pellegrino, 2004). In the 1980s, the adverse effects of Latin America's 'Década Perdida' (Lost Decade), huge public debt, inflation and political instability, discouraged inter-regional migration but provoked a sizable migration to the US (Pellegrino 2000). These waves of emigration would lay the foundation for the unprecedented waves of transnational migration that took place beginning in the 1990s.

International migration from Colombia has grown rapidly since the 1990s. Colombian migrants have not only searched for new destinations in recent years, but they have also become more heterogeneous in terms of their social composition and regions of origin. These developments have been mainly associated with the worsening of the economy, which has been attributed to the implementation of neoliberal structural reforms and the expansion and encroachment of the socio-political conflict throughout the country (Garay and Rodriguez, 2005a; Guarnizo, 2006a; Khoudour-Castéras, 2007a).

Other reasons have also been cited to explain the rapid growth of emigration of a wider segment of the Colombian population to new and farther destinations since the 1990s. On the one hand, although the proportion of Colombian migrants connected to the illicit business is quite small, the expansion of the global drug business has meant increased demand for labour at home and abroad. Thus, the strengthening of the drug trade has provided an opportunity to migrate for a segment of the population who otherwise would have not been able to leave the country due to their marginal socioeconomic conditions. On the other hand, the recent wave of migration has been reinforced by the family and community social networks that had been established in the past (Guarnizo, 2006a). Potential migrants usually rely on these networks for the provision of information, resources, and insertion into the economic fabric of the country of destination.

Certainly, another important aspect to consider in order to understand the high rates of emigration from Colombia is its highly unequal distribution of wealth. Colombia has one of the most polarised income distributions in Latin America. Recent data suggests that Colombia has the fourth most unequal society in Latin America²⁴, only after Bolivia, Haiti and Brazil (PNUD, 2010). So, how did the co-existing factors of inequality and drug-trafficking combine with emerging socioeconomic and political conditions in the country to provoke such a significant wave of emigration?

3.1.1. The great wave of migration of the 1990s: socioeconomic and political context

Following the debt crisis of the 1980s, the Colombian government implemented a series of neoliberal economic policies that aimed to integrate Colombia into the global capitalist system. To achieve this, the government of César Gaviria implemented a process of structural reform, known as 'Apertura Económica'. Between 1990 and 1994, 'La Revolución Pacífica' (the Pacific Revolution), Gaviria's national development plan, liberalised trade (virtually eliminating all import controls), liberalised foreign exchange transactions, eliminated all restrictions to Foreign Direct Investment (FDI) and reformed the labour code (in order to make labour more flexible) and the social security system, to allow private investment in an area traditionally reserved for the state. In addition, in 1991 the government adopted a new constitution that redefined the functions of the state. As a result of these changes, the economy's ability to generate employment weakened, especially in the sectors that were directly and rapidly exposed to foreign competition such as agriculture and manufacturing²⁵. Indeed, the contribution of these sectors to the country's GDP rapidly diminished. In terms of production, manufacturing industries' contribution to GDP fell from an average of 21.2% before 1990 to around 13% at the end of the decade. In terms of employment, both sectors showed negative or very small rates of growth in the decade of the 1990s. Moreover, the drop in job creation in these sectors (particularly for low skilled workers) did not translate in increases in other sectors of the economy and provoked a sharp deterioration in the country's income distribution index (Gómez Ramírez et al., 2006).

Although similar reforms were implemented in other Latin American countries, unique socio-political conditions in the country, especially following the death of Pablo

²⁴ Despite recent improvements in some Latin American countries, such as Brazil, Mexico and Chile, mainly as a result of targeted public policy interventions, Latin American societies remain highly unequal. In terms of per capita income, Latin America is still 18% more unequal than Sub-Saharan Africa, 36% more unequal than East Asia and 65% more unequal than developed countries taken as a whole (PNUD 2010).

²⁵ Unable to compete with a flood of low-cost products, thousands of small and medium private enterprises in these sectors were driven into bankruptcy (Guarnizo 2006a).

Escobar²⁶, meant that the adverse effects of these reforms were much more acute. Portes and Hoffman (2003: :41) have put this into perspective: *“the contraction of public sector employment and the stagnation of formal sector labour demand in most [Latin American] countries have led to a series of adaptive solutions by the middle and lower classes...including the rise of informal self-employment and micro-entrepreneurialism, the rise of violent crime in the cities and migration abroad by an increasingly diversified cross-section of the population”*.

External factors also played a role in the deterioration of the country’s overall state of affairs. The dissolution of the International Coffee Agreement in 1989, produced a series of economic and institutional changes that had a profound impact in the lives of thousands of coffee producers in Colombia²⁷ (Montenegro, 1993). These changes would have dire socioeconomic consequences for the country in the years to come. The coffee crisis hit the region at the heart of the production of the grain the hardest²⁸ and also triggered one of the worst economic slumps in Colombian history. Coffee has been the backbone of the Colombian economy since the beginning of the 19th century and has played a critical role in the development of Colombia’s infrastructure and internal consumer market and as a stable source of foreign currency throughout the 20th century. As Nieto Arteta (1992: 25) has aptly put it, *‘up until the emergence of coffee, the history of the Colombian economy is quite peculiar. It is precarious, in a state of contingency and trial’* (my translation).

Thus, for many decades, the boom in the production of coffee and the high prices in the international market, allowed the Eje Cafetero, where around 50% of the grain is produced, to enjoy the highest levels of economic and human development in the country²⁹. The sudden collapse of the coffee economy and the earthquake that hit the

²⁶ Pablo Escobar was a notorious Colombian drug lord. After a long and bloody manhunt, Escobar was killed in Medellin on December 2nd, 1993. The void left by Escobar continues to be disputed by the multiple drug factions that operate in Colombia (guerrillas, paramilitaries and drug cartels).

²⁷ The production of coffee in the country is in the hands of small land owners. Around 62% of the cultivated area is owned by farmers with less than 1 hectare of land (Toro Zuluaga 2005).

²⁸ During the decade of the 1990s, the coffee region’s employment rate fell faster than the national rate and showed negative growth during a great part of the decade (Gómez Ramírez *et al.* 2006).

²⁹ The Colombian National Coffee Federation (Federacafe) through the National Coffee Fund (FNC) collects and administers the contributions of coffee producers to the exchequer. In the coffee region, these contributions have historically provided much of the funds needed for basic infrastructure projects in health, education, housing and electricity.

coffee region in 1999³⁰, brought to light many of the complex socioeconomic problems that had been developing under the surface during the boom years: a deterioration of the living standards of some sectors of the population, high rates of violence and crime (mostly linked to drug trafficking, guerrillas and paramilitarism) and the displacement and migration of people to (the internally displaced³¹) and from the region (Toro Zuluaga, 2005). Moreover, in 1999, in the midst of a profound economic crisis³², Colombia negotiated an aid package with the United States, 'Plan Colombia'. The plan's main objectives were to establish state authority and security for anti-drug missions and a development strategy that emphasized market solutions to the problems of poverty and inequality in Colombia (Avilés, 2008). However, in practice, the implementation of Plan Colombia has been linked to out-migration and internal displacement. On the one hand, market solutions in the form of mega-development projects such as the dramatic expansion in African palm cultivation, has provoked displacement among indigenous and afro-descendant communities in the country's pacific coast (Escobar, 2003). On the other hand, the spread of illicit crops in different rural areas and the aggressive military campaign funded by the US to eradicate drug production and trafficking have pushed the conflict farther and farther into remote areas of the country. This situation has forced millions of farmers and local residents, often caught in the cross-fire, to out-migrate³³.

In summary, in Colombia, increased trade and market liberalisation, privatisation and sharp cuts in health and education not only increased the gap between the rich and the poor, but also destroyed the livelihoods of millions of rural and urban people employed in the manufacturing, agricultural and public sectors throughout the country. The interweaving of this economic reality and the worsening of the socio-political situation in the country in the 1990s pushed millions of Colombians, from all socioeconomic backgrounds, to seek social, political and economic refuge abroad. The sudden collapse of the coffee economy in conjunction with an earthquake meant that the

³⁰ The city of Armenia, capital of the state of Quindío (at the heart of the coffee region) was almost completely destroyed. Around 2000 people died in the earthquake and its social and economic costs are still being felt today.

³¹ The non-governmental Observatory on Human Rights and Displacement (CODHES) has estimated Colombia's internally displaced population to be around 5 million people (close to 11% of the total population) (IDMC 2010).

³² Multiple factors contributed to this crisis: the international coffee crisis, the adverse effects of the neoliberal reforms implemented at the beginning of the decade, a national mortgage crisis that spilled onto the housing and financial markets, a decline in world commodity prices and the spillover from the Russian (1998) and Brazilian (1999) financial crisis. The country's rate of unemployment in 1999 was 20% (Ahumada and Andrews 1998).

³³ The Internal Displacement Monitoring Centre (IDMC 2009) has documented a high incidence of cross-border migration to Ecuador from the border departments of Nariño and Putumayo.

adverse effects of these multiple crises were felt more acutely in the country's coffee region, where an estimated one-fifth of the total population has been displaced (Toro Zuluaga, 2005). Thus, in the coffee region, as in much of the rest of the country, the armed conflict, high levels of poverty, marginalisation and social and economic exclusion have intertwined in such a way that it is particularly difficult to categorise migrants as solely political and/or economic.

3.1.2. Migration from Colombia: current trends

For the first time in the history of Colombia, questions related to migration were introduced in the General Census of 2005. Not surprisingly, the results showed that almost 40% of Colombian migrants (approximately 1.5 million people) come from the central western area of the country: Eje Cafetero (the states of Caldas, Risaralda and Quindío) and the state of Valle del Cauca³⁴ (see figure 3.1). The other areas with a considerable proportion of households with family members abroad are Bogotá (Cundinamarca), with 18.7%, the state of Antioquia, with almost 12%, and the state of Atlántico, in the Caribbean coast of Colombia, with 6.6%. In addition, two of the three states with the highest rates of emigration are located in the Eje Cafetero: Risaralda and Quindío (Khoudour-Castéras, 2007a).

³⁴ Geographically, the greater Colombian coffee region or Ecoregion is composed by the states of Caldas, Risaralda and Quindío, the northern part of the state of Valle del Cauca and the north-western part of the state of Tolima (Toro Zuluaga 2005).

Figure 3.1: Map of Colombia's Eje Cafetero



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Source: Perry-Castañeda Library Map Collection, University of Texas (2008)

One important characteristic of Colombian migration is that it is primarily urban. Indeed, the main sources of migrants are the capital cities or metropolitan areas of the localities with high proportions of migrant households (Guarnizo, 2006a; Khoudour-Castéras, 2007a). This finding should not be surprising given that 78% of the country's population live in the cities (CEPAL, 1999). In addition, migration from Colombia is primarily female. Data from 2003 suggests that 53% of all Colombians abroad are women. However, women are unevenly distributed around the world: while 65% of Colombian migrants in Europe are women, only 57% of those residing in North America and 44% of those residing in South America are female (Guarnizo, 2006a).

The three main countries of destination for Colombian migrants are the United States, Spain and Venezuela with, respectively, 35.4%, 23.3% and 18.5% of Colombians abroad. Other important destinations include Ecuador and Canada where, respectively, around 2.4% and 2.2% of Colombians have settled (Khoudour-Castéras, 2007a). One important finding that emerged from the census was the fact that, in recent years, Colombian migrants have increasingly searched for new destinations. As mentioned in section 3.1, Colombians began migrating in significant numbers to the United States and Venezuela in the 1960s and 1970s. These traditional destinations have been losing ground to 'other' countries, which now account for approximately 14% of total migrants (Khoudour-Castéras, 2007a). Although the census failed to capture the specific destination of these migrants, data from other sources suggests that the Colombian presence in Europe has grown rapidly, especially since the 1990s³⁵. For example, the Colombian Ministry of External Relations estimates that 11% of Colombian migrants live and work in Europe (MRE, 2008). Also, a study conducted in 2005 found that 87% of migrants from the coffee growing region left the country in the previous 10 years (Garay and Rodriguez, 2005a). So, how significant are these emerging flows of migrants to the UK?

3.2. Colombian migration to the UK

The Colombian presence in the UK

The Colombian Ministry of External Relations estimates that 19% of Colombian migrants in Europe (around 90,000), reside in the United Kingdom³⁶ (MRE, 2008), thus the UK has the second largest population of Colombians in Europe, after Spain (Bermúdez Torres, 2006). London is a key destination for Colombians. Although, the actual numbers of Colombians in the UK is unknown, some migration scholars have

³⁵ It is worth noting here that during this decade, it also became increasingly difficult for Colombians to obtain tourist visas to enter the United States.

³⁶ This would mean that around 2% of all Colombians abroad reside in the UK.

estimated the size of the Colombian community in London to be around 150,000³⁷ (McIlwaine, 2005). So, based on a central estimate of around 70,000, Colombians constitute the largest group of Latin American immigrants in the city³⁸ and one of the ten largest migrant groups settled in the English capital³⁹ (Guarnizo, 2006b). In turn, the UK is the fourth biggest source of remittances to Colombia⁴⁰.

As is the case for the general Colombian migrant population (see section 3.1.3), migration from Colombia to London is regionally concentrated. The Latin American Migration in Europe Survey (LatMES)⁴¹ found that around 50% of Colombians in London come from the central western area of the country: the Eje Cafetero and the state of Valle del Cauca⁴². In addition, there is a high concentration of migrants from some municipalities such as Anserma (Caldas); Tulúa and Palmira (Valle del Cauca). So, this central-western region is overrepresented in terms of its migrant population: while only 7% of the Colombian population resides in the Eje Cafetero, 20% of Colombians in London are native to this region. Similarly, the state of Valle del Cauca houses 10% of the Colombian population⁴³ but its citizens in London account for 30% of the total.

The socio-demographic composition of the Colombian community in London also reflects the pattern seen in the total Colombian population abroad: close to 54% of Colombians in London are women and come from the country's urban areas (76%) (LatMES cited in Guarnizo 2008). Colombians are scattered in and around London, with pockets concentrated mostly in four boroughs: Camden, Islington, Lambeth and

³⁷ The 2001 British Census only recorded 12,039 Colombians in the UK, 75% of whom lived in London (Guarnizo 2008:12). However, a more recent and comprehensive study estimated the Latin American community in London to be around 113,500. This estimate is based on a variety of data sources and includes regular and irregular migrants and the second generation (McIlwaine et al. 2011).

³⁸ Given the problems with under-reporting, it is not clear whether the number of Brazilians in London (estimated between 100,000 and 200,000) is greater than the number of Colombians.

³⁹ This estimate would place the number of Colombians in London to be comparable to those coming from countries of the old British Empire such as Bangladesh, Nigeria, Pakistan and Kenya (Guarnizo 2008:12).

⁴⁰ This will be shown in section 3.3.2.

⁴¹ The LatMES was conducted in London in 2005. It was part of a bigger project entitled *New Landscapes of Migration: a comparative study of mobility and transnational practices between Latin America and Europe*. The project was led by Luis Guarnizo (UC Davis) and Ninna Nyberg Sørensen (DIIS) and investigated the experiences of Colombian and Dominican migrants in four European countries: UK, Spain, Italy and Denmark. The survey is the most up-to-date and reliable source of information about the Colombian community in London.

⁴² A smaller study conducted in 2004 found similar results (McIlwaine 2005).

⁴³ Population data in Colombia extracted from the National Department of Statistics (DANE). http://www.dane.gov.co/index.php?option=com_content&task=category§ionid=16&id=496&Itemid=996. Population in London extracted from Guarnizo (2008).

Southwark (Bermúdez Torres, 2006; Open Channels, 2000). There also small concentrations of Colombians in the boroughs of Tottenham, Hackney and Newham (McIlwaine, 2005). Also, there are some areas in London that are the locus of the Colombian community such as the Seven Sisters Market (also known to Latin Americans in London as ‘El Pueblito Paisa⁴⁴’) and Tiendas del Norte, in North London; and the Elephant and Castle and Tiendas del Sur shopping centres, in South East London. These places house a significant number of Colombian businesses from cafés, restaurants and groceries to clothing and music stores, beauty salons and remittance and parcel services (see figures 3.2 and 3.3). In these areas, the socio-cultural life of the country is recreated: people speak Spanish (mostly with a ‘paisa’ accent), eat typical Colombian foods, listen to traditional rhythms (salsa, merengue, vallenato) and discuss the country’s news.

Figure 3.2: Colombian businesses in North London



Photographs by author

⁴⁴ There is also a ‘Pueblito Paisa’ in Colombia. It is one of the landmarks of Medellin, the second biggest city in Colombia. El Pueblito Paisa is a replica of a typical small town in Antioquia at the beginning of the twentieth century. It has a church, a school, a barber shop, a pharmacy, shops and a typical town square.

Figure 3.3: Colombian businesses in South London



Photographs by author

The vibrancy of the Colombian community in London can also be appreciated in the many different newspapers in Spanish that circulate in the city. They are produced for and by Latin Americans, though Colombia-related news and editorials tend to dominate them. Two of the main free circulations are the weekly Express News – Latin American News and the monthly, Noticias Latin America. However, despite their growing visibility, and compared with other more numerous migrant groups, Colombian migration has only recently started to attract the attention of scholars, local authorities and political parties in the UK⁴⁵. So how did the first Colombians arrive in the UK? How did the community in London grow to this present size?

Colombian migration to the UK: brief history

Up until the 1970s, Colombian migration to the UK was largely made up of the upper class, intellectuals, artists, refugees and some students (Bermúdez Torres, 2006; Guarnizo, 2006a). As a consequence of the Immigration Act of 1971, which ended the right to free immigration of the citizens of the commonwealth and ended almost all forms of economic migration into the UK, the government introduced a work permit scheme for low paid, menial jobs in the commercial services sector, mainly in industrial and commercial cleaning, hotels and restaurants (Guarnizo, 2008). This work permit system allowed employers to easily hire foreign workers without having to undergo a lengthy process and its introduction coincided with the consolidation of the UK as a services-based economy (Guarnizo, 2008). Although it is not clear exactly how Colombians became involved in this process, it is estimated that between 4,000 and 10,000 people, mainly women from the Eje Cafetero (coffee region) and the state of

⁴⁵ During the 2008 election campaign for Mayor of London, Boris Johnson, then candidate for the conservative party, visited the Seven Sisters Market. It was the first time that such a high level politician campaigned in an area predominantly occupied by Latin Americans.

Valle del Cauca filled these vacancies (Guarnizo, 2006a; Open Channels, 2000). This first wave of labour migration would set the stage for the subsequent diversification of the segments of the Colombian population that have migrated to the UK in recent years.

Although the permit system was significantly reduced in 1979, many of these pioneers stayed in the UK and sought a way to obtain Indefinite Leave to Remain (ILR) in the UK (legal permanent residence). Because Colombians did not need a visa to enter the UK prior to 1997, many wishing to work continue to arrive in the UK, albeit in smaller numbers, mainly as tourists (Bermúdez Torres, 2003; Guarnizo, 2008).

Migration from Colombia increased dramatically in the 1990s and peaked at the beginning of the new millennium. Recent data suggests that 79% of Colombians arrived in London between 1990 and 2004 (Guarnizo, 2008). As mentioned in section 3.1.2, this dramatic increase was the result of the confluence of multiple factors. On the one hand, during the decade of the 1990s, the country suffered from a combination of high rates of unemployment, slow economic growth and a deterioration of the internal social and political climate. On the other hand, the strong demand for labour (low and highly skilled) of a booming UK economy and the pre-existing transnational social networks (whose seeds had been sown in the 1970s) accelerated the rate of emigration from Colombia, especially from the coffee region, to new destinations, particularly in Europe. So, what is the socioeconomic profile of the Colombian population in London? What position do they occupy in London's socioeconomic and occupational structure?

3.2.1. Colombians in London: socioeconomic profile

The majority of Colombians in London are employed in low-skilled service sector jobs. In particular, around 37% are employed as cleaners (domestic and commercial) and/or manual labourers, 13% work as administrative and sales support and around 14% claim to be 'out of the labour force'⁴⁶. However, a considerable amount of Colombians, 27%, are employed in a mid-level and/or professional occupation (LatMES cited in Guarnizo 2008).

This employment trajectory more or less reflects their level of education. Data from the Latin American Migration in Europe Survey suggests that while around 42% of Colombian migrants in London have only attained a lower level of qualification (high

⁴⁶ This category includes students, military and religious personnel and homemakers.

school degree, technical education and/or some university courses); 45% have a higher level of qualification (university and/or postgraduate degree) and only a small minority, 12%, have no formal qualifications. However, the employment trajectory of Colombians in London is in stark contrast with the level of qualification of the people who entered the UK between 2000 and 2004. The survey found that 79% of those individuals had a higher level of qualification (LatMES cited in Guarnizo 2008).

A closer look at the dynamics of London's labour market helps us put these findings into perspective. In particular, the rise of global cities such as London, New York and Paris has not only produced great demand for highly skilled professionals but also low-skilled service workers such as janitors, repairmen, maids and nannies, to support them and the corporations where they work. In general, this labour market is characterized by low-paid jobs, with limited advancement opportunities and job security where subcontracting, employment agencies and temporary jobs are widespread (Datta et al., 2006a; Datta et al., 2007; Sassen, 2003). Due to the nature of these jobs, they are primarily being filled by documented and undocumented migrant workers (Sassen, 2003). Thus, it can be said that the migration wave from Colombia to London at the beginning of the new millennium is an indication of the dynamics of the new international division of labour, which has triggered an increased demand for labour at both ends of the occupational spectrum.

Consequently, for many Colombians the move to a global city such as London has meant experiencing downward social mobility. Recent data suggests that while only 46% of Colombians in London belonged to the lower and lower middle income strata while they lived in Colombia, now a much higher proportion, 76%, report doing so in London⁴⁷. Furthermore, while almost 20% of Colombian migrants reported belonging to the upper and upper middle income strata in Colombia⁴⁸, a mere 5% were able to maintain that status in London (LatMES cited in Guarnizo 2008).

This reality is then an indication of the position of liminality that migrants from the global south tend to occupy in the socioeconomic structure of the cities in the global north

⁴⁷ Colombia has a socio-economic stratification system, commonly referred to as 'estrato'. Although the system of stratification was designed with the intention to establish rates for utility services according to household incomes, society in general uses it to determine a person's social position. Estratos vary from 1 (lowest) to 6 (highest). The lower and lower-middle income households belong to estratos 1, 2 and 3. For migrants' social position in London, the LatMES survey employed the same social stratification used in Colombia and the answer reflects migrants' own perception of their social mobility.

⁴⁸ These correspond to estratos 5 and 6.

where they reside. In the case of Colombians in London, this position of liminality may be partially explained by the fact that, although, on average, they have lived and worked in London for a decade, a significant proportion, 44%, does not have the necessary language skills needed to thrive in London's competitive labour market (LatMES cited in Guarnizo 2008).

Certainly, migrants' marginal position in London's social and economic life may also be related to their legal status in the UK. Although a significant portion of Colombians, 59%, had no legal right to live and work in the UK when they entered the country⁴⁹, a much smaller proportion, 22%, was in that situation in 2005. Hence, although the legal situation has improved for many Colombians since they arrived in the UK, it is important to note here that around one in every five Colombians residing in London still live and work at the margins of the law (LatMES cited in Guarnizo 2008). In this vein, it is worth noting that migrants' social position has to be understood as operating simultaneously in both the society of origin and destination. While the majority of Colombian migrants are found at the margins of the socioeconomic and occupational structure of London society; living and working in London (a global city) still represents an improvement in migrants' position vis-à-vis their equals in Colombia (Guarnizo, 2008).

In short, the socioeconomic background of Colombians in London, from professionals to manual labourers to people in the shadows of society, is quite diverse. Although most Colombians are found at the lower end of the occupational and socioeconomic structure of London society, people from all walks of life and from all the different income brackets are represented in the community. This diversity reflects the complex social, economic and cultural demographics of the country. So what sort of links do these Colombians maintain with their homeland?

⁴⁹ This refers to the people who entered the UK only with a Colombian passport (before 1997), with a tourist visa (after 1997) or without any proper documentation.

3.2.2. *Colombians in London: transnational practices*

In recent years, it has become evident that migrants engage in a range of transnational practices⁵⁰ that encompass all aspects of social life. These practices have had broader institutional, economic, social and cultural effects in communities, regions and nations at both ends of the migration network. The transnational practices of Colombians abroad have not yet been widely documented and most research has been conducted either at the point of departure or destination. The limited research available has, for the most part, focused on the now-established flows of migrants to the United States and more recently, on the transnational connections established by migrants in Spain. Nonetheless, the research available suggests that besides remittances, there are a multiple set of activities connecting Colombians abroad and their places of origin.

The biggest study of the transnational dimensions of US-bound Colombian migration concluded that there is a '*dense web of economic, political and socio-cultural transnational relations connecting migrants and their places of origin*' (Guarnizo and Diaz, 1999: 397). However, these relations tend to be fragmented by class, region of origin and racial group and so, there are no formal migrant organizations operating between origin and destination. The study also identified a set of after-migration changes in the urban structure of the cities of origin (Pereira and Cali) of US-bound migrants such as an increase in the number of small businesses (usually financed with remittances money), a significant increase in the amount of upgraded houses and in the consumption of household appliances. Also, Portes (2003) found that only a very small percentage of Colombians in the US, 10%, engage in regular cross-border political and socio-cultural activities and an even smaller portion, less than 5%, have engaged in transnational business ventures.

In Europe, the great majority of studies have focused on documenting the transnational practices of Colombians in Spain. These have, for the most part, focused on the spatial reconstitution and reproduction of the family in the transnational space (e.g. Echeverri, 2010; Gimeno Collado et al., 2009; Puyana Villamizar et al., 2009; Sørensen and Guarnizo, 2007) on migrants' political practices from afar (Bermúdez Torres, 2006) or on the gender dimensions of remittances and its impact on development (García, 2008).

⁵⁰ As is extensively detailed in chapter 2, transnational practices refer to those activities that link flows, of people and resources, along the geography of the migration network.

Few scholars have touched upon the transnational connections of Colombians in the UK. In terms of political transnationalism, Bermúdez-Torres (2006) and Guarnizo (2006b) found that the transnational political activities of Colombians in the UK are small and dispersed⁵¹. Gaviria and Mejía (2005) found that 71% of Colombian migrants in the UK send money home on a regular basis and 98% of remitters still have family members living in Colombia. Guarnizo (2006b) found that Colombians in London maintain economic and socio-cultural links with their homeland while at the same time try to integrate into the host society. These links are mostly maintained with family members back home and take the form of supporting relatives, sending remittances, investing in the country or closely following the country's news. In this sense, the nature of these migrants' transnational relations tends to be individual and private rather than collective and for the public good. In addition, Cock (2008) has argued that the commercial spaces and the media outlets created by Colombians in London have helped them to simultaneously maintain socio-cultural and economic links with Colombia and create a sense of group 'ethnicity' in the city.

In summary, high rates of emigration from Colombia have, no doubt, produced profound transformations in the social, economic, political and cultural structures of the country. Luis Guarnizo (2006a) has further argued that migration has transformed the country into a '*transnational social formation*' in which the production, re-production and transformation of the political, cultural and socioeconomic structure of the residents of the national territory (non-migrants) interact with, influence and are influenced by residents in multiple foreign territories (migrants). However, much more research is needed in order to understand the complex implications that migrants multifaceted links with Colombia have had at the household, city, community, country and global levels. This thesis is an attempt to fill part of this void. In particular, it aims to elucidate the multiple political, financial and social linkages that are generated along the geography of the migration network while contextualising the connections between state policy, economic development, global financial flows, family reproduction/livelihood strategies and migration experiences and aspirations.

⁵¹ A large comparative study of the transnational voting practices of Colombian migrants in the UK, Spain, France and the US will be published in 2011. The study is being coordinated by Cristina Escobar from Princeton University. Dr. Cathy McIlwaine, QMUL, is responsible for the study in the UK and Spain.

3.3. The remittances market: an overview

3.3.1. Remittances: the global context

In recent years, remittances have been hailed for their potential as drivers of economic development in migrant-sending countries. The establishment of a discourse that links migration-remittances-development has been one of the most prominent features of the global development agenda in the last decade. It is this kind of discourse that is constantly repeated by governments in the south and north as the answer to the 'development problem' of the south (Faist, 2007).

A concerted effort to articulate this discourse and the diverse range of programmes that seek to spur economic development based on the 'proper' use of remittances throughout the developing world, can be traced to the Summit of the Group of Eight (G8) in 2004⁵². In this meeting, representatives of the G8 nations drafted a Global Poverty Action Plan with the goal of 'attracting remittance flows into formal channels' so that they can be effectively managed in order to strengthen the global financial system and providing 'families more options and incentives for productively investing remittance flows'. The plan was based on the premise that remittances 'can play a key role in private-sector development efforts' (Global Poverty Action Plan, 2004). These goals were to be achieved by establishing strategic alliances with financial sector institutions, civil society, NGOs and other institutions close to remitters and their families. Although the World Bank has been in charge of coordinating these efforts, these projects are being pushed at a global scale by a range of different institutions such as the UK Department of International Development (DFID), the International Labour Organisation (ILO), the International Organisation for Migration (IOM), the United States Agency for International Development (USAID), the Inter-American Development Bank (IADB), the German Agency for International Cooperation (GTZ) and the Ford Foundation, among others (BID, 2006).

In practice, the migration-development discourse has translated into specific policies and practices directed at exploiting migrant households' connection to broader circuits of capital and finance. In this vein, the efforts have been channelled towards the financialisation of remitters and their families and the establishment of the necessary channels for the release of the investment potential of remittances. But several governments have also found other more subtle ways to exploit the fruits of their migrant labour: the use of future remittances flows as a tool to access credit in

⁵² Efforts to quantify the volume and costs of remittances had been initiated by the Inter-American Development Bank's Multilateral Investment Fund (MIF) in 2000 (Hall 2010).

international markets by banks and governments in the developing world is now widespread⁵³. The magnitude of migrants' remittances is such that international rating agencies rank their credit worthiness on the same level as that of credit card, telephone and airline receivables⁵⁴. Countries such as Brazil, El Salvador, Honduras, Jamaica, Peru, Mexico, Panamá and Turkey have offered bonds backed by remittances from the US (Ratha, 2003, 2010a).

Also, in 2010, the government of Nepal issued a diaspora bond, the "Foreign Employment Bond", to raise funds of around \$100 million US dollars for infrastructure development from Nepali workers in Qatar, Saudi Arabia, UAE and Malaysia (Ratha, 2010b). In the past, the governments of India and Israel have raised billions of dollars by offering similar bonds, often in times of liquidity crisis. Given their sizable migrant populations, it is estimated that countries such as Bangladesh, Colombia, El Salvador, Ghana, Jamaica, Kenya, Mexico, Morocco and the Philippines can potentially consider offering diaspora bonds (Ratha, 2010c). So how has this migration-for-development discourse played out in Latin America? And what kinds of dynamics are being created in the process?

3.3.2. Remittances: the Latin American context

In the last three decades, increasing rates of emigration from Latin America have been accompanied by a significant increase in the amount of money that migrants send to their families back home. In 2004, Latin America and the Caribbean (LAC) received US\$42.4 billions, about 25% of total world remittances, which makes it the first recipient region in the world. These remittances represented around 70% of Foreign Direct Investment (FDI) inflows (US\$60.9 billions) and exceeded the flows of official development assistance (ODA) by 500% (US\$6.9 billions) (World Bank, 2006).

Remittances constitute the fastest growing capital inflow to the LAC region. Between 2002 and 2008, the volume of remittances to Latin America passed from US\$31.2 billions to US\$69.2, with an average annual growth rate of 17%. In 2009, for the first time on record, and as a consequence of the global financial crisis, the volume of remittances to the region decreased to US\$57 billion, a 15% drop. These worker remittances represented, on average, 1.5% of the region's Gross Domestic Product

⁵³ The bundling of these flows is known as 'securitisation'.

⁵⁴ Only oil exports are ranked higher by international rating agencies.

(GDP)⁵⁵(World Bank, 2011). Remittances to Latin America remained virtually unchanged in 2010 and are expected to grow in 2011, although not at the double-digit rates seen in the years prior to the global crisis (IADB, 2011).

Despite the crisis, the distribution of remittances per country remained unchanged. In absolute terms, the top five remittance recipient countries in 2009 were Mexico, Brazil, Colombia, Guatemala and El Salvador (see figure 3.4). In contrast, the distribution of remittances according to their significance to the national economy does not follow the same pattern⁵⁶. As a percentage of GDP, the top five recipients in 2009 were Honduras (19.3%), Guyana (17.3%), El Salvador (15.7%), Haiti (15.4%) and Jamaica (13.8%). It is important to note here that remittances represent less than 3% of the national economies of Mexico, Brazil and Colombia (Khoudour-Castéras, 2007b) and close to 10% of the GDP of Guatemala (World Bank, 2011). Thus, the impact of remittances is greater in the smaller and poorer countries of the region, primarily those located in the Central and the Caribbean areas.

Figure 3.4: Remittances to Latin America and the Caribbean, 2009



Source: Maldonado et al. (2010)

⁵⁵ Because this figure only takes into account the money sent through formal channels, this statistic is thought to be an underestimation of the actual amount of remittances sent to the region (World Bank 2011).

⁵⁶ Except for Guatemala, the countries that send the most migrants (in absolute numbers) are also the ones that receive the greater amounts of remittances (World Bank 2011).

Although intra-regional migration flows have gained ground in recent years (today they represent around 13% of the total) and migrants have increasingly searched for other destinations, especially in Europe, the vast majority of these remittances still originate in the United States (World Bank, 2011).

In addition to family remittances, hundreds of stories abound of migrant groups in the global north that have united with the aim to sponsor projects in their communities of origin in Latin America. These are known as Hometown Associations (HTAs) and are particularly popular among Mexican and Salvadoran migrants in the US. Although HTAs have become more common in recent years, the collective remittances that these migrant organisations send back home are estimated to be only around 1% of total family remittances. These collective remittances are usually sent to sponsor charities (usually churches), infrastructure projects (parks, street construction, fire trucks, ambulances), human development (scholarships, libraries) and/or other income generating programmes (Orozco, 2002).

Remittances for development

In Latin America, the Inter-American Development Bank – Multilateral Investment Fund (IADB-MIF) has been in charge of pushing for the recognition of a link between migration, remittances and development. By 2009, the bank had financed numerous studies, surveys and conferences and 45 national and regional technical assistance projects to promote remittances as a tool for development (Hall, 2010). These projects ranged from channelling remittances through micro-finance institutions, banks and credit unions to creating incentives for the ‘productive’ investment of remittances and their securitisation (BID, 2006).

In light of these recent developments, the empirical evidence for LAC suggests that, for all their human and emotional costs, remittances have improved welfare and living conditions among migrant families, specifically in terms of better access to food, housing, education and health (Fajnzylber and López, 2007). In addition, migrants’ relations with their families back home have had indirect multiplying effects on local, regional and national economies through what has been termed the 5Ts: transportation, tourism, telecommunications, trade and (remittances) transfers (Orozco, 2008).

Thus, migrants (and their remittances) have become one of the most important features of sending-countries’ incorporation into the global economy and their individual

(and collective) transnational practices have had significant economic effects at multiple geographical scales. In this sense, Guarnizo (2003) has rightly argued that the economics of transnational living go far beyond their impact on migrants' localities and countries of origin and are driving global macroeconomic processes such as international financial arrangements and international trade, among others.

These dynamics can be appreciated in the recent developments that have taken place in Latin America's remittances market, specifically in terms of the significant efforts on the part of the private and public sector to capture these flows of money. One of the most important developments in this regard is the entry of financial institutions (national and transnational) into the remittances business and their alliance with government for the financialisation of migrant activities in an attempt to leverage remittances for development⁵⁷. Many examples abound in this regard. As part of the drive to 'democratise finance', the Mexican government partnered with major US banks to allow undocumented migrants the use of Matrículas Consulares (Mexican ID cards) as proof of identity to open bank accounts in the United States. Following the Mexican model, the Guatemalan government has partnered with Wells Fargo and other Central American governments are considering such a move (Ratha, 2003). Ecuador's Banco Solidario has partnered with remittance-sending institutions in Spain to allow migrants to send remittances to their families, free of charge, if they open a bank account in Ecuador (Hall, 2010). Although countless efforts have been put in place to 'bank' migrant households, mainly to make them the subject of credit, in the Dominican Republic, El Salvador, Bolivia, Paraguay and Peru, among others; these have had limited success⁵⁸ (Hall, 2010).

However, recent evidence suggests that the impact of remittances on financial development is weaker in Latin America than in the rest of the developing world. The reasons for this limited success have been attributed to greater distrust of financial institutions in the region, the (still) small share of banks in the business of remittance-channelling and the higher costs of banking (Fajnzylber and López, 2007). It is perhaps not surprising that aggressive measures are being pushed to foster financial access for

⁵⁷ There has also been a wave of mergers and acquisitions between banks, money transfer companies, currency exchange houses and non-financial institutions, which are all fighting for a bigger share of this profitable market. Today, the remittances market in Latin America is dominated by two multinational corporations: Western Union and MoneyGram (Orozco 2002)

⁵⁸ A study conducted in 2002 revealed that in only 26% of the cases, both the sender and recipient of the remittance in Latin America had a bank account (Fajnzylber and López 2007).

migrants and remittance-recipients through banking institutions, minimize regulatory obstacles and allow non-traditional methods of delivering banking services.

In addition, the IADB has also financed programmes throughout the region that specifically aim to channel remittances to 'productive' investment, provide financial education and even promote the voluntary return of migrants based on business development in their places of origin. These programmes are run by a multiplicity of development and commercial banks and NGOs such as the Peruvian-Japanese Association (APJ) in Peru, the Crea Empresa Foundation in Bolivia, Colombia, Ecuador and Uruguay and the Caixa Econômica Federal in Brazil (Hall, 2010).

These efforts are part of the wider shift in development policy and practice - from state-led to market-led - that has taken place in the last two decades. The institutionalisation of market-driven approaches to development has often meant poverty-alleviating interventions that favour the deepening of financial markets by tying resources to small-scale economic activities based on credit. The best example of such development interventions is the widespread promotion of microfinance in the global south, especially among women⁵⁹. These interventions seemed to be based on the construction of an idealised financial subject on the part of donors (Rankin, 2001). As Katherine Rankin (2001: 28) has argued, *'as entrepreneurial subjects, the poor are identified in ways consistent with the financial sustainability of lenders and an ideal of self-regulating markets'*. Yet, donor's promotion of rational financial entrepreneurs in the global south seems to contradict the development approach of the global north based on growth fuelled by debt-financed consumption.

In this context, other novel business strategies have also emerged in an attempt to control the flow of remittances. These seem to be related to the prevailing idea among the IFIs and the people involved in the remittances business that they have to be channelled towards 'productive use' because they are being 'wasted in consumption'. Instead of sending the money for the purchases, migrants in the United States are being encouraged, by transnational money transfer companies in alliance with home appliances and furniture chains, to directly buy durable goods and business equipment

⁵⁹ Based on ethnographic work in Bolivia, Maclean (2010) has argued that women are particularly targeted as subjects of microfinance because of the effectiveness of their social capital as collateral for microfinance loans.

that are then delivered to their relatives back home in countries such as Mexico, El Salvador and the Dominican Republic⁶⁰ (Guarnizo, 2003).

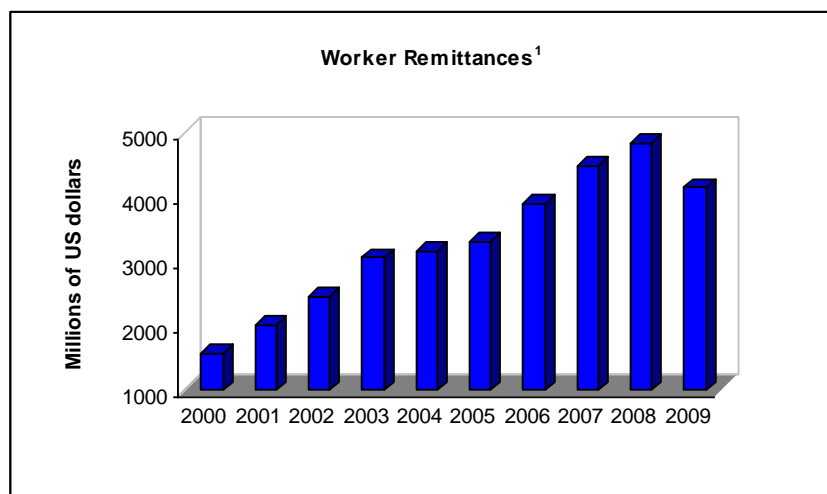
Although the overall impact of these recent attempts at the leveraging of remittances for development throughout the region is still unknown, the experience of countries with a long tradition of migration should serve as a guide in this regard. As Durand (2009) has pointed out, Mexico and the Dominican Republic have received remittances for more than 100 and 50 years respectively, however, there is no empirical proof that these flows of money have aided the development process of either country. Also, Delgado-Wise and Guarnizo (2007) have rightly pointed out that although Mexico is usually cited as a successful example of the positive relationship between migration and development, the bases for such assessment reflect a very narrow notion of development that ignores the underlying structural factors that underpin both phenomena. So, in light of the recent migration wave from Colombia, how important is the flow of remittances for the country's social and economic stability? Is the Colombian remittances market going in the same direction as the rest of Latin America?

3.3.3. Remittances: a view from Colombia

As a consequence of increased migration, remittances to Colombia have grown at a steady pace since the 1990s. The amount of remittances sent to Colombia increased three-fold between 1990 and 2000, from 488 to 1,578 millions of US dollars (Khoudour-Castéras, 2007b). Official remittances also increased three-fold between 2000 and 2008, from 1,578 to 4,842 millions of US dollars. After a long period of consistent growth, the volume of remittances to Colombia decreased by almost 15% in 2009, primarily as a consequence of the adverse effects that the global financial crisis had on migrants' employment stability (see figure 3.5). In 2006, remittances provided the second largest source of foreign currency to the Colombian economy, only after oil exports, and almost three times the income from coffee exports (Khoudour-Castéras, 2007b).

⁶⁰ Contrary to the 'remittances-for-productive-investment' approach predicated by IFIs, María Esther Pozo (2010) has documented that in countries such as Bolivia, where the exercise of citizenship is based on the notion of 'vivir bien' (living well), migrant women send remittances for their children's consumption as a democratic practice that goes beyond satisfying their family's basic needs and allows them (and their children) to 'enter modernity'. For these migrant women, the use of remittances to finance consumption (essential or otherwise) is thus perceived as a mechanism for social and economic incorporation and mobility rather than the simple utilitarian act of buying.

Figure 3.5: Remittances to Colombia, 2000-2009



¹ Foreign currency sent by Colombian workers overseas.
Data source: Serie mensual de remesas de trabajadores, Banco de la República (2010). Graph by author.

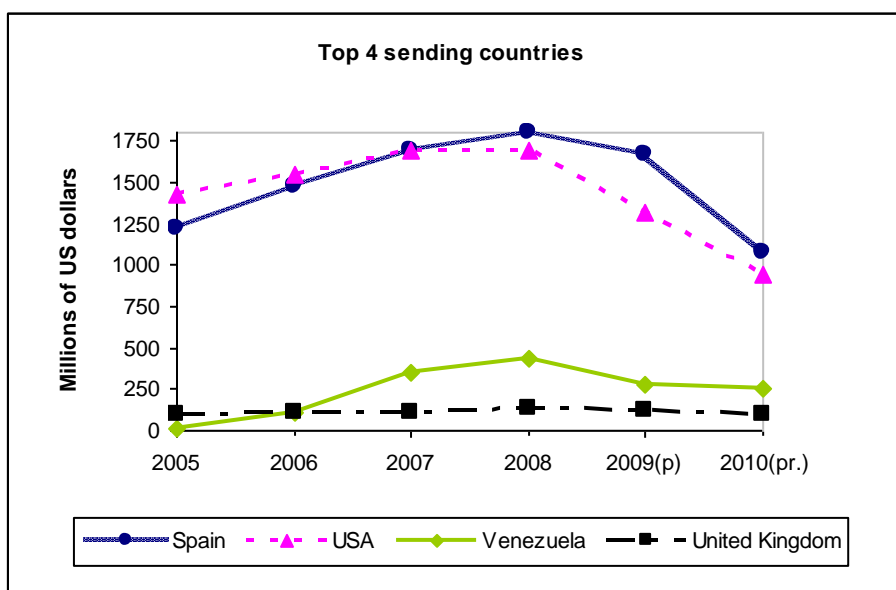
In Colombia, the remittances market was traditionally in the hands of money exchange houses (casas de cambio), which controlled up to 70% of the market. However, given its sheer size and profitability other players entered the business about 10 years ago⁶¹. The market is now shared between commercial finance companies (CFCs⁶²), banks and money exchange houses. CFCs have business alliances with MNCs such as Moneygram and Western Union and control around 64% of the market. The remaining 36% is shared between banks (close to 30%) and a few money exchange houses (6%) (Superfinanciera, 2010).

The evolution of remittances per country of origin can be appreciated in figure 3.6. In 2008, Spain overtook the United States as the main source of remittances to Colombia, accounting for 37% of the total money received. In that same year, Venezuela contributed with around 9% of the total remittances income while flows from the UK represented almost 3% (USD\$134 million), the fourth largest source.

⁶¹ This statement is based on the information compiled by Superfinanciera (2010), the government's body responsible for the regulation and oversight of the financial sector.

⁶² CFCs are financial institutions that specialise in the distribution of remittances, foreign exchange operations and commercial lending and leasing.

Figure 3.6: Remittances to Colombia per country of origin



(p): provisional data; (pr): preliminary data until the third quarter, subject to revision. Data source: Encuesta trimestral de remesas, Banco de la República de Colombia (2010). Graph by author.

The changes seen in the distribution of remittances over the last few years reflect the fact that Colombian migrants have increasingly searched for new destinations in recent years. Other important sources of remittances to Colombia are Italy, Panama and Ecuador which in 2008 contributed, respectively, 2.2%, 1.4% and 0.7% of the total flows⁶³. The regions that receive the most remittances are also the regions that generate the most migrants: the Eje Cafetero (coffee region) and the states of Valle del Cauca, Cundinamarca and Antioquia, which respectively receive, 22%, 29%, 15% and 16% of the total flows (Banco de la República, 2010).

In the last decade, the average remittance to Colombia stood at US\$320 (COL\$640.000) per month (Banco de la República, 2008). In 2009, when the effects of the global financial crisis began to be felt, the average remittance fell to around US\$272 (COL\$544.000) per month, both because the amount sent and the number of transactions decreased⁶⁴. In any case, because the average remittance is greater than the current national minimum monthly wage of US\$248 (COL\$496.900⁶⁵), these monies have become a lifeline for millions of Colombians. Indeed, the Ministry of Foreign Relations estimates that around three million households (about a third of the total population) receive remittances (Guarnizo, 2006a). In addition, 76% of remittance

⁶³ Data source: Encuesta trimestral de remesas, Banco de la República de Colombia (2010). Calculations by author.

⁶⁴ Ibid.

⁶⁵ Minimum wage in 2009. The average exchange rate in 2009 was COP\$2,000 per dollar.

recipients are women and around 66% receive remittances from their immediate relatives abroad (siblings, children, parents or spouse) (Garay and Rodriguez, 2005a). In addition, at the national level, a big proportion of remittances (62%) is used to cover basic living expenses such as food, clothing and utility bills; 33% is spent in education and 18% is used to pay for housing (mortgage/rent) (Garay and Rodriguez, 2005a).

In summary, there is little doubt that this great influx of money has improved the living conditions of millions of people in Colombia. In a country with little provision of social services, remittances constitute an important source of income for a great number of families and provide social protection for the people at or near the bottom of the income distribution. So, how has the Colombian government responded to this latest (and largest) wave of migration and the corresponding increase in remittances?

3.4. Migration and remittances: framing the state response

As was the case in Mexico⁶⁶, Colombia went from an approach of having no policy towards its citizens abroad to making them an integral part of a reconstituted definition of the Colombian nation. In effect, in recent years the Colombian government has radically changed its policies towards its citizens abroad. Since the introduction of the new Constitution in 1991, Colombians living abroad have acquired the rights to dual citizenship, voting from abroad, representation in the National Congress and the right to being elected to Congress⁶⁷ (Guarnizo, 2006a; Guarnizo et al., 1999). These radical political changes are, of course, not the exclusive domain of the Colombian state. The extension of special political rights and protections by governments to their citizens abroad have, no doubt, been triggered by political as well as economic reasons. As the number of migrants worldwide increases along with the monetary contributions to their countries of origin and scholars and international organizations push for the establishment of a link between migration and development, governments the world over (especially those in the south) have recognised the importance of establishing and maintaining links with their diasporas. Nowadays, around seventy nations, including the UK, Canada, Italy, Israel, South Africa and New Zealand allow their citizens to have dual nationality (Levitt, 2001b).

⁶⁶ For an extensive account of the Mexican experience, see Goldring (2001)

⁶⁷ However, there seems to be a big gap between the political privileges afforded to Colombians abroad and their actual engagement with them. For example, Jones-Correa (1998), found that fewer than 4% of the estimated 100,000 Colombians in the metropolitan area of NYC, voted in the presidential elections held before 1998.

In the case of Latin America, only four countries allowed dual citizenship prior to 1991: Uruguay, Panama, Peru and El Salvador. In the 1990s, laws that amount to *de facto* dual nationality were passed in Colombia, Dominican Republic, Costa Rica, Ecuador, Brazil and Mexico⁶⁸ (Jones-Correa, 2001). Similarly, the Brazilian state allows its citizens to vote while residing abroad and the Senate is debating an amendment to the constitution to create at least four congressional seats to represent them. Other countries such as the Dominican Republic and Mexico, have approved voter legislation although they have yet to be implemented (Levitt, 2001b).

More recently, the Colombian government has embraced the migration-for-development discourse emanating from the international development and aid agencies. It has engaged in a dynamic campaign to redefine its relationship with its diaspora in an attempt to institutionalise migrants' transnational practices by designing specific programmes to channel remittances to key sectors such as housing and finance. To this end, in 2003 the government, through the Ministry of Foreign Relations, created the 'ColombiaNosUne' (Colombia unites us) programme. The programme seeks to 'permanently link the Colombian state with its communities living abroad', 'recognize them as a vital part of the nation', 'strive for the creation of a comprehensive migration policy' and 'to advocate for mechanisms to facilitate the sending of remittances and to channel them towards savings and investment' (MRE, 2004).

Under 'ColombiaNosUne', the government has backed a programme designed and financed by the IADB, based on the use of remittances for mortgage-backed housing acquisition. But the Colombian government has gone a step further than many other sending states and it has put its weight behind the institutionalisation of transnational housing investments by promoting and facilitating the expansion of the national property (and financial) markets to include Colombians abroad through the international property/housing fairs (these programmes are explained in detail in chapter 5).

There are also a number of mixed (government / private sector / NGOs) initiatives connected to the ColombiaNosUne programme. For example, 'RedEsColombia', 'Conexión Colombia' (Colombian Connection) and 'Colombianos en el exterior' (Colombians abroad); whose mission is to improve and sustain the transnational links between Colombians abroad and their communities back home and to channel

⁶⁸ Jones-Correa (2001) has argued that dual nationality laws in Colombia, Ecuador, Mexico and the Dominican Republic were passed because of pressure from their migrant populations abroad, especially those in the US.

resources towards development projects. Other initiatives include, 'Yo creo en Colombia' (I believe in Colombia) and 'Colombia es pasión' (Colombia is passion), that seek to improve Colombia's image abroad and to build internal and external trust and solidarity and competitiveness in Colombia. The significance of these initiatives cannot be underestimated. Between 2003 and 2005, Conexión Colombia channelled 2 million US dollars towards 22 foundations working with development projects in Colombia (Khoudour-Castéras, 2007b).

Although the ColombiaNosUne programme has highlighted the contribution that migrants make to the social and economic stability of the country, so far the impact of the programme has been limited. One of the main reasons for this limited success can be attributed to the fact that the focus of the programme has been to open spaces for national and multinational corporations to offer their goods and services to the migrant population⁶⁹ (Guarnizo, 2006a).

Yet, the focus of the national legislation towards migrants seems to be going in the same direction of ColombiaNosUne. Although there had been talks at different government levels about consolidating the government's stance on its citizens abroad since the adoption of the new constitution in 1991, the Integral Migration Policy (PIM) was only approved in August 2009. The PIM summarises the national government's legal framework, strategies and programmes that seek to foster the development of the Colombian population residing abroad and the foreign population residing in the country. Nevertheless, one of the main objectives of the PIM is to spell out the institutional reforms needed to 'expand the portfolio of investment opportunities for Colombians abroad to allow remittances to be channelled towards productive activities, attract productive capitals and generate new businesses for the country' (my translation, CONPES, 2009)⁷⁰. Moreover, some civil society organisations and people in policy circles in Colombia have suggested that not enough funds have been appropriated at the institutional level to make sure that the policy has a real impact on the lives of the millions of Colombians scattered throughout the world (Gómez, 2008).

In addition, the Colombian senate is now debating a piece of legislation that will create a National System of Migration (Sistema Nacional de Migraciones). This system would bring together institutions and civil society organizations and its main objective would be to design and implement the country's migration policy and the programmes

⁶⁹ These and other reasons are discussed in chapter 5.

⁷⁰ CONPES stands for National Council for Economic and Social Policy.

designed to protect the rights of Colombians abroad, give them assistance and improve their quality of life in their countries of destination (my translation, Congreso de Colombia, 2010). Likewise, during the 2010 World Social Forum on Migrations, a number of Colombian civil society organisations grouped under the 'Social Migration Platform, Hermes' issued a statement suggesting that although this legislation is a positive step in terms of migration policy, the bill does not provide a mechanism for the real participation in policy decisions of those it intends to serve (the migrants) and does not guarantee the appropriation of the funds necessary for its implementation (Plataforma Hermes, 2010).

Although the ColombiaNosUne programme and its associated projects were designed during the government of Alvaro Uribe (2002 -2010), the current government of Juan Manuel Santos has followed the same approach. A few days after he assumed office, Santos urged the financial sector to strive towards designing the necessary instruments to 'bank' Colombians who are still not part of the system. While drawing parallels with the military operation that freed 15 hostages held by the guerrillas while he was the Minister of Defence in 2008, Santos declared: 'we have to think the unthinkable'; 'this four-year mandate will be about banking the unbanked and deepening financial services' (El Espectador, 2010a).

3.5. Concluding remarks

This chapter has shown that in Colombia, increased trade and market liberalisation, privatisation and sharp cuts in health and education not only increased the gap between the rich and the poor, but also destroyed the livelihoods of millions of rural and urban people employed in the manufacturing, agricultural and public sectors. The interweaving of this economic reality and the worsening of the socio-political situation in the country in the 1990s pushed millions of Colombians, from all socioeconomic backgrounds but especially from the coffee region to seek social, political and economic refuge in old and new destinations abroad. A multiplicity of factors conspired to force thousands of people from the coffee region: the process of liberalization of the economy took place in the context of very low coffee prices in the international commodity markets, the effects of the dissolution of the International Coffee Agreement unfolded during this decade and the region was at the epicentre of a devastating earthquake.

The Colombian community in London is estimated to be around 150,000, of which close to 50% come from the county's coffee region. The socioeconomic background of

Colombians in London is quite diverse. Although most Colombians are found at the lower end of the occupational and socioeconomic structure of London society, people from all walks of life and from all the different income brackets are represented in the community. This diversity reflects the complex social, economic and cultural demographics of the country. The UK is the fourth biggest source of remittances to Colombia. Remittances constitute the second largest source of foreign currency to the Colombian economy and around three million households (about a third of the total population) receive remittances. The high rates of emigration from Colombia and the remittances that have followed have produced profound transformations in the social, economic, political and cultural structures of the country.

Given the high rates of migration and the increasing importance of remittances to the country's social and economic stability, the Colombian government has responded by engaging in a dynamic campaign to redefine its relationship with its diaspora in an attempt to institutionalise their transnational economic practices. It has done so by attempting to make migrants an integral part of a reconstituted definition of the Colombian nation while designing and implementing programmes that favour the housing and financial sectors and privilege financial markets as the main vehicle for migrants' socioeconomic reproduction.

The next chapter will explore the methodological approach that underpins this research. It will discuss the motivations for engaging in this research project and a justification for the research methods employed at both ends of the migration network. It will also provide some reflections on the process and the methodological contribution of this research.

Methodology: Tracing Migrants' Transnational Practices along the Geography of the Migration Network

This chapter explores the methodological approach that underpins this research. The first section explores my motivations to pursue this research. The second section provides an overview of the theoretical foundations of the methodological approach taken along with a critical reflection on my positionality in relation to my research participants. The third and fourth sections document the different approaches to data collection that I took in London and Colombia, along with a justification for my choice of methods. These sections also discuss some of the challenges of conducting fieldwork at both ends of the migration network. In sections five and six I explain the process of data analysis and interpretation and how I plan to re-engage with my research participants and the wider community. I then conclude with some reflections on the research process and highlight the methodological contribution of this research to the field of Geography.

4.1. Why I decided to study Colombian migration to the UK

The choice of my case study was a combination of intellectual curiosity and personal reasons. I developed an interest in international migration after working for three years as a Welfare Programmes Manager with Latino migrant families in the United States. During this time, I learned a great deal about the social, economic and political environment migrant families faced upon exit from their countries of origin and arrival in the United States. I soon realised that there was a knowledge gap in my training as an Economist and that my knowledge of social theory and policy was limited. During my training as a graduate and post-graduate student in economics, the emphasis was placed primarily on understanding economic issues and placing them in the broader macroeconomic context, often through the analysis of quantitative data. This thesis is the result of my efforts to combine the qualitative, in-depth case study analytical skills I have acquired as a PhD student in Human Geography with the broader understanding of economic processes that I have as an economist. My initial interest rested primarily in the social and economic reality of Colombian migrants in the UK and their connections with their families back home. However, based on my initial readings of

the literatures on migrant transnationalism, I came to recognise that structural constraints on individual decisions such as state policies in home and host countries, regional and supra-national contexts are as important as individuals' and families' agency in understanding migrants' socioeconomic transnational practices. Consequently, I decided to also tease out the structural underpinnings of these dynamics and their connections to wider (global) socioeconomic and political processes.

Other intellectual reasons for pursuing this research had to do with the fact that in the years prior to beginning my PhD, Colombian migration to the UK had seen a dramatic increase and the phenomenon was understudied. In particular, although the research available at the time suggested that migration had transformed Colombia into a '*transnational social formation*' (Guarnizo, 2006a), most research had been conducted either at the point of departure or destination (cf. Bermúdez Torres, 2006; Gaviria and Mejía, 2005; Guarnizo, 2006b; Khoudour-Castéras, 2007a, 2007b; McIlwaine, 2005; Urrutia Montoya, 2003). Moreover, the limited research available on the transnational practices of Colombians abroad had, for the most part, focused on the established flows of migrants to the United States and more recently, on the transnational connections established by migrants in Spain. Thus, I felt that I could make an important contribution to knowledge by investigating migrant households' multifaceted links along the geography of the migration network and their broader political, economic and social implications at the community, country and global levels. I focused on Colombian migration to London because the available data indicated that the majority Colombians in the UK resided in the capital city (Bermúdez Torres, 2003; Open Channels, 2000).

Another important, and more personal reason, had to do with the fact that I had left Colombia more than ten years before (as a recent graduate) and I felt deeply excited about having the opportunity to go back 'home' for an extended period of time and learn more about my country in a different, more professional, capacity. This was indeed a great opportunity which I deeply enjoyed. Finally, I was also inspired by more political concerns such as the urge I have felt since I decided to transition into Human Geography to engage in research that, in my view, had more applicability and currency in the policy making arena.

4.2. Methodological Approach

The methodological approach to data collection and analysis taken in this thesis is inspired by some of the principles and practices of 'Grounded Theory'. Grounded Theory advocates the use of qualitative methodologies for building theories based on empirical data rather than for testing pre-existing theories (Glaser and Strauss, 1967). The theory provides a set of procedural guidelines for data gathering and analysis, such as how to collect rich data, how to develop simple and advanced codes and memos and reflecting on the research process to conceptualise ideas (Glaser and Strauss, 1967). Following these guidelines allows the researcher to, among other things, step back and critically analyse situations, the ability to think abstractly and the ability to be flexible and sensible to the words and actions of respondents (Strauss and Corbin, 1998). In short, Grounded Theory is a useful methodological approach to understand the complexity and variability of social phenomena and the interrelations between processes, structure and agency (Strauss, 2003; Strauss and Corbin, 1998).

Hence, instead of going into the field with the intention of testing a particular hypothesis or theory, as advocated by the scientific method, I set out to allow the data to 'speak' and to develop my theoretical framework in intimate relationship with the data I collected (Charmaz, 2006; Strauss, 2003). I have articulated a cross-disciplinary conceptual framework by bringing together different theoretical perspectives from a range of disciplines in the social sciences such as, Human Geography, Sociology, Anthropology and Economics. This framework allows for unpacking the complex processes that are produced and reproduced by the transnational flows of people and resources along the migration network. In addition, it allows for an understanding of the interactions between state policy, economic development, global financial flows, family livelihood strategies and migration experiences and aspirations. Thus, I have developed an empirically grounded cross-disciplinary theoretical framework that brings geography back into transnational discourses by tracing migrants' transnational practices along the geography of the migration network. This is a particularly important methodological and theoretical contribution to the field because as Mitchell (1997: 101) has pointed out, '*transnationalism necessitates a crossing of borders, both literal and epistemological*'.

In this sense, I have answered Pollard et al.'s (2009) call for 'crossing disciplinary boundaries' and emphasising the mutual constitution of the global north and south. I have done so by articulating the local-to-global connections of the transnational practices that flow through the migration network while privileging embodied accounts

of migrant households' livelihoods and challenging the boundaries between economic geography and development studies. Thus, I have *'theorize [d] connections between local worlds and larger social structures'*⁷¹ (Charmaz, 2006: 133). And I have been able to theorise these connections by 'pushing the envelope of research practice' (Barnes et al., 2007) because *'method provides a crucial "hinge" between empirical evidence and theoretical claims'* (Barnes et al., 2007: 23). In particular, by empirically analysing the flows between two connected sites, London and the Coffee Region of Colombia, a theoretical picture of the whole was assembled. Hence, local-global forces are *'examined as the product of flows of people, things, and ideas'* (Burawoy, 2000: 29), because as Cook and Crang (1995: 10) have rightly pointed out, the global is not 'out there', but is always 'in here'. In short, I have centred my analysis around the particular, 'local' ways in which Colombian migrants are being constructed as transnational financial subjects as well as how these subjectivities have been shaped by 'global' neoliberal development discourses.

This theoretical picture was assembled by paying particular attention to the role of the state in the construction of these subjectivities in the context of the historical political economy of development in Latin America and the recent reconfiguration of the relationship between the state and its citizens in an era of growing financialisation of the process of capital accumulation. However, by making migrant households the central actors of this research, I have attempted to give voice to their 'neglected knowledge' (S. J. Smith, 2001). That is, I have sought to highlight migrants' lived experiences and provide a nuanced understanding of the diversity and complexity of their responses to the policies of the state.

⁷¹ Burawoy (2000) has argued that the use of grounded theory as a methodological tool leads to empirical generalisations and astructural analyses, in particular in terms of the reproduction of globalisation.

Methodological Techniques

In order to explore the complexities of migrant households' experiences and gain an understanding of the practices of the state and the processes shaping them, I have relied on qualitative methodologies such as ethnographically-informed semi-structured interviews and participant observation. I conducted a total of 58 semi-structured interviews, 23 in London and 35 in Colombia. These interviews encompassed a mix of actors such as migrant families, academics, local leaders and government officials. Although the relevance and usefulness of these methodologies in Human Geography have been criticised (Johnston et al., 2000), they allow for building theory through empirical research (Strauss, 2003). In addition, they also allow for developing empathy between researcher and researched and for reflexivity (in terms of positionality and representation) on the part of the researcher of the research encounter (Dwyer and Limb, 2001). I found these issues of empathy and reflexivity particularly important personally, as a researcher and more generally, for this type of research. Specifically, as a Colombian migrant researching Colombian migration, these qualitative methods allowed me to identify and sympathise with many of the very personal experiences, feelings and emotions articulated by migrant households. In addition, given that social science migration research tends to be anchored in migrants' lives and lived experiences, reflexivity is a key component of the analytical process. Constant reflexivity may allow the researcher to interpret and represent the rich qualitative data collected in a manner that contextualises migrants' representation of the complex cultural, economic, social and political processes that underpin migration.

I complemented the data obtained through these qualitative methodologies with secondary quantitative data in order to place the findings into the wider socioeconomic context in which they take place. This data includes a quantification of Colombian migration and remittances flows and their significance within the wider regional and global contexts. It also includes aggregate social and economic characteristics of Colombia and migrants' place in UK society. The importance of providing this data stems primarily from the fact that migrants' locally grounded transnational practices shape and are shaped by broader structures and processes that frame their lives across borders.

I also employed another set of methodological techniques which included volunteering at migrant organisations, participating in other research projects related to my topic, establishing links with local academic groups and engaging in informal conversations with key actors. These techniques were particularly important for me because they not

only facilitated the process of recruiting research participants but also allowed me to acquire a wide range of contextual and practical insights not available in the formal literatures. A complete account of these techniques and the research process in both sites, London and Colombia, is presented in sections 4.3 and 4.4.

4.2.1 Positionality: a critical reflection

Considering that issues of researcher positionality remain unacknowledged and unexamined in much economic geography literature (Barnes et al., 2007) and in order to avoid '*the false neutrality and universality of so much academic knowledge*' (Rose, 1997: 306), in this section I reflect on my positionality as a Colombian migrant studying Colombian migration. Because of a self-reflexive understanding of my own biases (Katz, 1994; McDowell, 1992; Rose, 1997), I am conscious that this thesis represents only my partial and particular interpretation of the complex issues I have aimed to explain. This is especially the case in terms of migrants' experiences and negotiations of the very particular conjunction of social, cultural, political and economic processes that influence their decisions, in this case, about housing investments. Therefore, the basis for the empirically-grounded theoretical framework put forward in this thesis constitutes an 'interpretive portrayal' of the lived realities of this specific group of people (Charmaz, 2006).

Although I am also a Colombian migrant, and have been since I left my country more than 10 years ago, I cannot claim to have 'insider' knowledge (Rose, 1997) or a greater understanding (than that of an 'outsider' non-Colombian) of the group of people I have researched. Although my father has never set foot in a school (he taught himself how to read and write) and my mother did not study beyond high school, I had the privilege of attending a private university in Colombia. In addition, I had the choice to leave Colombia for my personal and professional growth, rather than being forced out by poverty and/or conflict, like most of my interviewees in London. However, the fact remains that because all my participants and I were born and raised in Colombia, we share a common cultural frame of reference. This common background and the fact that we spoke the same language helped me to quickly build rapport with them and grasp many of the culturally specific nuances and references in their comments and personal accounts. This is not to say that my position in terms of education, professional status and personal history, my positionality, was perceived equally by all the different actors I interviewed (Rose, 1997; Valentine, 1997). Although I cannot be sure of how they perceived me since this is not a question I asked directly, on reflection I can say that, the business people, community leaders and local government officials I

interviewed invariably highlighted that this was an important and topical area of research and complemented me for embarking upon it. By contrast, most of the migrant families were curious to know how I would use the information they gave me, how I would personally benefit from conducting this research and whether I was connected to the government. Many of the migrants in London also asked if the Colombian government would get to hear their stories and said they hoped that I could write a report for the government documenting their 'plight' in the hope that it would 'do something about it'. In any case, I can only claim that the information articulated in this thesis has been produced by '*building fragile and temporary commonplaces*' (Thrift, 2003: 108) with my research subjects and communities. These commonplaces were built in the interactions I had with different actors throughout the data collection process by enquiring, discussing, volunteering, interviewing and doing participant observation in London and Colombia.

4.3. Research Methods: London

I initially set out to investigate the intersections between the economic, social and gender dimensions of labour migration and remittances for Colombian migrants in London and their communities of origin. My original idea was that given their sheer volume, migration and remittances were one of the main drivers of urban transformations in communities in the developing world. As such they could be used as a tool to understand the dynamics of socioeconomic and cultural transformations at the household and community levels in migrants' places of origin.

Testing the field: trying to get a foot in

In 2008, when I was ready to start my fieldwork, I had only been living in the UK for one year, so I did not have much of an extended network of contacts in Newcastle, let alone in London where I wanted to conduct my research. Because of the size of the city, the fact that Colombians are scattered in and around London and my previous experience working with migrants in the United States, I set out to identify the organisations that provided services and support to Latin Americans in London. I also sought to identify the spaces in which their presence in the city could be visualised, as a way to make an initial entrance into the 'community'⁷². I identified these organisations and places mainly through internet searches and by referring to the working papers emanating from the Global Cities at Work project based at Queen Mary University of London, which

⁷² By using the term community, I do not mean to imply that this is a homogenous group of people. As illustrated in chapter 3, the socioeconomic background of Colombians in London is quite diverse and people from all walks of life and from all different income brackets are represented in this 'community'.

documented the lives of migrant workers in the city. I then contacted all the migrant organisations I found contact details for (7 in total) and requested a meeting with them. Two organisations responded positively⁷³ and I arranged interviews with them, the others did not exist anymore or simply did not respond.

I travelled to London in April 2008. The purpose of this trip was two-fold: to speak to the heads of these two migrant organizations and to visit the Elephant and Castle shopping centre and the Seven Sisters Market, which are established Latin markets in London, in order to get a sense of the vibrancy of the Latin community in the city. Prior to the interviews, I provided the interviewees with a copy of the background of my research and my research aims, via email. The purpose of these semi-structured interviews was to learn more about the services these organisations offered and to enquire about the demographic and socioeconomic characteristics of the Latin American community in London. I asked the interviewees what they thought was the best way to access the Colombian community and if they were willing to help me. They both said they were interested in my project and would like to help me gain access to the community by granting me institutional support. Because these organisations rely heavily on volunteers, I reasoned that a good way to start would be to become a volunteer for their organisations. They agreed.

Unexpected events

While I was in London, I found a flyer advertising a property fair for Colombian migrants in the UK that would take place in London in September 2008. The fair was being organised by Colombia's Association of Builders (CAMACOL) and officially sponsored by the Colombian Consulate and Embassy, the ColombiaNosUne (Colombia unites us) programme and Proexport (government agency for the promotion of exports, tourism and foreign investment in Colombia). This was an unanticipated theme that emerged in the process of learning about the Colombian community in London. When I first saw the advertisement, I was bewildered. I thought, what does this mean? What is happening here? Is this a way of channelling remittances to specific economic sectors in Colombia? This must have involved a very big investment (in terms of money and logistics) on the part of the sponsors and the companies involved. I had to find out. Subsequently, I decided to attend the fair in order to find out what was happening in this particular setting with the aim to gain more knowledge about the wider socioeconomic processes (Charmaz, 2006) that were taking place in the community.

⁷³ In order to protect their identity, these two organisations will remain unnamed throughout this thesis.

I took on the role of a participant-observer in the fair. Participant observation does not necessarily involve constant immersion in a particular community for an extended period of time, it can take the form of occasional participation-observation in particular settings (Bryman, 1993; Dwyer and Limb, 2001; Platt, 1976). Although this was a public event, its main targets were Colombian migrants in the UK. I attended the first day of the fair as one of those migrants and used my knowledge of Colombia and my language skills to fully participate. I went to the stands of different construction companies and enquired about buying a house in Colombia, enquired about obtaining a mortgage with the representative of a bank and attended a series of talks given by government officials and construction companies' representatives. I did not record any of these conversations, I only took notes throughout the event. I took some photographs (which no one objected to, since many other attendees were doing the same) and collected a series of promotional material, from different programmes such as 'Mi casa con remesas' and 'ColombiaNosUne' to property booklets, mortgage offers and social events for Colombians in London⁷⁴.

This unanticipated experience took me in a slightly different direction and led me to ask a set of different questions. Instead of focusing on the socioeconomic and gender dimensions of migration and remittances of Colombian migration to London and in migrants' communities of origin in Colombia, I became more interested in the role of the state in the creation and maintenance of these new economic spaces as well as the ideological underpinnings of such endeavours. In order to situate these new interests, I had to engage with what I previously regarded as unrelated literatures, such as that on role of the state (articulated through housing policy) in shaping housing markets in Latin America and the political economy of housing markets in the global north. The more I read, the more fascinated I was. Soon, I discovered that these fairs had been taking place since 2005 in other cities in the global north. However, I had not seen these developments documented in the literature, which provided me with yet another reason to make this issue one of the central topics of my enquiry.

Being in the field

I lived in London between November and December 2008. During this time, I engaged in a wide range of activities. These included volunteering at migrants' organisations, providing interpreting at a migration-centred conference and attending activities organised by the Colombian consulate. I also engaged in participant-observation at

⁷⁴ A comprehensive account of the fair is given in chapter 5.

some of the focal points of the Colombian community such as the Seven Sisters Market and Tiendas del Norte, in North London; and the Elephant and Castle and Tiendas del Sur shopping centres, in South East London.

I encountered my first methodological hurdle on my first day in London. I found out that one of the organisations I was going to volunteer for had lost a considerable amount of funding and so it could no longer provide in-house advice to migrants, which would considerably lessen my chances to interact directly with migrants on a regular basis. However, because I had previously offered my help to the director of the organisation and I thought there was much to be learned from the expertise the organisation had built over its years in operation, I offered to work there two days per week. The other organisation was still thriving and I felt very welcomed on my first day. I volunteered there three days per week. Volunteering at the migrant organisations was a very enriching experience and I learned quite a lot about the UK's immigration and welfare systems and about the changing nature of Latin American migration to the UK and the problems faced by the community⁷⁵. Just being there meant that I learned of all the migrant-related events that took place in the city and interacted and exchanged experiences with Latin Americans on a daily basis. As will be explored below, this methodological technique also greatly improved my ability to recruit participants.

Recruiting participants

Because I was interested in documenting in depth the experiences of a particular group of people (Colombian migrants in London) in relation to their engagement in a particular socioeconomic activity (transnational housing investments), the technique I used for recruiting participants reflects a 'theoretical' or 'illustrative' sampling (Valentine, 2001) instead of a random statistical sampling. In this sense, I targeted and gained access to a group of people '*who may be concerned and/or involved in living through the research problem*' (Cook and Crang, 1995: 11) and prompted them to

⁷⁵ I had travelled to London again in July 2008, to speak to the representative of another migrant organisation. During this meeting, it was agreed that I would return to the organisation once I was residing in London to work as a volunteer. When I returned in November, I was told that they only accepted volunteers for periods of six months or longer. Nonetheless, they said they could use my help with some specific projects. I spent a few days there trying to help with some of these projects but it was not a very good experience. I felt that the working environment was not very professional and welcoming. Realistically, the place was somewhat chaotic so it was very difficult to get anything done there. After that, I spoke to the person I was helping, finished the task I had been given and decided not to return to the organisation. Because I had secured a place at the other migrant organisations, this hurdle did not have any negative impact on the direction of my research and/or my ability to recruit participants.

recount their different perceptions and experiences of it. Hence, the findings presented in this thesis are not representative of, and universal to, all Colombians abroad.

As Valentine (1997) has pointed out, some groups are more difficult than others to access. In those cases, it is more effective to try to get a foot in by approaching those who provide services to them or run organisations on their behalf. Because of the particular historical socio-political context of Colombia (sixty years of armed conflict, political and social violence and drug cartels wars), there is widespread mistrust in Colombian society. I reasoned that this mistrust may also be common among Colombians abroad. As the head of one of the migrant organisations pointed out: *'you know that Colombians are very mistrusting and they just do not like to talk to everybody. People are willing to talk but they like to have some kind of reassurance of who you are and they already know us'*. So, I used my association with these migrant organisations as the first point of entry into the Colombian community in London.

I recruited the first few participants for my research through one of these migrant organisations. Specifically, I wrote a short description (in Spanish) of me and my research project and highlighted the confidential nature of the information provided. I agreed with one of the senior employees that I would distribute the flyer during a workshop that she was going to offer, along with a sign up sheet for potential volunteers. I also left some of the flyers in the organisation's waiting room. On the day of the workshop she introduced me to the attendees and by the end of the day, 8 people (6 of whom were Colombians) had signed up. The other research participants were recruited through snowballing, either through these initial contacts or through contacts provided by other employees and volunteers from both organisations, one of whom coordinated a support group for elderly Latin Americans⁷⁶. All these contacts in turn, provided other contacts. By the end of this process, I had managed to recruit a mix of people, from cleaners and child minders to business owners, nursery teachers and some retired people.

⁷⁶ I did not contact these individuals directly. Instead, the coordinator invited me to one of their group sessions and introduced me to the group. They gave me a wonderful reception and even offered me Colombian coffee and food. Although many provided me with their contact information, I only managed to interview one of them, the rest were too busy with the end of the year activities to meet me.

Interviews in London

I chose to conduct semi-structured interviews because they allow for an analysis of people's interpretations or experiences of the interactions between the social, the political, the economic and the cultural and as such they are rich and multi-layered (S. J. Smith, 2001). Given that the purpose of this thesis is to provide a nuanced understanding of the links between state policy, economic development, global financial flows and family reproduction strategies and migration experiences and aspirations, I found this technique to be most appropriate in order to answer my research questions. I structured my interview schedule based on the literature I had read and the reflections I had written in my field diary during the first few weeks I was in the field (the interview schedule is presented in appendix 1). All my interviews were conducted in Spanish. I conducted 23 semi-structured interviews, 21 interviews with Colombian migrants in London, 16 women and 5 men, and two with key actors, both active members of the Latin American community in London⁷⁷. I did not interview the same person more than once nor did I provide any financial compensation to my participants. The place of the interviews was decided in consultation with the interviewees. Some migrants invited me to their homes, others preferred to meet me at the offices of one of the migrant organisations. Business owners and NGO's employees preferred to be interviewed in their own businesses or offices. With the previous permission of the participants, the interviews were all recorded using a digital device. None of the participants raised any objections about being recorded. Each interview lasted an average of 90 minutes. These files were kept on my personal computer as password-protected documents. Table 4.1 provides a list of my sources in London⁷⁸. Personal details for each participant are provided in appendix 2. All names are pseudonyms.

⁷⁷ I had the contact information of nine more Colombian migrants but we could not find a suitable time to meet. I did not pursue these contacts further due to time constraints.

⁷⁸ These are the sources I have referenced throughout this thesis.

Table 4.1: List of sources, London

Name	Interview Date
Diana*	1 st December 2008
Celia	1 st December 2008
Mariela	2 nd December 2008
Miriam	2 nd December 2008
Andrea*	2 nd December 2008
Luis	3 rd December 2008
Cesar	3 rd December 2008
Lourdes	3 rd December 2008
Nancy*	4 th December 2008
Mariana	4 th December 2008
Ana Aura	4 th December 2008
Rebeca	Key actor, 5 th December 2008
Claudia	6 th December 2008
Ana Carolina*	8 th December 2008
Alejandra	9 th December 2008
Daniela	Key actor, 9 th December 2008
Juana	9 th December 2008
Leonel	10 th December 2008
Antonio	10 th December 2008
Hector	10 th December 2008
Dilia	10 th December 2008
Angela	10 th December 2008
Maricruz*	12 th December 2008

* I have interviewed these migrants' relatives in the Coffee Region of Colombia.

Migrants' socioeconomic profile

The socioeconomic status of these 21 migrants in London can be elucidated by looking at the place they inhabit in London's occupational structure: 28% of migrants were employed as cleaners and/or manual labour, 24% worked as childminders, another 24% were small business owners, 14% auto-identified as being out of the labour force and 9% were employed in a mid-level occupation. Of these migrants, all except one had legal documents to live and work in the UK. As table 4.2 shows, these migrants' occupational status (sample) follows a similar pattern to the wider Colombian population in London (LatMES). The majority of Colombians in London are employed in low-skilled service sector jobs, regardless of their level of education and professional experience (usually because they do not have good command of the English language). In contrast to the sample used here, around one-third of Colombians in London lack legal documents to live and work in the UK (LatMES cited in Guarnizo 2008).

Table 4.2: Occupational status of Colombians in London

<i>Occupation (%)</i>	<i>Sample</i>	<i>LatMES*</i>
Cleaner – domestic, commercial and/or manual labourer	28	37
Childminder	24	X
Small business owner	24	X
Out of the labour force	14	14
Mid-level occupation	9	27
Admin and sales support	X	13
Supervisor	X	9
<i>Sample size (number)</i>	21	215

* Latin American Migration in Europe Survey (LatMES), cited in Guarnizo (2008)

Consent

The research process and in particular, the stages of data collection and analysis, were conducted always taking care of respecting confidentiality. Given the very sensitive and personal nature of the information provided by the participants, I have kept their identity anonymous. Instead I have given all of them pseudonyms in Spanish to reflect the fact that they come from a Spanish speaking country. Participants' informed consent was obtained verbally before each interview. I always began my interviews by reassuring

participants about the confidential nature of the study and explaining the aims of the study. At the beginning, I also asked them what they would like to emerge and/or get out of the interview. I used this question to gain a feel about what kinds of issues migrants really wanted to highlight about their experiences. I felt that this open question also showed them that I was interested in hearing much more than answers to a rigid set of questions. In effect, most of these interviews were quite fluid and felt more like a conversation. However, I did encounter a few difficult situations in which the participant would recall some distressing experiences and began to cry. These difficult experiences were usually related to the hard times they endured upon arrival in the UK and/or not being able to attend a parent's funeral in Colombia because of the lack of documents to return to the UK. In these cases, I told the interviewees that they did not have to talk about that if they did not want to and tried to quickly move on to a different issue⁷⁹. Although I had prepared a list of key themes and questions, I let the interviewees talk for as long as they wanted and expand on any experience they found particularly important. In this way not only did I obtain answers to all my key questions but I also learned much more about the context in which these particular experiences took place.

Tracing households back to Colombia

Since the aim of this research is to trace migrants' transnational practices along the geography of the migration network and thus, connect subjects to multiple sites and geographical scales, at the end of each interview, I asked migrants if they were willing to put me in touch with their relatives in Colombia. I explained to them that my research sought to examine the impacts of migration and remittances at both ends of the migration network and that I was interested in tracing families back to Colombia, as I put it, 'in order understand what was happening on the other side'. I made it clear to them that this was strictly voluntary and that the information provided by their relatives would also be treated with care and confidentiality. I also clarified the fact that I was not going to talk to their relatives about what they had just told me during the interviews. I thought that providing this kind of assurance was particularly important because it was

⁷⁹ It is often difficult to foresee which topics or questions are going to elicit strong emotional reactions. One of the most difficult types of interviews are those in which the participant becomes tearful or cries (Kitson et al. 1996; Rubin and Rubin 2005). However, one is never fully prepared or trained on how to react in these circumstances. As some scholars have pointed out, although issues around the researcher's positionality have been widely discussed in the social science literature (cf. McDowell 1992; Rose 1997), the emotional and personal implications of fieldwork, for the researcher and researched, remain under explored (Bondi et al. 2002; Humble 2011; Punch 2010; Widdowfield 2000). In order to deal with these uncomfortable situations, the best thing an interviewer can do is to tone down the emotional level of the conversation by returning to more descriptive, less emotionally sensitive questions (Rubin and Rubin 2005).

not always evident from their stories that their relatives in Colombia knew all the details about their lives as migrants in London. Potentially difficult issues included discussing the reasons they had for leaving Colombia, the nature of their relationships with their relatives back home, issues around the management of remittances, their family's expectations of them and the type of job they had and the social conditions in which they lived in London. In the cases where I successfully got in touch with their relatives in Colombia, the life histories that were recounted corroborated the stories migrants had told me in London. Generally, all the relatives interviewed seemed to have a good knowledge of the migrant's trajectory, current situation and future plans. I also asked them to recommend places to visit in their towns and cities of origin. They responded very positively to this question and I ended up with a long list of places/areas to see.

Of the 21 migrants interviewed, 11 provided the contact information of their family members still living in Colombia. Two of the interviewees had only distant elderly relatives left in Colombia with whom they did not have much contact. The remaining participants expressed uneasiness about providing their relatives' information, they said because 'they did not think that their relatives had the time or interest to talk about their personal lives'. Most of my participants came from the Coffee Region of Colombia and their family members, whose information they had provided, were still living there⁸⁰. I chose this area as the epicentre of my fieldwork.

4.4. Research Methods: Colombia

Although I had already defined the geographical area for my fieldwork, I had the contacts of some of the migrant families and I had read all the available information on migration and remittances emanating from Colombia, I felt that this was not enough. Before beginning my interviews, I wanted to learn/know more about the 'reality on the ground', the context in which the relatively new socioeconomic processes associated with the high rates of emigration from the Coffee Region were taking place. I also knew that I needed to recruit more participants. In addition, although I was going 'home', this was an area of the country I had never visited (I am from a small town in the Caribbean region) and I did not know anyone there. Based on the positive experience I had had in London in terms of accessing my 'target' group and recruiting participants by

⁸⁰ In contrast to the anonymous nature of my interviewees, I do name the geographical locations (particular cities and towns) where I conducted my research in Colombia. There are two reasons for this. First, I delimited my research area to the Coffee Region because that is where most of my participants originated from and where their families currently live. Second, as explained in chapter 3, because of the critical role that coffee has historically played in the Colombian economy, that area has a very distinct history from the rest of the country.

establishing links with some of the institutional actors that had contact with them, I decided to take a similar approach to make an initial entry into the field. While conducting fieldwork in London, I found out that there was a research group in the Coffee Region of Colombia that had been active in researching Colombian migration for a few years: The Human Mobility Group. The group is part of Alma Mater, the Network of Public Universities of the Colombian Coffee Region and is based in Pereira, a capital city in the heart of the region. This group has an important local, national and international reach and works closely with a range of NGOs and other organisations to produce empirically-based research to influence public policy and actions that attend to the social demands generated by the migration phenomenon. Since they seemed to be the only group in the country exclusively dedicated to the study of mobility, I thought that they had the expertise that I needed to complement my research. I wrote to them and explained what I was doing and planning to do. They gave me a very warm reception and offered me a space in their offices for the time I would spend conducting my fieldwork⁸¹. So, given this institutional support and the fact that Pereira occupies an important place in the geographies of international migration from Colombia to London, for the four months (June to September 2009) that I spent conducting my fieldwork I was based in Pereira. I used the city as a base but travelled extensively throughout the region and to Bogota to interview people.

During my time in the coffee region of Colombia I spent a lot of time observing (and documenting in my field diary) what I perceived as migration-related political and socioeconomic processes in the area. I also participated in a number of different activities such as national and international conferences on the state of the art research on Colombian mobility and attended events related to my research. I heard about these activities through members of the Human Mobility Group. These activities included the launch of a pilot migration-for-development project for women in migrant households⁸², the launch of a television channel for Colombians abroad and a workshop organised by the International Labour Organisation as part of its MIGRANDINA project⁸³. The main purpose of the workshop was to present the state of research and legislation on labour

⁸¹ This arrangement did not involve any formal agreement or any kind of payment. Because the group is part of an academic institution, they usually host research students from other national and international universities.

⁸² This project was financed by AECID (Spain's Agency for International Development Cooperation) based on a promise made by the Spanish Prime Minister, Jose Luis Rodriguez Zapatero, at the UN assembly in 2006. Zapatero's promise was the promotion of remittances as propellers of development. This was a pilot project taking place in Senegal, Ecuador, Morocco and Colombia.

⁸³ This project seeks 'to provide institutional strengthening on migration issues in order to contribute to the development of the countries of the Andean Region' (MIGRANT 2011).

migration in the region and facilitate an inter-sector dialogue between the different participating agents in order to define a local strategy in terms of migration policy. I was also invited, by the director of the group, to participate in the field research team for the Latin American Migration Project, a project to advance understanding of the complex processes of international migration in Latin America⁸⁴. It involved travelling throughout the coffee region to conduct ethnosurveys, detailed random household surveys that document the socioeconomic and demographic characteristics of chosen communities, in order to assess the incidence and impact of migration. These ethnosurveys have been carried out in 10 different countries in Latin America. I accepted because I would not only have the opportunity to gain first hand experience in collecting a wider range of information linked to emigration throughout the region but also, I could potentially recruit some more participants for my study⁸⁵. In the two weeks that I spent participating in this project, I achieved both goals. Not only did I recruit one participant for my research but I also learned a great deal about the lived experiences of migrant and non-migrant households and the socioeconomic and political changes that had taken place in the region in the previous decades, especially since the coffee crisis of the 1990s.

Engaging in these different activities was a reflection of my enthusiasm and engagement with the research process. Although I have not explicitly referenced these activities in this thesis, they have greatly complemented my own research by providing me with a comprehensive understanding of the political, social, economic and cultural dimensions of migration in the Coffee Region and Colombia. I have tried to contextualise my findings within these wider regional and national dynamics and have made an effort to point to the dialectic relationship between these different dimensions of migration.

Narrowing the focus: households, communities and field realities

My original idea was to examine the socioeconomic impact of migration (and remittances) to (from) London at the household and community levels in the Coffee Region. By taking this approach, I thought that I could make an original and important contribution to the fields of geography and migration studies based on three critical elements. One, that migration from Colombia to London is regionally concentrated and the Coffee Region has the highest rate of emigration in the country. Two, I had traced

⁸⁴ This project is run jointly by Princeton University in the United States and the University of Guadalajara in Mexico.

⁸⁵ As all the other researchers who participated in this project, I was assigned a certain number of surveys to conduct and was paid for them accordingly.

most of the families of my interviewees in London to this region. And three, the limited literature available had hinted at a series of changing socioeconomic processes as a result of the high outflow of people from the region and its resulting inflow of remittances.

However, after being in the region for a few weeks, I realised that there were a number of problems with measuring socioeconomic impacts at the community level. First, the migrant families whose contact information I had were not concentrated in one specific area but were scattered throughout the region. Second, it would be difficult (almost impossible) to assess or isolate the socioeconomic impact of remittances originating in London given that, in any given community in the region, migration to the UK only represents a very small percentage of the total, compared to migration to the United States and Spain⁸⁶. And third, as one prominent local academic pointed out, measuring the socioeconomic impacts of remittances at the macro and micro levels in Colombia is quite complicated given that it is not clear what is to be attributed to migration and what is to be attributed to drug trafficking⁸⁷. In light of these difficulties and the fact that one of the most important methodological contributions of this study was to explore both ends of the migration network by tracing families along the geography of the London-Coffee Region migration corridor, I decided to narrow my focus of analysis to exploring the socioeconomic impact of migration and remittances at the household level, specifically in the context of housing investments⁸⁸.

Recruiting participants

Before going to Colombia, I identified some key actors in Bogotá, Pereira, Cali and Medellín and established contact with them via email. Most of them agreed to give me interviews. Apart from these contacts and the ones provided by the migrants in London, I recruited most of my participants through snowballing. Many of these actors in turn referred me to other actors such as other migrant households or acquaintances in the different sectors they belonged to such as the academy, the third and private sectors. I

⁸⁶ At this point, it had become clear that I also had to delimit the scope of my interviews in the Coffee Region to people with relatives in London and exclude these other important sources. Given that most of the research available had already focused on documenting the transnational practices of Colombian migrants in the United States and Spain, including these migrant households would have jeopardised the novelty of my research.

⁸⁷ Personal communication with William Mejía, director of the Human Mobility Group, June 2009.

⁸⁸ However, based on secondary qualitative and quantitative data, I have framed my empirical findings within the regional, national and global social, economic and political contexts in which they have taken place (see chapter 3).

was truly amazed by the power of snowballing in the context of Colombia. It seemed that every time I talked to people about my research, I would be referred to migrant families or key actors in the most unexpected places. For example, the owner of the house where I lived, was not only a returned migrant from the US, but she worked in a construction company and had a close friend whose sister was a migrant in London and whose mother she knew well.

Yet, one interesting methodological insight that I gained throughout the fieldwork was that it was very easy to approach and arrange interviews with people whose contact information had been provided by colleagues who were easily associated with the academy, specifically with Alma Mater. When I tried to recruit people outside of the aforementioned channels, snowballing or institutional support, I failed. I placed signs explaining my research in the cultural centre of the condominium where I lived and at the university, but did not get one single reply. Once again, linking with the institutions that had had contact with the 'target group', in this case, with an organisation that was recognised as a respectable academic institution, proved to be a valuable research tool. In summary, I recruited most of my participants through snowballing. My main points of access to migrant families in the coffee region were the family members of the migrants I had interviewed in London and colleagues at Alma Mater. Nonetheless, at the end of the recruiting process, I managed to assemble a diverse sample of families with very different trajectories and life stories.

Interviews in Colombia

I conducted a total of 35 interviews in Colombia, 21 with migrant families (6 whose contact information had been provided by their relatives in London⁸⁹) and 14 with key local and national actors such as academics, local leaders, NGOs representatives, government officials and members of private entities involved in the remittances and construction businesses. All my interviews were conducted in Spanish. I structured my interview schedule based primarily on the information I had collected in London, the insights provided by some of the key actors and the reflections I had written on my field diary during the first few weeks in the field (the interview schedule for migrant families is presented in appendix 1).

⁸⁹ Although a total of 11 migrants in London had provided contact information for their relatives in Colombia, I did not manage to interview all of them. I could not get in touch with three of them and the other two said that they did not have time to meet me.

The process of interviewing in Colombia was similar to that in London: the place was decided in consultation with the participant (usually their home or place of employment), the interviews were recorded with their prior consent and these files were kept on my personal computer as password-protected documents. None of the participants raised any objections about being recorded. Each interview lasted between 60 and 120 minutes. I did not interview the same person more than once nor did I provide any financial compensation to my participants. Table 4.3 presents a list of the key actors I interviewed in Colombia. Table 4.4 presents a list of the migrant households I interviewed in the Coffee Region⁹⁰. As mentioned in the previous section, I did not encounter any difficulties interviewing the family members of the migrants I had interviewed in London. The life histories that they recounted corroborated the stories migrants had told me in London and all the relatives interviewed seemed to have a close relationship with the migrant and good knowledge of the migrant's trajectory, current situation and future plans. Personal details for each participant are provided in appendix 2. As in the London case, all names are pseudonyms.

⁹⁰ These are the sources I have referenced throughout this thesis.

Table 4.3: List of key actors, Colombia

Name	Affiliation	Interview Date	Location
Fabiola	Academic	29 th May 2009	Bogotá
Gustavo	Academic	1 st June 2009	Bogotá
Antonio	NGO Representative	3 rd June 2009	Cali, Valle del Cauca
Manuela	Academic	3 rd June 2009	Cali, Valle del Cauca
William	Academic	17 th June 2009	Pereira, Risaralda
Carolina	Representative of 'Mi casa con Remesas'	3 rd July 2009	Pereira, Risaralda
Leo	Construction company owner and member of National Association of Builders (CAMACOL)	6 th July 2009	Pereira, Risaralda
Cristina	State government representative	21 st August 2009	Pereira, Risaralda
Daisy	Local government representative	27 th August 2009	Palmira, Valle del Cauca
Sabrina	Centre for the Attention of Migrant Families	27 th August 2009	Palmira, Valle del Cauca
Cristian	Community leader, Cuba	3 rd September 2009	Pereira, Risaralda
Jorge	Remittances Industry	17 th September 2009	Bogotá
Laura	Construction company employee	27 th September 2009	Pereira, Risaralda
Javier	Bancolombia's commercial division for Colombians abroad	29 th September 2009	Medellin, Antioquia (telephone interview)

Table 4.4: List of migrant households, Colombia

Name	Interview Date	Location
Dulce*	1 st July 2009	Pereira, Risaralda
Graciela*	2 nd July 2009	Pereira, Risaralda
Claudia	2 nd July 2009	Pereira, Risaralda
Arturo*	3 rd July 2009	Pereira, Risaralda
Hilda	7 th July 2009	Pereira, Risaralda
Judith*	8 th July 2009	Pereira, Risaralda
Lucia	25 th August 2009	Pereira, Risaralda
Liliana	25 th August 2009	Pereira, Risaralda
Patricia	26 th August 2009	Pereira, Risaralda
Viviana*	27 th August 2009	Palmira, Valle del Cauca
María	1 st September 2009	Pereira, Risaralda
Oriana	7 th September 2009	Dos Quebradas, Risaralda
Carmen	7 th September 2009	Pereira, Risaralda
Fabiola	7 th September 2009	Pereira, Risaralda
Martha	7 th September 2009	Pereira, Risaralda
Eugenia	8 th September 2009	Zaragoza, Valle
Lina	8 th September 2009	Zaragoza, Valle
Jose Luis	13 th September 2009	Anserma, Caldas
Margarita	14 th September 2009	Anserma, Caldas
Yair	26 th September 2009	Pereira, Risaralda
Ana*	29 th September 2009	Cali, Valle del Cauca

* I have interviewed these participants' migrant relatives in London. Only Arturo and Graciela belong to the same family.

Migrant households' socioeconomic profile

In these 21 migrant households in the Coffee Region, there were a total of 52 people who depended wholly or partially on the remittances received from London. Among the most prevalent dependants were the parents, children and siblings of the migrants. The demographic composition and socioeconomic status of these migrant households in the Eje Cafetero is as follows: the average age of the remittance-recipients was 52. Of these, close to 54% were women and around 38% were over 60 years of age. The great majority of households, 90%, belonged to the lower-middle income strata (estratos 2 and 3).

As is presented in table 4.5, this demographic profile somewhat resembles the profile of migrant households in the Coffee Region: most remittances are sent for the remitter's parents, children and siblings and around 56% of remittance recipients are women. In addition, around 50% of the migrant households belong to the lower and lower-middle income strata (estratos 1-3). In contrast, the average age of remittance-recipients is 38 years and only around 20% of them are 60 years or over (Barbat, 2008; Garay and Rodriguez, 2005b).

Table 4.5: Migrant households' profile

<i>Demographic data</i>	<i>Sample</i>	<i>Other studies*</i>
Main dependants: parents, children, siblings	✓	✓
Average age of remittance-recipient (years)	52	38
Remittance-recipients: % of women	54	56
Remittance-recipients: % over 60	38	20
% of households in lower and lower-middle income strata*	90 ¹	50 ²

* Barbat (2008) and Garay and Rodriguez (2005b)

¹ Estratos 2 - 3 (lower-middle income)

² Estratos 1 - 3 (lower and lower-middle income)

4.5. Data analysis

After each round of fieldwork, I fully transcribed all the interviews in their original language, Spanish⁹¹. While I was transcribing the interviews, I engaged in the process of 'open coding' (Strauss, 2003) that is, highlighting key words and writing comments on the margins of the documents in order to 'open up' my data to inquiry. These comments were related to what I found were interesting statements on the social, economic and political dimensions of migration and remittances articulated by the participants. In some cases, the comments were one-word sentences that pointed to a specific issue such as the (economic) crisis or education. In order to make sure that I had not overlooked any important issues, once I finished the transcriptions, I reread the interviews (and sometimes listened to the interviews again) and continued with the process of 'open coding' where appropriate. My field notes were an integral component of this process. I used my notes to document the experience of the research process, as a place to write about the frustration and satisfaction of being in

⁹¹ Because of time constraints, only the interviews extracts that have been referenced have been translated into English.

the field, a space for self-reflection and for documenting observations and first hand experiences of events or *experiential data* (Strauss, 2003). As Punch (2010) has observed, field diaries are essential to the research process because they allow researchers to capture the *'immediacy and emotional impact of the fieldwork'* and may ultimately *'shape the research process and outcomes'* (page 2). However, as Humble (2011) has pointed out, although emotions may provide useful insights into the subject area, a systematic account of these emotions tends to be absent from the research narrative, especially in the area of development research. Although I have not explicitly cited my field notes throughout this thesis, I constantly referred to these notes in the process of data collection and analysis, for they added nuanced details to my findings and reflections and provided clarification and sometimes direction.

In order to begin identifying the key themes that emerged from the fieldwork and establishing connections and relations between them, I then printed all the comments I had written and analysed them thoroughly. Instead of 'cherry picking' the quotations that supported my pre-conceived theories and ideas (Jackson, 2001), I identified the key themes and subthemes (which qualified and brought life to the main themes) by grouping statements together according to how many times they were repeated in the data. Once I had done this, I developed a document in which I cross-referenced and connected these key themes and I created a separate file for each of them with a link to their interview sources. Given that my interest centred on tracing migrants' transnational practices along the geography of the migration network, in the final stage of the data analysis, I engaged in an iterative exercise of comparing, contrasting and integrating all the empirical data I collected in both sites, London and Colombia. This final analysis formed the basis for structuring this thesis.

4.6. Giving back

Although qualitative methodologies as a research tool have allowed space for 'situated' knowledge (over 'grand theory') in Human Geography (Dwyer and Limb, 2001), questions have been raised about the unequal power relations between researcher and researched, because the former interprets the lives of the latter (McDowell, 1992). Instead of ignoring this reality, some scholars have suggested that one of the ways to deal with this shortcoming (not solve it) is to *'make explicit the ties between local effects of global economic restructuring'* (Katz, 1994) or as Massey (1984) had suggested earlier, finding the global in the local. Because I cannot presume that the findings of my research will accrue any direct benefits to my participants or provoke any tangible change in their (harsh) socioeconomic reality, this is what I have tried to

do in this thesis. Specifically, I have tried to expose the linkages between the Colombian government's current effort to channel remittances to 'productive investment' and broader global dynamics in terms of the financialisation of households' socioeconomic reproduction and development processes. Moreover, I have provided an explicit account of migrants' (limited) engagement with these efforts and the alternative ways, to the formal government programmes established for this purpose, in which migrants are materialising their dream of homeownership.

I will also prepare a briefing document that outlines the wider policy implications of this study, at the local and national levels. I plan to disseminate this policy briefing to the Colombian Consulate/Embassy in London as well as to the different actors and institutions that I engaged with during my fieldwork. For this purpose, I have obtained a Santander International Exchange Bursary to return to Colombia. The purpose of this trip is to feedback the results of the doctoral study to the communities in which the research took place and the main actors who participated in it, among them, migrant families, community leaders and local government officials. This trip will provide the time and space needed to re-engage with the people whose voices are heard throughout this thesis. The aim is to obtain their feedback in terms of the main conclusions that have been drawn in order to consolidate and disseminate a report that outlines the wider policy implications of this study. Given the diversity of the actors involved, the feedback activities will be structured in two different ways: visits to migrant families and two seminar-style presentations at the local universities. The families will be visited on an individual basis while the institutional actors will be invited to participate in the seminars, which will also be opened to the wider community. Moreover, I have been invited to present my research in the seminar series of National Network of Researchers of Colombian Migration, which gathers academics and policy makers in Bogotá. This will be my way of giving something back to the people who generously gave me their time and, in many cases, shared with me very personal experiences and emotions. As Gill Valentine (2001: 50) has pointed out, *'the least we can do [for our participants] in return [for their help] therefore is to feed our findings back to them'*.

4.7. Concluding remarks

The methodological approach to research taken in this thesis is inspired by the principles and practices of 'Grounded Theory', primarily, by developing my theoretical framework in intimate relationship with the data I collected. The main methodological contribution of this research stems from having brought geography back into

transnational discourses by tracing migrants' transnational practices along the geography of the migration network. Thus, this research employed a multi-method approach to data collection at both ends of the migration network, London and Colombia. These methods included semi-structured interviews, participant observation and the collection of secondary qualitative and quantitative data in both locations. I also employed a set of methodological techniques such as volunteering at migrant organisations, participating in other research projects related to my topic, establishing links with local academic groups and engaging in informal conversations with key actors. Employing these diverse techniques at both ends of the migration network facilitated the process of recruiting research participants and sometimes, even enabled interviews to happen. More generally, these techniques allowed me to acquire a wide range of contextual and practical insights not available in the formal literatures and to gain a richer and deeper, more contextualised understanding of the linkages between the political, social, economic and cultural dimensions of migration. I have incorporated these insights in my work by highlighting the local-to-global connections of the transnational practices that flow through the migration network while privileging embodied accounts of migrant households' livelihoods.

One important methodological insight that I gained in the context of conducting fieldwork along the geography of the migration network was that linking with the institutions that provided services to or run organisations on behalf of my 'target group', migrant households, proved to be a very valuable research tool. The analysis presented in this thesis emerged out of an iterative exercise of comparing, contrasting and integrating all the empirical data I collected in both sites. However, I am conscious that this thesis represents my partial and particular interpretation of migrant households' lived experiences and the complexity of their responses to the policies of the state. By conducting fieldwork over space (London and Colombia) and stretching my analysis across scale (connecting global to local processes) I have attempted to *'assemble a picture of the whole by recognizing diverse perspectives from the parts, from singular but connected sites'* (Burawoy, 2000: 5). Although I collected many more experiences and much more information than I am able to document in this thesis, I have attempted to let some of that 'experiential richness' (Cook and Crang, 1995) transpire in my writing.

The next, and first empirical chapter, explores the role of the Colombian government in rendering migrants as agents of economic development by exploring its official narratives around the use of remittances to finance housing investment at the national and international level.

Channelling Remittances to Productive Investment: ‘Mi casa con Remesas’ and International Housing Fairs

This chapter explores the official narratives around the use of remittances to finance housing investment articulated by the Colombian government at the national and international level. In particular, it examines the role of the Colombian government in producing responsible investor-citizens through the promotion of the housing and financial sectors. It does so by providing detailed contextual information about Colombia’s housing policy, the characteristics of its housing and housing-finance markets and the workings of two housing programmes that target Colombian migrants: ‘Mi casa con remesas’ and international housing fairs. By analysing the political and financial geographies of transnational migration in the context of housing, this chapter will unpack the ways in which the Colombian government is constructing migrants as transnational financial subjects, how these subjectivities have progressively been incorporated into the national policy discourse and practice and the degree to which it has succeeded in trying extend the national markets to Colombians abroad.

It draws on qualitative and secondary quantitative data and interviews with a range of actors across the construction and financial sectors and the ‘Mi casa con Remesas’ programme in Colombia. It also draws on the insights gained by participating in and observing a housing fair for Colombian migrants in London. This chapter also provides the context for understanding the interplay between the official narratives and the different views and experiences around housing investment of Colombian migrants in London and their households of origin in the Coffee Region of Colombia, which will be explored in chapters 6 and 7.

5.1. Colombia's housing policy: recent trends

The 1991 Colombian Constitution states that:

“All Colombian citizens have the right to a decent home. The State will establish the necessary conditions to make this right a reality and will promote social housing programmes, adequate long term financing systems and associative forms of execution for these housing programmes”⁹².

Despite the creation of the Instituto de Crédito Territorial (ICT)⁹³ in 1939, housing was not traditionally a top priority in national development policies (Gilbert, 1997) and up until the 1950s, the Colombian government did not have a clear and consistent social housing programme (known by its Spanish acronym VIS)⁹⁴ (Gilbert and Ward, 1982). The approach to housing policy only started to change in the 1950s, when Colombia began a rapid transition from a rural to an urban society and housing problems in the cities became evident. In this context of rapid urbanization, the government sought to alleviate the housing problem by establishing large scale public housing programmes (through ICT) but these programs had limited funds and fell short of meeting the high demand (Gilbert, 1997, 2004). Since colonial times, land distribution in Colombia has been highly uneven; the private building industry has been geared towards formal construction and therefore home-ownership has been beyond the reach of the poor (Gilbert, 1998). In the face of a shortage of rental accommodation and the desire of most Colombians for home ownership, ‘self-help’ housing on invasions and pirate urbanisations throughout the country served to cover the housing needs of the new masses in the growing cities (Gilbert, 1997).

During the 1970s and 1980s, the government continued to build public housing through ICT but also followed the World Bank-backed approach of providing sites-and-services and squatter-upgrading (Gilbert, 1997; Gilbert and Ward, 1985). The conservative governments of Misael Pastrana (1970-74) and Belisario Betancur (1982-86) gave an important boost to housing policy by making it central to their national development plans and expanding the construction of low-income houses (Gilbert, 1997; Gough,

⁹² My translation. Artículo 51, Constitución Política de la República de Colombia (1991): ‘Todos los colombianos tienen derecho a vivienda digna. El Estado fijará las condiciones necesarias para hacer efectivo este derecho y promoverá planes de vivienda de interés social, sistemas adecuados de financiación a largo plazo y formas asociativas de ejecución de estos programas de vivienda’.

⁹³ ICT was the state agency responsible for building and financing government housing solutions.

⁹⁴ VIS stands for Vivienda de Interés Social (Social Interest Housing) and refers to housing for low income groups.

1999). However, by the end of the 1980s, ICT was highly indebted and a target of corruption and clientelism and the proliferation of self-help settlements throughout the country made evident serious flaws in the national housing policy (Gilbert, 1997, 2004).

On the whole, Colombia's development policy in recent history has closely followed the guidelines of the international development and aid agencies such as the World Bank, the Inter-American Development Bank and USAID. Up until 1990, the approach to housing policy by national governments mirrored that of most Latin American countries⁹⁵. The housing market was characterized by a formal building sector that supplied the needs of the middle class, a public state housing agency that built a limited number of houses for the poor and the proliferation of self-help construction by low-income households.

During the government of César Gaviria (1990-94), Colombian housing policy changed radically. As explained in chapter 3 (section 3.1.1), Gaviria's national development plan 'The Pacific Revolution' laid out an approach to development that translated into a series of neoliberal economic policies that aimed to 'integrate' Colombia into the global capitalist system. This 'revolution' gave the government *carte blanche* to liberalise trade, eliminate all restrictions on foreign direct investment and reform the labour code and the social security system. In this scenario, housing was to follow the suit of other sectors that provided basic services such as health, education, infrastructure and transport in which public sector participation was reduced (usually through privatisation) to allow the private sector to play a greater role in the provision of the services (Gilbert, 2004).

Not surprisingly, the government quickly adopted the new housing model, the Capital Housing Subsidy Model, being pushed by the World Bank and the major development agencies which sought to *'encourage government to play an enabling role: to move away from producing, financing and maintaining housing, and toward improving housing market efficiency and the housing conditions of the poor'* (World Bank 1992, cited in Gilbert, 1998: 100).

⁹⁵ These are detailed in chapter 2, section 2.6.1.

The Capital Housing Subsidy Model placed a greater emphasis on housing finance and urban management and aimed to incorporate the private sector into the social housing market. The model had three main goals: to minimise government expenditure on housing, promote transparency in the allocation of housing subsidies and encourage the poor to acquire homes produced by the private (formal) sector (Gilbert, 1997, 2004).

Under this model, the Colombian government ceased to build and finance public housing directly by transforming ICT into INURBE (National Institute for Social Housing and Urban Reform), and more importantly, it allowed the private sector to fully participate in the construction and financing of VIS. This new housing institution had a much reduced capacity not only in terms of its functions but also in terms of its work force. While ICT had 3,100 employees, INURBE only had 600 (Gilbert, 1997). The role of INURBE was that of a mediator between the private housing industry and individuals (mostly the urban poor) and its main function was to allocate housing subsidies (Subsidio Familiar the Vivienda, henceforth SFV) to low income households for the improvement, construction or acquisition of privately supplied homes. To qualify for a subsidy, households had to meet a stringent set of requirements such as having a certain amount of savings and be willing to take out a mortgage, among others. In essence, this housing policy transferred the responsibility for the provision of social housing from the public to the private sector.

Even though a substantial number of Colombian households have benefited from the subsidy programme since its establishment in the 1990s, the subsidies on offer have not been able to keep up with the demand. In effect, data from 2001 suggests that an estimated 80% of the total urban households who are not homeowners belong to the lower and lower-middle strata⁹⁶, that is have family incomes below four minimum salaries (CONPES, 2002). In other words, the majority of Colombian urban households who are not homeowners are potentially eligible to qualify for a subsidy.

In contrast, fewer and fewer resources are devoted to finance this subsidy model. For example, Colombian housing subsidies represented only 0.6% of central government expenditure in 1998 and only around 0.5% of the total population in need of housing had been reached in 1995⁹⁷ (Gilbert, 2004). Given the high demand and the limited level of government housing expenditure in the country, the amount of each subsidy

⁹⁶ For an explanation of Colombia's stratification system, see footnote 47.

⁹⁷ The comparable figures for Chile are 5.8% and 2.2%, respectively (Gilbert 2004).

has been overall quite small and people are increasingly reliant on the financial sector to provide the loans needed to access the houses on offer. Yet, this should have been expected given that one of the main objectives of the housing policy that was introduced in the 1990s was to open up spaces for the private sector in areas previously reserved for the state. Thus, in seeking to fulfil its duty to help in the production of financialised consumer-investors-citizens, the government's subsidy programme forces the poor to rely on the financial sector in order to get on the social housing ladder.

In this scenario, the main problem seems to be the fact that most of the potential beneficiaries of the subsidies do not have the required savings to qualify for the subsidy or to make the down payment needed to access housing finance. This is not surprising given that the majority of the potential beneficiaries of the programme - 52% - have family incomes between 0 and 2 minimum salaries (CONPES, 2002). In other words, measured against the socioeconomic realities of the country, most of these households live below the poverty threshold and therefore barely make enough money to cover their basic needs and secure a decent standard of living, let alone accumulate enough savings to become homeowners.

The current housing subsidy system

Although subsequent administrations have made a few changes to the subsidy model, the key elements of the 1990s still remain. A summary of the requirements for families to qualify for a subsidy is outlined in table 5.1.

Table 5.1: Housing subsidy requirements 1990s and 2009

Requirements	1990s	2009
Household size = 2 or more	✓	✓
Household cannot be home owners	✓	✓
Household with poorly built, overcrowded or 'irregular' houses	✓	✗
Household income = less than 4 minimum legal salaries	✓	✓
Household savings available*	5% of value of house	10% of value of house
Type of property to be bought with subsidy	New or used house (on and off)	New or construction on own land
Housing finance	UPAC-denominated private mortgages	UVR-denominated private mortgages

* The potential beneficiary should have savings accumulated through a planned savings account (ahorro programado) which are tax-exempt or through an employee-mandatory savings account (cesantías).

Source: Subsidio Familiar de Vivienda de Interés Social Urbana - Ministerio de Ambiente, Vivienda y Desarrollo Territorial (2009) and interview with Laura Rojas, construction company sales advisor (Pereira, 2009).

Under the subsidy programme, a household is defined as a minimum of two people that form a familial group such as spouses or de facto marital unions and/or a group of people united by kinship up to the third degree (uncles/aunts, nieces) that *share the same housing space*. The SFV is a once-in-a-lifetime, one-off capital payment for the acquisition of a new privately supplied VIS⁹⁸. The allocation of the subsidy is performed by assigning scores to the competing households based on attributes such as income, amount and seniority of the savings available and whether the applicant is a female head of household. The higher the score, the more chances a household has to 'win' the subsidy. Currently there are two ways of accessing the SFV, through the Cajas de Compensación Familiar (CCFs)⁹⁹ or the Fondo Nacional de Vivienda (Fonvivienda) which replaced the old INURBE in 2003.

⁹⁸ In theory, subsidies are also available to finance housing improvements (in which case the maximum subsidy is half of that available for acquiring new housing). However, in practice the majority goes to finance new housing.

⁹⁹ Cajas de Compensación Familiar are regional, not-for-profit institutions that capture resources from private companies to provide social services such as health, education, housing and recreation to employees and their families. By law, all formal sector companies have to contribute 4% of their total payroll for the funding of these institutions. These companies have to affiliate all their low-income employees, those earning up to 4 times the minimum legal monthly salary, to one of the regional CCFs. A similar type of organisation exists in Chile, although those can capture resources from the general public and operate pretty much like banks.

CCFs channel the government's housing subsidies for its affiliates, who are for the most part, formal sector employees that earn between one and four minimum legal monthly salaries; that is up to COP\$1,987,600 or about £662 per month¹⁰⁰. CCFs allocate mostly subsidies for VIS. Nowadays, VIS is defined as a social housing unit that costs up to 135 times the minimum salary or COL\$67 million. The value of the subsidy varies from around COL\$2 million for a household whose income is four minimum salaries to around COL\$11 million for a household whose income is between zero and one minimum salaries (Ministerio de Ambiente, 2009). So, if the average price for a VIS is around COL\$55 million, then the subsidy can vary from approximately 3.5% to 20% of the total value of the house, depending on the income level of the family unit¹⁰¹. Fonvivienda allocates subsidies for people who for one reason or another are not affiliated to a CCF. The subsidies offered through Fonvivienda are mostly for Vivienda de Interés Prioritario (VIP), a type of VIS designed for the poorest segment of the population. A VIP can cost up to 70 times the minimum salary or COL\$35 million (Ministerio de Ambiente, 2009).

The requisites for applying for the subsidies through either channel are exactly the same. People who work in the construction business corroborated the fact that the number of people eligible by far exceeds the total subsidies available per year and so there is a 'subsidy queue'¹⁰². They also suggested that it used to take an average of one and a half years to access a subsidy and that this waiting time has been increasing, especially because no subsidies have been allocated for VIP in the last two years.

One of the curious facts about this form of housing policy is that the government has never defined what the physical characteristics of a privately built VIS should be. Although there have been a few reports of quality problems, the only requirement that the private building industry has to meet is the price cap established in terms of minimum salaries. Figures 5.1 and 5.2 provide a snapshot of the type of VIS and VIP on offer in the largest low-income neighbourhood in Pereira. These are very small and basic housing units usually designed to house a family of four. The average VIP is just

¹⁰⁰ In 2009, the Colombian minimum salary was set at COP\$496.900 per month or around £165. The exchange rate was approximately COP\$3,000 per £1.

¹⁰¹ Data from Ministerio de Ambiente (2009), calculations by author.

¹⁰² Interview with Laura, construction company employee. Complaints about this problem have been persistent over time. A study revealed that SFVs provided by INURBE were estimated at only 12% of the total requested in 2001 (Gilbert 2004).

a little more than a serviced site with an area of 32 m²; a VIS is no more than a shell and core unit with an area of 50 m².

Figure 5.1: VIP, Barrio Cuba, Pereira



Figure 5.2: VIS, Barrio Cuba, Pereira



Photographs by author.

But there is an even more important structural problem that underlines the undersupply of social housing. Since colonial times, land and wealth distribution in Colombia has been highly uneven¹⁰³. Yet, over the years the government has not done much to remedy this problem. Although several attempts at agrarian reforms have been made in the last two decades, they have had a limited effect on redistribution (Baer and Maloney, 1997). This problem has been compounded by the rapid pace of urbanization that has taken place in the last forty years, a product of the rapid rate of industrialization in the major cities and the rural-bias of the long running armed conflict. Although in theory the government's housing policy has sought to alleviate the housing problems in the cities by providing a limited number of subsidies for poor families to access social housing, it has not set aside urban land for its construction.

Therefore, in practice, social housing demand is not being met and the subsidies can only be used according to the available private supply of housing. There is clearly a high demand for VIS and even when there are subsidies available, many households

¹⁰³ The share of income going to the top 10% of earners was 51% in 1964 and 40% in 1991 (Baer and Maloney 1997).

may face difficulties finding a suitable housing unit because private construction companies have little or no incentive to build VIS given that this type of housing has very little value-added and so does not provide much in terms of profits. Leo, a long term member of CAMACOL, the national builders' association, who is also the owner of an important construction company, summed up the problem well:

“...Evidently, subsidies for VIS have been growing in recent years...that system has a good coverage, but not the kind that the country needs. Although the resources are apparently substantial, the reality is that the subsidies provided only make it worthwhile for people to access VIP and it is very difficult for the private construction companies in the country to provide that type of housing; so many subsidies are awarded but many are lost (not used) because the supply simply does not exist...Not only is there a problem with VIS in terms of the lack of land available for development but this type of housing has a very low value added”.

In their continuous effort to promote the construction sector as an efficient tool for employment generation and economic growth in the first half of 2009, the government introduced a new set of incentives for persons wishing to invest in a new house by subsidising the interest rates of housing loans regardless of income. The subsidies are administered and allocated through banks. All a person or household has to do to access the subsidy is to inform the bank at the time of signing the mortgage agreement. The government then picks up a portion of the debt in question for the first seven years of the mortgage. The amount of the subsidy varies according to the price of the house. The details of the subsidy are outlined in table 5.2.

Table 5.2: Interest Rate Subsidy Scheme

House price	Interest rate (%) paid by government	Mortgage rate (%) before / after subsidy
Up to COL\$ 67 million	5	15 / 10
COL\$67 – 116 million	4	15 / 11
COL\$116 – 166 million	3	15 / 12

Source: Decreto 1143, Ministerio del Interior y de Justicia (2009).

Once the subsidy is applied, a household's monthly mortgage payment is reduced by roughly 30%. In the three months following their introduction, 15,000 of the 32,000 available subsidies had been taken up. The fact that this type of housing policy has materialised as 'no-strings-attached' mortgage subsidies means that they are skewed towards the middle and upper-middle classes who are in a suitable position to access housing finance but only make up a very small percentage of the country's resident and migrant populations.

The government's insistence on financing only new mortgage-backed housing and the absence of targeting of low income groups makes it evident that these aggressive measures have not been implemented with the aim of aiding families in need but with the sole purpose of subsidising the construction of housing with more valued-added and benefiting the construction and, by extension, the financial sector.

These ideas are corroborated by people in the housing industry who readily admit that this new form of subsidy not only allows for greater profits but also sends a clear message about the importance of the sector in the economy and the government's commitment to providing the necessary conditions for a full recovery in the aftermath of the housing crisis of the 1990s. In the words of Leo, the long term member of CAMACOL:

"These subsidies are extremely important because they motivate construction of the type of housing that provides the most value-added. These subsidies send a clear message to the population that they can still trust the construction sector and also promote the growth of the sector. In addition, construction companies can get rid of the excess inventory produced by the 98/99 crisis, which provoked the bankruptcy of 40-50% of the construction companies in the country".

This is not however, the first time that the government's tendency to favour the privileged has become evident. As Gilbert (2004) points out, in order to prevent a meltdown of the financial system during the severe economic crisis of 1999, the Colombian government provided middle-class mortgage holders with a debt relief package that was 33 times higher than the annual amount spent on housing subsidies for the poor.

Colombian Migrants and Housing Subsidies

As was detailed in chapter 3, in recent years the Colombian government has radically changed its policies towards its citizens residing abroad. Briefly, since the introduction of the new Constitution in 1991 Colombians living abroad have acquired the rights to dual citizenship, voting from abroad, representation in the National Congress and the right to be elected to Congress (Guarnizo, 2006a; Guarnizo et al., 1999). Since 2003, through the 'ColombiaNosUne' programme, the government has actively sought to recognise migrants as a vital part of the nation and make them the target of public policies.

Despite all these developments, migrants have not been fully recognised as a vital part of the nation and the public policies that have targeted them have been quite selective. In the case of housing policy, there are clearly some requirements that curtail migrants' access to the current housing subsidy programme¹⁰⁴.() As explained in the last section, one of the requirements to apply for the SFV is that the members of the household have to share the same housing space. In addition, if the subsidy is obtained, the beneficiary is required to be the owner-occupier of the property and is forbidden to sell it in the five years following the award. Given their geographical dispersion and the fact that most Colombian migrants are not engaged in temporal and circular migration, Colombians who reside abroad can not realistically be part of these households and so cannot access the housing subsidy. These structural deficiencies may particularly affect Colombians migrants in London. Not only do the great majority of them (98%) still have nuclear family members in Colombia (Gaviria and Mejía, 2005) but also a significant portion of them (46.5%) come from the lower and lower-middle strata of the Colombian society (LatMES cited in Guarnizo, 2006b). These are precisely the families that the housing subsidy is intending to help become homeowners. Thus, in practice, there is a mismatch between the state's role in producing investor-citizens in an era of growing financialisation of the process of capital accumulation and its efforts to expand the national construction and financial markets to Colombians abroad.

In summary, housing policy has been historically used by the government to favour specific sectors of the economy such as the construction and financial industries. This has been justified by promoting the construction sector as one of the most dynamic forces in the national economy and as an efficient tool for employment generation. The

¹⁰⁴ In contrast, although not without some strings attached, the government of the Dominican Republic has instituted a programme specifically for migrants wishing to return to the island. It gives them preference in accessing purpose-built housing units and grants them 60% of the down payment (Levitt 2001b).

re-positioning of the financial sector as the main medium to access housing, public and private, is just one of the latest instances of the state's use of housing policy as a political tool. In effect, the Colombian state has had a long history of protecting the interests of the dominant class. Since their creation in the mid-19th century, two oligarchic parties have controlled the political system and this has historically excluded low-income groups from participating in decision making. Housing policy has not been exempt from this trend: the design and implementation of housing policy has rested in the hands of the national government (with the advice of the World Bank and the major development and aid agencies) in consultation with the construction and financial sectors with the persistent exclusion of the poor. As Gilbert and Ward (1985) have pointed out, in Latin America, the use of public housing policy to create jobs and sustain the private construction industry is one of the many instances in which the government may appear to be intervening on behalf of the welfare of the poor. As will be explored in sections 5.4 and 5.5, the state's efforts to privilege the housing and financial sectors through the manipulation of housing policy have recently been expanded to include Colombians abroad by attempting to make them an integral part of a reconstituted definition of the Colombian nation. So how important are the construction and housing sectors to the Colombian economy?

5.2. The construction sector and the housing market: characteristics

The role of the construction sector in the economy

In the last two decades, the construction sector's relative importance in the Colombian economy has declined from 7 to 5% of GDP and its contribution to total employment has dropped from 6.7 to 5.4% (Clavijo et al., 2005), one of the lowest in the Latin American region¹⁰⁵. Similarly, the housing sector declined from 3.8% to 3% of the country's GDP.

The rate of homeownership (the ratio of homeowners to the number of properties) has also shrunk in recent years from around 66% (Clavijo et al., 2005) in the 1980s to 50% in 2007 (CENAC, 2010)¹⁰⁶. However, given the prohibitively high interest rates that characterize the Colombian mortgage system (around 13% in real terms), mortgage credit represents only a modest proportion of GDP and of total credit, respectively, 5

¹⁰⁵ In comparison, while the construction sector's relative importance in the Costa Rican economy in 2008 was similar to that of Colombia, its contribution to total employment stood at 7%, almost two percentage points above the Colombian rate (data from CENAC 2010). Costa Rica also adopted a similar version of the housing subsidy model in the 1990s.

¹⁰⁶ The comparable rates for some developed economies such as the US and the UK are 67% and 69%, respectively (Clavijo et al. 2005).

and 16% in 2005 (CENAC, 2010). This may either indicate that a big fraction of those homes are the product of 'self-help' developments and may be of very low quality (Clavijo et al., 2005) or that remittances are playing a much greater role than previously thought in fuelling this market.

In recent years, the government has designed and implemented programmes that specifically target the migrant population and their families such as 'Mi casa con remesas' and the 'international housing fairs' with the aim to facilitate the channelling of remittances towards housing investment. However, the overall impact of these programmes on the Colombian housing sector has been relatively small and they have not prompted the kind of boom that was expected by the companies involved. These issues will be explored in detail in sections 5.4 and 5.5.

The housing market

In the last fifty years Colombia has been transformed from a rural to an urban society. By the end of the 1990s, 78% of the country's population lived in the cities (CEPAL, 1999). This rapid transition has put great pressure on the demand for housing and has generated an acute qualitative (quality of existing units) and quantitative (number of existing units) housing deficit. The national housing deficit has widened in recent years and it is estimated that the total housing stock needs to grow by three million (about one third of the total households in the country) to house every family. The shortage of social housing (VIS) is around 1.2 million units and the remaining 1.9 million represents the deficit for non-VIS (Clavijo et al., 2005; El Espectador, 2010b).

Although the government introduced a housing subsidy programme (SFV) for VIS in the 1990s, public expenditure on social housing was still as low as 0.6% of GDP in 2006, one of the lowest in Latin America¹⁰⁷. As a result, the potential urban demand for the SFV has persistently been greater than the number of subsidies allocated. By way of illustration, between 1999 and 2001, the average number of households that applied for the subsidy in each round¹⁰⁸ was 167,000 while the total subsidies allocated only totalled 62,000 (CONPES, 2002). But inadequacies of the SFV go beyond the mismatch between the demand and supply of subsidies. Since the system requires that households take up a mortgage to finance the difference between the market price of the property and the subsidy, many poor families who are allocated a subsidy are

¹⁰⁷ In the region, only Ecuador, Chile and Uruguay spend less on social housing (data from CENAC 2010).

¹⁰⁸ Subsidies are allocated four times per year.

unable to use it. Three main reasons account for this problem: households do not have enough funds to cover the down payment of the house (30% of the house value)¹⁰⁹, their low incomes render them unable to make the monthly mortgage payments and/or even if they meet all the requirements, there is a shortage of affordable housing solutions, especially at the lower end of the scale (VIP).

In addition, as mentioned in section 5.1, the allocation of the subsidy is performed by assigning scores to the competing households based on attributes such as income, amount and seniority of the savings available and whether the applicant is a female head of household. In 2001, adjustments were made to the form in which scores are calculated with the aim to give more weight to variables more in line with the neoliberal idea of responsible investor-citizen. For example, variables such as available savings and regular contributions to the planned savings accounts went from representing 17 and 2.5 % to representing 32 and 3.5%, respectively (data from CONPES, 2002).

Placing a greater emphasis on the variables that measure a household's personal effort instead of more structural measures such as a household's socio-economic condition, is one more indication that the government has fully embraced the promotion of homeownership as part of a bigger agenda based on the making of responsible consumer-investor-citizens who are solely in charge for their own socio-economic security and success. This idea of the responsible citizen has been materialised by positioning financial markets at the centre of individuals' and households' socioeconomic reproduction. This agenda has recently been expanded to include Colombian migrants through the channelling of remittances for housing investment at the national and international levels. So, how have Colombians historically financed their housing purchases?. What role has the financial sector play in helping Colombians realise their dream of homeownership? And how has the state shaped the functioning of the sector?

¹⁰⁹ Only up to 70% of the value of a house can be financed in Colombia. The issue of housing finance will be explored in the next section.

5.3. Colombia's housing-finance market: characteristics

Until the beginning of the 1970s, housing finance in Colombia rested in the hands of the government through two state banks, the *Banco Agrícola Hipotecario* and the *Banco Central Hipotecario* (BCH)¹¹⁰ and the Instituto de Crédito Territorial (ICT)¹¹¹. Mortgage funding came mainly from the national budget, personal savings accounts and forced investments by other private financial institutions¹¹² (Cárdenas and Badel, 2003).

In an environment characterised by low economic performance and inflation pressures, the conservative government of Misael Pastrana (1970-1974) hailed the housing sector as an efficient mechanism for employment generation and economic growth and made it one of the four pillars of its national development plan and so housing finance became a central concern. As part of this policy, the government radically changed the national mortgage finance system in 1972 by creating a set of new savings and loan corporations, *Corporaciones de Ahorro y Vivienda* (CAVs)¹¹³, which would stimulate the development of the sector. The CAVs were responsible for channelling private savings into the construction sector and providing UPAC¹¹⁴ denominated long term mortgages at low interest rates. CAVs were given a monopoly over the use of the UPAC and given the underdeveloped nature of the Colombian money and capital markets at the time, they became the main providers of housing finance in the country (Cárdenas and Badel, 2003; Gomez et al., 2005; Silva, 2003).

Although by the mid 1980s this new system had had positive effects on housing construction (see figure 5.3) by providing mostly middle-income families with stable, cost-of-living-adjusted mortgage payments, its success in terms of providing loans for lower-middle and low income groups was questionable (Cárdenas and Badel, 2003). In effect, the country's urban housing deficit (which tends to be concentrated among low-income households) almost doubled between 1973 and 1980 (Silva, 2003). This should not be surprising given the highly unequal distribution of wealth and

¹¹⁰ These banks were created in 1924 and 1932, respectively.

¹¹¹ ICT was created in 1939 and was the state agency responsible for building and financing government housing solutions.

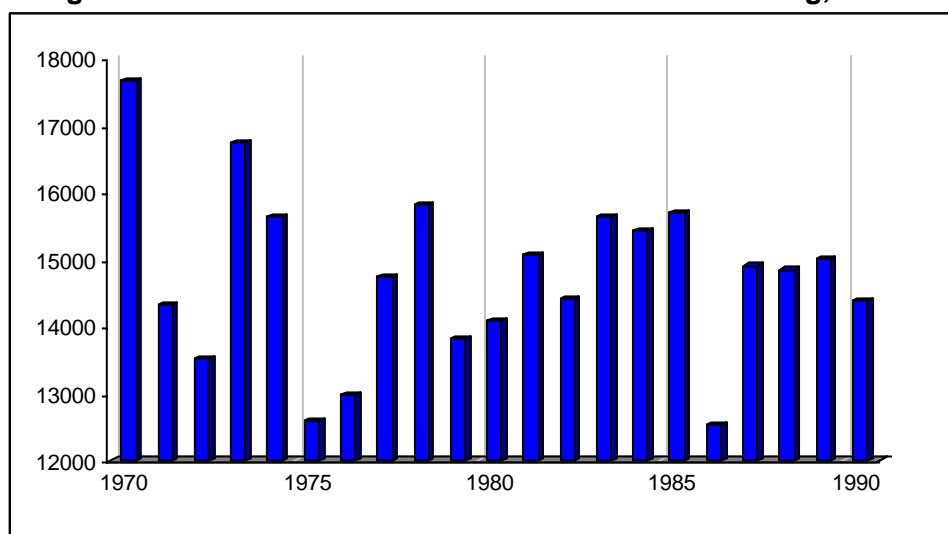
¹¹² These forced investments were imposed by law on commercial banks, insurance companies and other financial agents (Silva 2003)

¹¹³ The literal translation of CAVs is Savings and Housing Corporations.

¹¹⁴ UPAC stands for Unidad de Poder Adquisitivo Constante. It was created in 1972 as an indexation mechanism for savings accounts and housing loans provided by the CAVs. UPAC's value was linked to the performance of a bundle of macroeconomic indicators such as interest rates, exchange rates and economic growth.

precariousness of the country's labour market and thus the inability of the majority of the population to comply with the requirements needed to access housing finance.

Figure 5.3: Number of construction licences for housing, 1970-1990



Data source: DANE. Boletín Mensual de Estadística, 1993. Graph by author

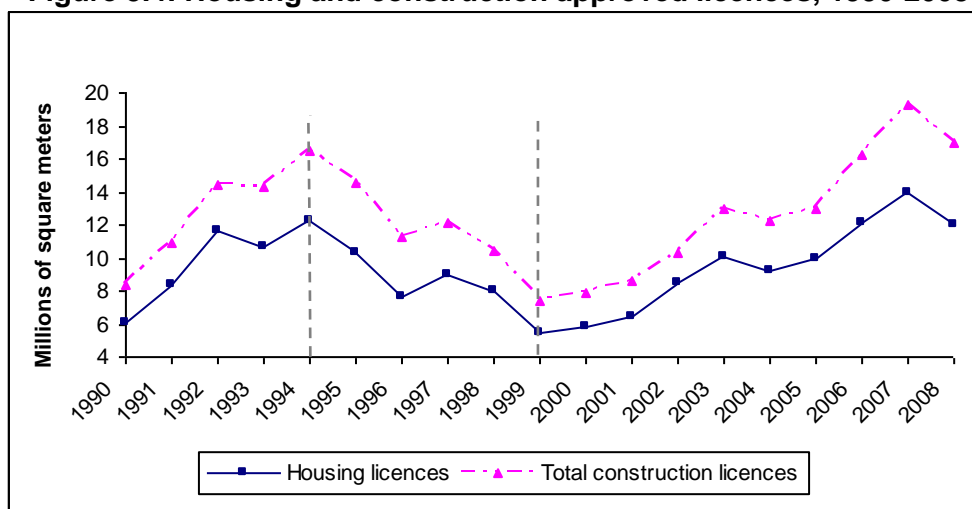
In the 1990s, Colombia's financial system was liberalized as part of the Gaviria government's (1990-1994) neoliberal approach to development which translated into a series of economic policies that aimed to integrate Colombia into the global capitalist system. As part of this process, other financial institutions were allowed to compete with CAVs in the provision of housing finance. By the mid 1990s, these changes had led to a significant increase in the inflow of foreign capital, a short-lived boom in housing finance and construction and a rise in property prices¹¹⁵ (Cárdenas and Badel, 2003; Gomez et al., 2005; Silva, 2003; Uribe and Vargas, 2002).

By the mid 1990s, the inherent structural problems in the UPAC system combined with an economic slowdown, rising interest rates and falling property prices provoked a sudden mortgage crisis that spilled over into the housing sector (Cárdenas and Badel, 2003; Gomez et al., 2005; Silva, 2003; Uribe and Vargas, 2002). As can be seen in figure 5.4, the amount of construction and housing licences issued by the planning authorities, continuously fell between 1994 and 1999¹¹⁶.

¹¹⁵ This rise in land and property prices could certainly have been compounded by the money laundering activities of the drug cartels.

¹¹⁶ Except for a small spike in 1997.

Figure 5.4: Housing and construction approved licences, 1990-2008



Data source: DANE. Información Estadística, 2009. Graph by author

But the crisis not only affected the financial and construction sectors, it also had devastating social effects because a large segment of the population found themselves unable to make their mortgage payments and lost their houses. These problems have had long-lasting effects and even today still emerge not only in current explanations of people’s inability to access housing finance but even as a powerful incentive for migrating. As Carolina, a representative of the ‘Mi casa con Remesas’ programme put it:

“Many people want to invest (in a home), but you find a number of problems that have no solution. Many people are still reported on *datacrédito*¹¹⁷ as having overdue loans and so they cannot access credit. The majority of the people that left (emigrated) did so because they lost their houses during the last crisis or they mortgaged it to pay for their travel expenses, so they don’t have a good image of the financial institutions”.

In 1999, the government designed a new housing law that sought to avert the crisis by radically changing the institutional framework so that housing finance would once again fuel the recovery of the sector and consequently of the economy as a whole. Under the new law, UPAC was abolished and substituted for the UVR¹¹⁸, which was designated as the new indexation unit for long-term housing credits and CAVs were converted into banks (Cárdenas and Badel, 2003; Gomez et al., 2005; Silva, 2003). In addition,

¹¹⁷ *Datacrédito* is a national credit database where a person’s credit history is stored.

¹¹⁸ UVR stands for Unidad de Valor Real Constante (Constant Real Value Unit). It is an inflation-adjusted indexation mechanism for housing finance.

following the changes in housing policy that had taken place at the beginning of the decade, the new housing law also created a requirement for banks to set aside a portion of their mortgages for social housing (VIS) finance.

The political orientation of different governments throughout the years has made no difference in the perception of the housing and construction sectors (anchored in the financial system) as a tool for employment generation and economic growth. The administration of Alvaro Uribe (2002- 2010) recognised the sector as one of the main drivers of economic growth in its national development plan. Although the government vowed to increase funding for low income housing and promote a law that will institutionalise microfinance for housing, among others (CONPES, 2002), government expenditure on social housing remains among the lowest in Latin America.

Currently, the Colombian housing finance system still follows the guidelines established in the housing law of 1999. Overall, it can be said that the system is quite rigid and not very favourable for potential buyers: only up to 70% of the market value of the property can be financed (80% in the case of VIS) and the amortization (payment) periods range from 5 to 30 years. In addition, real interest rates remain high, varying between 9 and 13% per year, although there is a ceiling of 11% for VIS and 13.9% for other housing that is enforced by the central bank (Gomez et al., 2005).

Nevertheless in the face of all these developments, the overall results have been mixed. Despite the fact that the UVR has proven to be a good indexation mechanism in the context of low inflation rates, housing finance in the country has not picked up. This seems to be the result of other structural problems such as the low credit demand associated with low levels of employment and economic activity and the lack of willingness on the part of financial intermediaries to extend credit to ample sectors of the population (CONPES, 2002). But the problem of the poor's inability to access housing finance seems to be the norm across Latin America. As Doyle (2006: 9) has noted: *'housing finance in the region is largely inaccessible for the poor. Affordability is a critical and acute problem; over 60% of the population in most countries cannot afford a mortgage for the least expensive solution on the market'*.

The fact is that mortgage credit still represents only a modest proportion of Colombia's GDP (5% compared to 55-58% in the US and UK) and of the total credit portfolio (26%) (CENAC, 2010)¹¹⁹. Nonetheless, in the last few years, Colombia's housing sector has shown signs of recovery. Between 2002 and 2007, the construction sector's annual rate of growth was tripled that of the economy as a whole, around 13% (CAMACOL, 2008). However, the current global economic crisis has had a negative impact on the sector and its rate of growth dropped to 1.7% in 2008 (CENAC, 2010). Given the dire situation of the mortgage credit market, this recovery has been associated with significant increases in capital inflows and remittances from Colombians living abroad (Banco de la República, 2004; Clavijo et al., 2005).

In summary, despite the numerous changes introduced since the 1970s with the aim to boost the construction sector and position housing finance at the centre of the sector's revival as an engine of growth, Colombia's housing finance market remains shallow at best. The rigidity of the requirements and low levels of formal employment and economic activity have meant that in practice, housing finance remains out of reach for the majority of Colombia's population, who belong to the lower and lower-middle income strata. Thus, a closer analysis of the present situation of Colombia's housing finance market raises the question of whether recent attempts by the government to help the construction and financial sectors expand its consumer base, through the promotion of the housing sector nationally and internationally, is a response to the limited success of the different housing finance schemes that the country has seen over the past 30 years. So, how is the government going about helping these sectors grow? And how successful have the programmes designed for this purpose been?

¹¹⁹ Data for 2005.

5.4. Channelling remittances to 'productive' investment at the national level

Since the 1990s, the number of Colombian migrants worldwide has increased along with their monetary contributions to their households and communities of origin. At the same time, numerous scholars and international organizations have pushed for the recognition of a link between migration and development. As explained in chapter 3, the Colombian government has tried to capitalize on these transnational links by attempting to make Colombian migrants an integral part of a reconstituted definition of the Colombian nation. As part of this trend, the Colombian government has embraced the idea that remittances can trigger economic development and has sought to channel them towards 'productive investment' under the umbrella of the 'ColombiaNosUne' programme. The main component of this 'productive investment' is housing.

However, a number of problems have been identified in the process of the acquisition and financing of housing on the part of Colombian migrants. Apart from the official procedures that a resident in the country has to go through in order to buy property, a migrant has to incur additional costs that emanate from naming a representative in the country who would be in charge of carrying out the administrative and legal procedures of the transaction; sending the mortgage payments, credit evaluation overcharges and postal services, among others¹²⁰.

Given that a considerable number of Colombian migrants lack legal status in the countries of destination in the global north¹²¹, by far one of the greatest obstacles for migrants who wish to buy a house in Colombia is their inability to access housing finance in the country of destination as well as in the country of origin (given that they live and work overseas). In order to obtain mortgage credit, banks currently require the migrant to show proof of her/his legal status in the country of residence, labour and income certifications, tax returns and original bank statements, among others.

In a nutshell, although there are no legal limitations that prevent Colombian nationals residing abroad from acquiring housing in Colombia, in practice it is quite a difficult and discouraging process. Not only do they have to incur great additional costs throughout the process but also in many instances, they find themselves unable to prove that they

¹²⁰ For example, the additional costs of buying and financing a new house for a Colombian migrant in Spain have been estimated at around 300% above the costs incurred by a Colombian residing in the country (Jaramillo and Mejía 2008).

¹²¹ Although there is no hard data available, it is estimated that between 50% and 66% of Colombian citizens residing abroad do not comply with the migration laws of the country in which they reside (Jaramillo and Mejía 2008).

have the capacity to meet the mortgage payments. In this scenario, the use of remittances to finance housing investment seems to be significant. A study conducted in 2004 found that close to 10% of remittance recipient households in the country's coffee region used a portion of remittances to finance housing acquisition and 40% used them to fund housing expansion and/or improvements (Garay and Rodriguez, 2005a)¹²². Another study conducted in 2005 among remittance-sending migrants in New York found that 74% of them were saving money to invest in a home in Colombia (Gomez et al., 2005).

Despite the prominence that remittances have gained in Colombia in recent years, only two studies have attempted to measure their significance in the housing sector. While Clavijo *et al.* (2005) only mention them in passing as one of the reasons for the dynamism of the sector after the mortgage crisis of the late 1990s, Cardenas et al. (2004) find remittances to be positively correlated to housing demand at the national level. In addition, there are no detailed statistics on housing transactions with remittances that would allow quantifying the significance that these investments have played in the evolution of the country's housing sector and economy.

In summary, although there are indications that investment in housing is a growing component of remittances expenditure, there is no definite and conclusive data about the impact of remittances on Colombia's construction sector and its forward linkages with the financial system. The next two sections will cast light on the role that the two main programmes that seek to channel remittances towards housing investment, 'Mi casa con remesas' and the international housing fairs, have had in the current dynamics of the country's housing and financial sectors. These sections aim to unpack the ways in which migrants' resources are trying to be captured, whether migrants are embracing their newly assigned financial subjectivities through the housing market and the role that the construction and financial industries are playing in the design and implementation of these remittances-for-development programmes.

¹²² The study was conducted among 2.400 households in the Area Metropolitana Centro Occidente (AMCO), which comprises the municipalities of Pereira, La Virginia and Dosquebradas in the state of Risaralda.

5.4.1. 'Mi casa con Remesas'

The 'my house with remittances' programme was created in 2007 with the aim to 'facilitate the creation of transnational family wealth among Colombian migrants by reducing all the obstacles they face overseas when they wish to buy a house for their families in Colombia. These obstacles range from choosing a house and notary procedures to the acquisition of credit and *the incorrect utilisation of remittances*, among others' (emphasis added)¹²³.

Following the recommendations of the working groups on international remittances that emerged from the G8 summit in 2004, the Multilateral Investment Fund (MIF) of the Inter-American Development Bank set out to create a cluster of projects that sought to mobilise remittances to strengthen the global financial system. For this purpose, the MIF designed programmes around five main areas of work: remittances and housing, remittances and policies and legal frameworks, remittances and banking, remittances and productive investments and remittances and financial education and entrepreneurship training (Hall, 2010).

Mi casa con remesas emerged as part of the projects that aimed to link the flows of remittances to housing acquisition in migrant's countries of origin by establishing links between financial institutions in the sending countries and a variety of actors in the receiving countries. It is a model of housing finance for people who receive remittances periodically from their family members abroad. The MIF financed five remittances-for-housing projects throughout Latin America: one in Colombia, two in Mexico (in alliance with Sociedad Hipotecaria Federal and Hipotecaria Su Casita S.A.), one in El Salvador (in alliance with Banco Agrícola) and one in Ecuador (in alliance with Mutualista Pichincha S.A.) (Hall, 2010). In Colombia, the programme is an alliance between by the Cajas de Compensación Familiar (CCFs), the Inter-American Development Bank (IADB) and Bancolombia (Colombia's largest commercial bank). It also has the political and logistical support of the government through the ColombiaNosUne programme. The programme is advertised as 'a way to invest well the money that is sent to the family back home, consolidate wealth and build a future'¹²⁴. The project has been widely advertised nationally (through radio, television, billboards and the regional CCFs) and internationally (through the international housing fairs). The promotional brochure of the programme is shown in figure 5.5. It reads 'Mi casa con remesas', 'now your money sent from abroad represents a house in Colombia'.

¹²³ Mi casa con remesas promotional brochure.

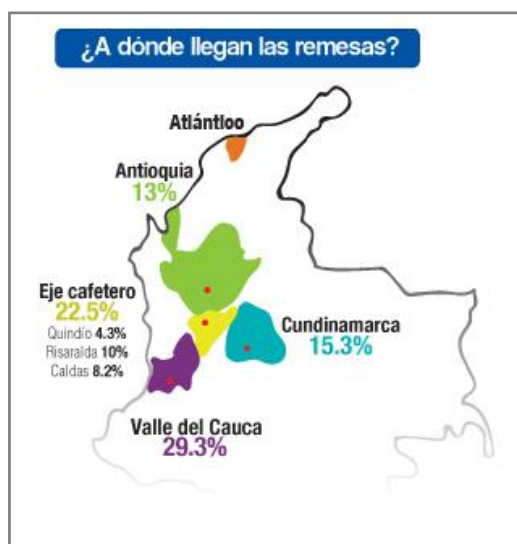
¹²⁴ Ibid

Figure 5.5: Promotional brochure



The programme is available in the regions of the country that receive the greatest amount of remittances: the Eje Cafetero (coffee region) and the states of Valle del Cauca, Cundinamarca and Antioquia (see figure 5.6).

Figure 5.6: Regional distribution of remittances



Source: Mi casa con remesas promotional brochure.

The targets of the programme are Colombian migrants worldwide and their family members back home. The programme is based on mortgage credit. The credit is available for buying new housing or for house improvements. These improvements may take the form of building additional rooms with the aim of creating an additional

source of income, typically through the creation of small businesses such as hairdressers and clothing and food stores. Thus far, it seems clear that 'Mi casa con remesas' is based on the assumption (widespread in the migration/development literature) that families do not spend the money they receive in the form of remittances productively but somehow waste it in consumption that does not aid their process of wealth accumulation. So how can a migrant family access the programme?

The workings of 'Mi casa con remesas'

Migrant families in Colombia can access the programme by obtaining mortgage credit directly from the regional CCF or Bancolombia. This depends on the type of the house that the applicant wishes to buy and whether the title deed of the house will be in the migrant or the family member's name. For a Colombian abroad, there are only two requisites to access the programme: proof of being a remittance sender and having an immediate relative (first degree of kinship) in Colombia who is affiliated to one of the CCFs. For a resident in Colombia, the requisites are: to be affiliated to a CCF, to have a family member abroad and to be a remittance recipient.

The CCFs provide housing finance only in the case in which the applicant is a first time buyer and wants a new house that costs the equivalent of a social housing unit, VIS, up to COL\$67 million. S/he has two options:

- If the title deed is to be in the applicant's name, then the total average of the remittances received in the last six months is counted as additional income to boost the person's ability to pay.
- If the title deed is to be in both the applicant's and the migrant's names, then credit evaluations are performed at both ends. In Colombia these evaluations are done directly by the CCF and abroad they are done through a broker of Bancolombia. This modality of credit is restricted to migrants in the United States, Canada and Spain, the only countries where Bancolombia has offices overseas.

Credit is available through Bancolombia in all other cases:

- If the prospective house is not a VIS (prices above COL\$67 million and below COL\$120 million)
- If the title deed is to be in the migrant's name
- If the prospective house is used or credit is needed for house improvements
- If the applicant is not affiliated to a CCF

In any of these cases, the bank can lend money to the remittance-recipient applicant in Colombia or directly to migrants if they reside in one of the three countries where it has brokers and offices.

Looking closely at these eligibility requirements, one can envision a few problems. On the one hand, although the idea behind implementing the programme through the CCFs was to facilitate housing finance to low income households, the very requirement of being affiliated to one of the regional CCFs means that in practice, a very small portion of the population may be able to benefit from the programme (this point will be expanded below). On the other hand, because Bancolombia is a commercial bank and anyone can apply for its loans, the terms and conditions of the mortgage credit it offers may not be better than those offered by other national financial institutions¹²⁵.

Although investment in housing is considered as a key element of social mobility by migrants and their families, current economic conditions in the housing market make it very difficult for the majority to make a change from one socioeconomic status to another. In theory the programme does not require people to buy a house in any specific housing development because mortgage credit is provided on the basis of the price of the property and not on its location. In practice, however, price and income constraints mean that options are very limited and that the great majority can only afford houses located in popular neighbourhoods. As Carolina, the representative of 'Mi casa con remesas' in the state of Risaralda explained:

"The advantage of the programme is that the person can choose the house wherever they want as long as it is a new house and does not exceed the social housing (VIS) price limit of COL\$67 million and with Bancolombia, new or used houses up to COL\$120 million. All types of houses are on offer but we see that people want houses not flats, in gated communities with a pool – that is the dream everybody has – but we have to make them aware that houses are very expensive these days. Also the people who leave (migrants) want to improve their socioeconomic status and that is not so easy.

...If you see, the VIS are located in Cuba and Dosquebradas¹²⁶ and the people don't want to live there. The houses are small and have increased substantially

¹²⁵ There are three more financial institutions in Colombia that provide credit to migrants: Colpatria, Davivienda and BBVA (Jaramillo and Mejía 2008).

¹²⁶ Cuba and Dosquebradas are popular neighbourhoods in the capital city of Pereira, in the Coffee Region of Colombia.

in value. Even though the subsidies have increased, so have the prices of the houses”.

The CCFs work closely with the bank in the facilitation of mortgage credit. Bancolombia is the only financial institution participating in the programme as a partner. So, if a person does not meet one of the requirements to access housing finance directly through the CCF, Bancolombia acts as a default for the provision of credit.

But there are important differences between accessing housing finance through the CCFs and Bancolombia. Unlike a typical financial institution, the credit evaluations of the CCFs are much more flexible and tend to take a holistic approach to the applicant’s economic situation. Carolina, mentioned this as one of its main advantages:

“The advantage of the programme offered through the Cajas is that at the time of the credit evaluation, we add up everything. We take into account all those other sources of income that families have: the woman who sells arepas¹²⁷, the woman who washes clothes for people in the neighbourhood, the one who sells Yanbal¹²⁸...we send out a social worker to verify all that...financial institutions are not interested in any of these things” ...

There are also other more interesting considerations that the CCFs may factor in at the time of the credit evaluation. These are to some extent related to the conventional wisdom or imaginaries of migrants’ lives abroad, primarily those to do with the employment opportunities available to migrants and the occupational niches they fill in the countries of destination in the global north. In the case of women, the conventional wisdom goes, they are more employable because there is a high demand for labour in activities traditionally performed by women such as domestic work, cleaning and babysitting. Carolina went on to say:

“Even the smallest details are taken into account at the time of determining the credit score: if the relative of the applicant is a woman migrant in Spain or the United States, then she has more employment opportunities than a man...and she is more responsible...We always look at the situation carefully to see how we can help them”.

¹²⁷ Arepas are a type of cornbread, one of the main staples of Colombian cuisine.

¹²⁸ Yanbal is a multinational company that sells mail-order beauty products. Many women in Colombia complement their incomes selling these products to their family and friends.

Nevertheless, to benefit from these more flexible terms of housing finance, the applicant has to be affiliated to one of the CCFs participating in the programme. For the most part, affiliates of the CCFs are formal sector employees that earn up to four minimum monthly legal salaries, that is, belong to the lower and lower-middle strata (estratos 1 to 3, in the Colombian stratification system). Therefore, the reach of this programme is greatly constrained by the fact that around 75% of the economically active population in the country is employed in the informal sector of the economy (Méndez and Cuesta, 2006).

In addition, as mentioned previously, by far one of the greatest obstacles for migrants who wish to buy a house in Colombia is their inability to access housing finance in the country of destination as well as in the country of origin because of their lack of legal residence in both countries. One of the main ideas behind the creation of this programme was to make it possible for a wider sector of the migrant population to access housing finance. However, to access mortgage credit through Bancolombia (whose eligibility requirements are broader than those of the CCFs), the migrant still has to show proof of legal status in the country of destination.

Despite their more holistic approach to assigning credit scores to potential beneficiaries, the very strict eligibility requirements of the 'mi casa con remesas' programme offered through the CCFs (only new VIS housing for affiliates of the Caja) has meant that so far, the great majority of loans have been provided by Bancolombia. For instance, in the state of Risaralda, one of the major players in the remittances market with around 10%¹²⁹ of the market share, only seven mortgage credits had been provided through the regional CCF by the summer of 2009 (out of the target of 400 credits for all the participating CCFs)¹³⁰. In contrast, Bancolombia had provided around 400 credits in the whole country (out of the target of 600)¹³¹. Not surprisingly, around 80% of the credit allocated by Bancolombia through this programme has been geographically concentrated in the areas of the country with the highest rates of emigration and remittances recipients: the capitals of the states of the Eje Cafetero (Pereira, Manizales and Armenia) and the states of Valle del Cauca and Antioquia¹³². The main reasons cited by the CCF for this disparity were that, although a similar number of people have applied for credit, they have been denied on the grounds that they have too much debt, do not have enough payment capacity or that there is an

¹²⁹ See figure 5.6

¹³⁰ Carolina, representative of 'Mi casa con Remesas'.

¹³¹ Javier, representative of Bancolombia.

¹³² Ibid

absence of a direct family relationship between the applicant and the remittance sender to guarantee that the migrant will continue sending the money to back the loan.

Another reason cited for the meagre success of the programme has to do with the direct negative effects that the recent global economic crisis has had on migrants¹³³. Even under favourable credit conditions in Colombia (relatively low interest rates, government subsidies), the crisis has disrupted the economic stability of migrants and this has had a negative impact on housing investment decisions. Having recently attended one of the international housing fairs that took place in the summer of 2009, the representative of 'Mi casa con remesas' summed it up this way:

"A common problem for us is that people have the money to make the monthly mortgage payment but they do not have the 30% for the down payment and they want to borrow 100% of the price of the house and we can not offer that because of the high risks involved. If the financial situation had continued like it was two years ago, we would have people queuing up here to apply for the programme...We saw that there is a lot of expectation. Migrants want to buy a house because it is their wish, they want to have their patrimony in Colombia, either for themselves or their families but right now the ones who are working do not have labour stability. For the ones not working, then there is the uncertainty of not knowing when they will get another job and also, they are afraid to commit now to start making the down payment of the house because they may lose the money if they stop paying during the first year".

As mentioned previously, 'Mi casa con remesas' has been widely advertised internationally through the housing fairs for Colombian migrants in the main cities of destination in the global north, New York, Miami, Madrid and London. One very interesting fact that has emerged in the two years that the programme has been in operation is that migrants themselves have not been signing up for the programme abroad. Although bringing the programme to the fairs has been done with the aim of targeting them directly, the majority of the loans provided for housing investment have been placed in the local/national market. Several reasons may explain this. One is that Bancolombia has offices or brokers in only three of the many countries where Colombians have settled, the US, Canada and Spain. That means for example, that the estimated 150,000 Colombians who reside in London, do not have direct access to the

¹³³ Although the crisis may have also affected the loans provided by Bancolombia, this issue was not even mentioned by the bank's representative during the interview.

programme. Another reason may have to do with the fact migrants might be buying houses for their family members who remain in Colombia and thus entrust them with the logistics of choosing and buying the property (this point will be brought to life in chapter 6).

In any case, it is clear that the programme has not been a great success for the CCFs, but according to Carolina, the representative of the programme, many other important things have been achieved:

“We have received funding until 2010 from the Multilateral Investment Fund (IADB). The idea is that after that each CCF becomes self-sufficient to continue offering this product (mi casa con remesas)...Besides we have other goals: the simple fact of having united so many CCFs with Bancolombia and the IADB is in itself an achievement; the experience and the social impact that a project like this may render...For this project, we have been given a specialised credit score system to conduct credit evaluations for emigrants as well as the person who receives (remittances) – there are many things that need to be taken into account. In addition, we want to implement a software, have a virtual store where people from any place in the world can see which (housing) projects are endorsed by the CCFs and can call the family member here in Colombia and tell them to come to us.....All these things are value-added for us....we will get that and this would cost us a lot, so at the project level this is a win-win”.

Of course these stated goals are not the only purpose of the programme. There are other more profound considerations at work such as the institutionalisation of the programme after 2010 (when the funding from the IADB ends) by allowing other CCFs and financial institutions to participate in it and further changes in the regulatory framework to allow for remittances to be channelled into an ever expanding range of specific products. On the one hand, the CCFs are aiming to offer a wider portfolio of services to migrants that can be backed with remittances such as personal and educational loans. After 2010, the idea is to *‘offer them (migrants) a complete package so they know that the money they are sending is not going to be spent just on consumption, it is that channelling the first objective of our programme’*¹³⁴. On the other hand, in light of the government’s push for the programme, Bancolombia sees participating in it as a long-term strategy for growth. Specifically, the lure of ‘Mi casa

¹³⁴ Carolina, representative of ‘Mi casa con remesas’.

con remesas' emanates from its potential for allowing the bank to have a say in the modification of the regulatory framework that would allow them to offer more products and services to this newfound group of consumers.

Although there are a few financial institutions that provide credit to Colombians abroad, the bank had already identified the enormous economic potential of the migrant population since 2001 and had become an important player in the remittances-sending business. Javier, a representative of Bancolombia's commercial division for Colombians abroad put it this way:

"We have been in the remittances business since 2001, linking remittances and mortgages since 2005-2006 (counting a portion of remittances as a client's additional income to enhance their ability to pay) and in the Mi casa con remesas programme since 2007...That programme seeks to develop a favourable regulatory framework for these investments. You have to consider that the point is not simply to structure something to offer Colombians abroad, no. There is some sort of road map or integral workplan – it is not only a matter of providing credit, it is the issue of generating financial awareness among Colombians abroad and generating demand among the people who receive remittances – it is a much wider and integral agenda".

And it is precisely this issue of positioning the financial sector at the centre of households' socioeconomic reproduction that seems to be at the heart of these efforts to channel remittances to an ever expanding range of products and services. These efforts are part of the wider neoliberal agenda of establishing a link between migration and development through the financialisation of remitters and their families and the establishment of the necessary channels for the release of the 'investment potential' of remittances. The policies and practices that have emerged in this process are based on the premise that a great portion of remittances is bypassing the financial sector and so attracting remittance flows into formal channels is an effective way to manage them and strengthen the global financial system. The historical use of housing policy as a political tool, the repositioning of housing from a consumption item to a driver of economic growth and its linkages with the financial sector has made housing the perfect vehicle for the materialisation of these efforts.

Inevitably, financial institutions have played a critical role in the government's attempts to channel remittances towards the housing sector. Bancolombia as the only financial

institution participating in 'Mi casa con remesas' has been included as a partner in the programme because of the CCFs' small sphere of action. In particular, the CCFs lack the installed capacity to process loan applications for Colombians abroad and can only provide funds to their affiliates (who make up a very small percentage of the population). In addition, Bancolombia emerged as the best candidate because it was already an important player in the remittances business and it had began building the infrastructure needed to reach migrants directly. Including them in the programme was then a way to circumscribe the existing legislation that prevented migrants from accessing some financial instruments in the Colombian market. Again, Javier summed it up:

“The CCFs needed a financial vehicle with which to bring remittances to the country to make mortgage payments, so the bank was linked (to the programme) basically as a strategic partner to facilitate this and in addition, because we had some experience in the process they were initiating.

All the people who work in this project have seen that the country is not prepared (in terms of the current legislation). We have had to work from the ground up. A Colombian residing abroad cannot have a bank account in the country like any other person residing here can. The deposits are monitored because of money laundering but withdrawals are not allowed. For example, if a Colombian resides overseas for 10 years and during that time rents his property here, he can have his rent deposited in his account but cannot use that same account to pay his property taxes, utility bills or anything else because the central bank does not allow it today. But now through the programme, a migrant can have a savings account with us if it is used to pay for a mortgage”.

As part of these efforts to modify the regulatory framework in order to expand the consumer base to Colombians abroad, the bank has worked closely with the government in the definition of the country's migration policies. The Integral Migration Policy (PIM) was approved in August 2009 and sought to spell out the institutional reforms needed to 'expand the portfolio of investment opportunities for Colombians abroad to allow remittances to be channelled towards productive activities, attract productive capitals and generate new businesses for the country, among others' (CONPES, 2009). Referring back to the fact that the country was not prepared institutionally for allowing these activities to take place, the representative of Bancolombia reflected:

“So the issue with the bank accounts...that is one of the obstacles for Colombians abroad in the current regulatory framework. We have been working on that in this project (‘Mi casa con remesas’) and we have even participated in the definition of the CONPES document – this document seeks to improve the situation of all Colombians who have emigrated, from different points of view: social, financial, economic, labour situation, organised migration and return – it is a very complete document which means that it has a lot of advantages but also disadvantages. Because it is so inclusive, each component may take a while to develop but it is very good because we are not leaving out any of the important aspects of this issue”.

Although many of these changes may eventually produce positive effects on migrants’ socioeconomic welfare, so far direct access to credit is still restricted to migrants who have regular status in the country of destination and reside in one of the three countries where the bank has an office or a broker (the United States, Canada and Spain). Although the majority of Colombian migrants reside in these countries, in recent years they have increasingly searched for other destinations and their presence in other European countries such as the United Kingdom and Italy has grown rapidly. Therefore, this uneven distribution of resources means that Colombians who reside in other countries that have a considerable number of migrants but not enough to attract investment by the banks are not going to be able to access the mortgage credits on offer or any other products and services that may be available in the near future.

When asked about their plans to expand to other European markets, Javier, the representative of Bancolombia, admitted that because of their economic significance, the bank’s immediate interests lie in penetrating and expanding the products and services offered in the markets in which they are already operating:

“We may be interested in other markets but the first thing that we are doing is consolidating our business in these markets (United States, Canada and Spain). As you know, approximately 70% of Colombians live in those countries and 75-80% of remittances come from there, so the connection is perfect. It is where the initial market is, one that can be attacked, penetrated and expanded”.

In summary, the overall impact of the ‘Mi casa con remesas’ programme has been relatively small on the Colombian housing and financial sectors, although other more long-term goals such as changing the regulatory framework to expand these sectors’

client base to Colombians abroad, is well under way. The programme has not fulfilled its stated objective of facilitating Colombian migrants the creation of transnational family wealth by reducing all the obstacles they face overseas when they wish to buy a house for their families in Colombia. There are a number of structural constraints in the programme's design and implementation that explain this. First, for the most part, migrants face exclusion from the programme based on their legal status in the country of destination. Second, to access the programme, the family member of the migrant has to be affiliated to one of the national 'Cajas de Compensación Familiar, CCFs' but membership in a CCF is usually restricted to people employed in the formal sector of the economy, which in Colombia only amounts to around a quarter of the economically active population. Third, there is an undersupply of social housing in Colombia which is the target of this programme. Since most Colombian migrants in London belong to the lower and lower-middle socioeconomic classes, the significance of the programme among this population has been negligible. Finally, the programme's reach is quite limited geographically and it is overtly focused in the countries that have historically absorbed the majority of Colombian migrants (the USA and Spain) while other places such as London with a significant presence of Colombians are lagging behind.

5.5. Channelling remittances to 'productive' investment at the international level

As mentioned in chapter 3, the Colombian government has embraced the migration-for-development discourse emanating from the international development and aid agencies. The government has gone a step further than many other sending states and it has put its weight behind the institutionalisation of transnational housing investments by promoting and facilitating the expansion of the national property (and financial) markets to Colombians abroad. Its efforts to channel remittances towards 'productive investment' have gone beyond the national context (through 'Mi casa con remesas') and into the international arena through the promotion of housing / property fairs for Colombian migrants. Since 2005, the government has been sponsoring these fairs for Colombians in their main cities of destination in the global north, New York, Miami, Madrid and London; thus creating and sustaining a new transnational socioeconomic space.

The fairs in New York, Miami and Madrid have taken place continuously since 2005. The fairs in London began in 2008. The fairs are organised either by CAMACOL, the national builders' association or by La Lonja, an umbrella organisation for property developers and agents. They are widely advertised in a variety of media outlets and usually make a heavy use of the Colombian flag. Figure 5.7 shows some promotional

material for the fairs organised in London in 2008, one by La Lonja (left) and one by CAMACOL (right).

Figure 5.7: International housing fairs promotional brochures



The government has been supporting these fairs since they began, sometimes financially but always logistically. This support has been channelled through the Consulates and Embassies and Proexport, the government agency for the promotion of exports, tourism and foreign investment in Colombia. The consuls and ambassadors usually attend the fairs and some have even had the presence of the Colombian president, such as the fair in New York in 2005.

The Colombian government has backed these international housing fairs for the same reason it has backed 'Mi casa con remesas', as part of its efforts to channel remittances towards 'productive investment'. The reasoning behind these policies is in line with the prevailing idea, among government officials and people directly or indirectly involved in the remittances business, that they have to be channelled towards 'productive use' (so that they can aid development) because they are being 'wasted in consumption'¹³⁵. As Leo, the owner of an important construction company in Pereira who has participated in the fairs since they began eloquently put it:

“The phenomenon that has occurred in the last few years and continues to occur today is that people send money to their family member and the money

¹³⁵ This conventional wisdom on remittances has been articulated not only in a variety of official documents but was also repeated by some of the key actors and other lay people I interacted with during the field research.

gets lost...and that is one of the persistent phenomena regarding remittances...so what we try to do through the fairs is to channel all that investment by the migrant so that it can be applied to the synergies of the regional economy and it is not spent only in bars and these types of things”.

Given the geographical dispersion of buyers and sellers, one of the motivations behind the international housing fairs is to ‘bring the market to the buyers’. On the one hand, they provide a space for the demand (migrants) to meet the supply (builders). On the other hand, they facilitate migrants’ access to direct information and seek to generate trust based on the official backing of the government. Even though the fairs are reaching migrants directly, the family left behind still seems to be playing an important role in the housing investment decision. When asked about the advantages for a migrant of buying a house in one of the fairs instead of through the family member in Colombia, Leo went on to say:

“Well, it would be like getting the groceries delivered to your door. It’s about bringing the entire portfolio to them so that they (migrants) can have the option of choosing first hand what they think is the best option. However, they are always, always communicating with Colombia. You are serving a family in the stand (at the fair) and they are immediately calling their relatives in Colombia – do you know this company? Why don’t you go and take a look at what they have to offer?”.

This finding should not be surprising, after all similar dynamics have been observed in the implementation phase of ‘Mi casa con remesas’. Given that the migrant resides abroad, the majority of housing investments tend to be made for the immediate benefit of the family members back home. Surveys conducted in some of these property fairs indicate that around half of the houses sold would be occupied by the family members of the migrant, around one quarter would be rented out and in the remainder 25%, the migrant would be the owner-occupier (Jaramillo and Mejía 2008). Another study conducted among Colombian banks that provide mortgages to Colombian nationals living abroad revealed that the majority of their clients overseas (between 62 and 80%) invest in homes for the primary use of their families in Colombia (Gomez *et al.* 2005). So, to what extent have these remittances for housing programmes been successful in easing the process of buying a house from abroad? What are the legal procedures that Colombians abroad have to follow if they wish to buy property without engaging with these programmes?

Buying a house from abroad: the current legal framework

For legal purposes, Colombian nationals who reside overseas for more than six months are considered non-residents; therefore most migrants fall into this category. Colombian migrants who acquire property in the country have the option of registering (or not) the purchase as a foreign investment. This is the case regardless of whether mortgage credit is obtained through one of the country's financial institutions or overseas. Registering the transaction as a foreign investment guarantees the buyer favourable conditions for the eventual repatriation of the profits made from the property¹³⁶. Nonetheless, this registration involves naming a representative in the country and a series of legal and administrative procedures that may impose additional costs on the buyer. Thus, most Colombians residing abroad do not register their property purchases as such.

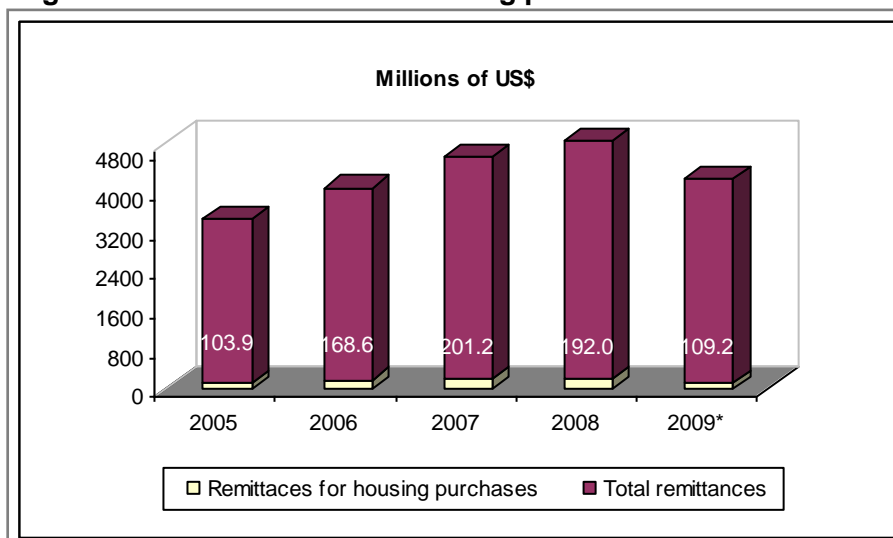
Any transaction involving the influx of foreign currency into the country, has to be channelled through one of the intermediaries in the exchange market such as banks, financial corporations and money exchange houses and they have to be reported to the Central Bank (Banco de la República). Housing purchases by Colombians abroad began to be recorded in 2005 under the numeral 1812 of the exchange market balance, 'worker remittances for housing acquisition'¹³⁷. Since then, these transactions have grown slowly and have totalled around 800 million dollars. As shown in figure 5.8, the official estimate of the amount of remittances that enters the country to finance housing purchases is still a very insignificant proportion of the total amount of money that migrants send to their families back home, an average of 3.71%¹³⁸.

¹³⁶ These may mean a capital tax exemption on entry and exit of the country.

¹³⁷ The exchange market balance records the transactions in foreign currency in and out of the country. The numeral 1812 refers to 'foreign currency sent by Colombian workers overseas for housing acquisition which is not registered as foreign investment' (Banco de la República 2009).

¹³⁸ Calculation by author.

Figure 5.8: Remittances for housing purchases



* Remittances for housing purchases until September 2009.

Data sources: Remesas para adquisición de vivienda, serie estadística¹³⁹ & Serie mensual de remesas de trabajadores, Banco de la República (2010).

Graph by author.

The small size of the official figure for remittances for housing purchases is hardly surprising given the different obstacles faced by migrants in the acquisition and financing of housing (see section 5.4), the centrality of migrant's family members back home in the process of choosing and buying of property and the fact that the statistic only records the housing purchases made by Colombians abroad through formal channels. This seems to be compounded by the fact that the many Colombians abroad feel overwhelmed by the process of acquiring property back home. A study conducted among Colombian migrants in the tri-state area of the US (New York, New Jersey and Connecticut) found that only 24 percent felt confident about the process of purchasing a house in their home country (Gomez et al., 2005).

However, as explained in section 5.4, there are indications that investment in housing is a growing component of remittances expenditure and field research suggests that a significant number of Colombian migrants have invested in housing back home albeit using alternative channels (this will be discussed in detail in chapter 6). Against this backdrop, the next section draws on the author's participant-observation in a housing/property fair for Colombian migrants in London. It explores the workings of the fair, the degree to which migrants in London engaged with it and the ways in which this new transnational socioeconomic space is being articulated.

¹³⁹ Maria M. Collazos, personal communication via email.

5.5.1. International property fair: 'Donde vivir e invertir en Colombia'

'Donde vivir e invertir en Colombia' – Feria de la vivienda y otras edificaciones (Where to live and invest in Colombia – Housing fair (and other buildings) was the second international housing fair for Colombian migrants in the United Kingdom¹⁴⁰. It took place in London between 27th and 28th September 2008 in the midst of the global credit crisis.

The fair was organized by Colombia's Association of Builders (CAMACOL) in collaboration with the Colombian Consulate and Embassy in the UK, through the ColombiaNosUne programme. It was officially sponsored by the Colombian Ministries of Foreign Affairs and Environment, Housing and Territorial Development, Proexport and the International Organisation for Migration (IOM). See figure 5.9 for a snapshot.

Figure 5.9: ColombiaNosUne stand



Photograph by author.

The fair was widely advertised throughout the city via poster displays in the areas with high concentration of Colombians such as Elephant and Castle and the Seven Sisters Market, publicity in the main Latin radio stations and Spanish newspapers in London and via the internet in programmes such as 'En Contacto - TV Magazine'. The promotional material of the fair was similar to the one used in other places such as Miami and New York. As shown in figure 5.10, the London event was advertised as a fair for '*people who are far away from home and want to invest in their motherland*'.

¹⁴⁰ There had been another much smaller fair in London in May 2008 organised by La Lonja.

Figure 5.10: Donde vivir e invertir en Colombia – banner



Photograph by author.

The fair had the participation of twenty Colombian property developers; two financial institutions, BBVA and Davivienda (one of country's biggest and oldest housing financing institutions) and an international mortgage credit corporation (see figure 5.11 for a snapshot).

Figure 5.11: Donde vivir e invertir en Colombia – stands



Photograph by author.

All types of properties were on offer, from social housing units to luxury homes. There were housing solutions available for all budgets, from COP\$34 million (£9,000) to COP\$475 million (£134,000). It became evident throughout the event that migrants from all socioeconomic backgrounds were present at the fair.

Davivienda and BBVA (Colombia) are the only Colombian financial institutions that have brokers in London and therefore can lend directly to Colombian migrants in the city¹⁴¹. On the day of the fair, they were pre-approving mortgages in minutes. The credit conditions were the same as those available to Colombian residents: financing up to 70% of the market value of the property, amortisation periods between 5 and 30 years and fixed or inflation-adjusted mortgage payments. However, unlike credit provided to Colombian residents in the national financial system, migrants were not required to have a guarantor.

The documents needed to obtain a mortgage were:

- Colombian ID
- Proof of legal status in the UK (citizenship, residence permit or work visa)
- Proof of the ability to pay the mortgage such as a job contract
- Payment slips for the past 3 months or P60
- Bank statements for the past 3 months (if available)
- Credit history in the country of residence.
- Receipts of the remittances sent to Colombia in the previous 6 months

When asked about the need for legal status to access credit, a representative of one of the banks replied: 'we cannot finance a house for a person who is not legally in the UK, but there are other options with other Colombian financing institutions, maybe with the CCFs'. However, additional information collected in the field proved that this is not the case: CCFs do not lend directly to migrants because they do not have the installed capacity to do so¹⁴² and all the other financial institutions that offer credit to Colombians abroad such as Bancolombia also demand it (Jaramillo and Mejía, 2008). As stated in section 5.4, one of the greatest obstacles for migrants to acquire housing is their inability to access housing finance. Clearly many of these requirements are out of reach for many Colombians in London who lack the necessary legal status and therefore, some of the other requirements such as a job contract and credit history.

¹⁴¹ Credit for migrants is legally provided by the Colombian financial institution. The broker only facilitates the transaction by conducting the credit check and verifying all the requested documents.

¹⁴² See section 5.4.1.

During the fair, a number of presentations that tackled different issues related to investing in Colombia took place. One of the interventions was made by the General Manager of CAMACOL, Eduardo Loaiza. He highlighted the important role that the government's support has played in the success of the international fairs that had taken place since 2005 in other cities in the global north. The emphasis of the talk was on how much the Colombian economy and the security situation had improved in the country in the last five years. The presenter also boasted about the economic multiplying effect of the construction sector. He emphasised the fact that investing in a house in Colombia creates jobs because 94% of the construction inputs are manufactured in the country. He also insisted that the use of formal channels to access housing finance was key in aiding the recovery of the sector and of the economy as a whole.

Another key intervention during the fair was that of the Colombian ambassador in the UK, Noemi Sanín and the Colombian consul in London, Any Vásquez. The ambassador gave a speech at the end of the first day of the fair. She opened her intervention by singing the national anthem (see figure 5.12).

Figure 5.12: Colombian ambassador singing the Colombian national anthem



Photograph by author.

The ambassador highlighted the change in government policies towards Colombians living abroad, particularly the creation of the ColombiaNosUne project by saying: 'unlike before, the Colombians who leave the country now still remain a part of it'. She went on to say: 'thanks to the Democratic Security Policy of our president, Alvaro Uribe, we have regained the trust of foreign investors and this has made our economy grow, has helped create more jobs and has improved the image of our country'; 'it is worth buying property there'. She continued: 'just a few years ago, sending remittances to Colombia was very costly and sometimes they even got lost on the way'; 'now these funds (4.300 millions of US dollars per year) are sustaining the Colombian economy'; 'we understand that money being sent to the country is not the leftover income of the migrants, it is in fact a big portion of the little money they earn'. 'These fairs came about because we wanted to give Colombians overseas the opportunity to invest in the country without having to leave the country where they reside'. 'Many people would like to go back to Colombia, but they would like to have their own house to go back to'. 'Migrant workers are very brave people, and the only certain thing about international migration is that every time a person leaves (regardless of the reason), there is a broken family'. 'We're very proud of our fellow Colombians living abroad'.

The issues highlighted in both of these interventions were the running themes throughout the fair. There was a constant emphasis being placed on the contribution of the housing sector to the country's economic stability and how migrants could contribute to it by buying property in the country while alluding to migrants' loyalty to their families back home and a potential return to a future in the 'new' Colombia. Also, emphasis was placed on the efforts made by Uribe's government to incorporate migrants into the nation not only by bringing these 'magnificent' opportunities to them but also by mobilising all the state resources to facilitate the maintenance of their transnational connections with the homeland. In this vein, other products and services for Colombians abroad were also being advertised in the fair, either in specific stands or via fliers. They were all-encompassing and ranged from pensions, health and education to furniture, financial products and car loans.

According to the press release on the fair's website¹⁴³, the London event was a success: more than 1,000 Colombians attended the fair and the sales made surpassed those of the fair that took place in Miami also in September 2008. The total amount sold in the London fair (US\$8 million) was almost the same as the amount sold in the

¹⁴³ <http://www.feriascamacol.com/>

New York fair in the middle of September 2008 (US\$9.7 million). This was quite remarkable, given the long history of Colombian migration to the US. In the words of one of the organizers: 'this is a very significant amount of money, given that more than 1 million Colombians reside in New York as compared to the 140,000 Colombians in London. This is one more indication that the Colombians in the UK have a higher purchasing power'. Because of these good results, a second fair in London was immediately announced for 2009. The announced fair organised by CAMACOL did not take place in 2009.

However, the Bogotá-based organisation for property developers and agents, La Lonja, organised fairs in London and Madrid in June 2009. According to the fair's website, despite the difficult economic situation in both countries, the events were a success which proved that Colombians abroad maintain strong ties with their homeland. However, according to Leo, the owner of an important construction company in the coffee region that participated in both of these fair, the picture was not so rosy:

"The fair in Madrid went reasonably well but the one in London was an absolute failure...in the two days of the fair, no more that 100-150 people attended. I attribute this to the bad organization and timing of the fair and of course, to the world economic slowdown. Migrants are having difficulty keeping their jobs and there has been a drop in the remittances sent home...that is a clear indication that our fellow countrymen around the world do not have the same possibilities they had two years ago".

This may not be so bad for business after all because in times of economic crisis, migrants feel an acute urge to return home, he added:

"In any case, we have to continue working to capture that market, especially now because with the economic slowdown and harsher immigration laws, you see an even greater desire to return home...so we have to make things easy for them (migrants) to return but to return to their own home".

Regardless of the economic situation, field data suggest that the desire to return home is one of the main motivations behind migrants' housing investments (this will be explored in chapter 6). The government and the property developers are quite aware of it. The fairs' promotional material and the discourses articulated by the fairs' organisers and exponents make it evident that this is one of the most important issues being

exploited in the international property fairs. When asked about migrants' motivations to invest in property in Colombia, Leo commented:

“We know that one of the main motivations for migrants to invest in housing is the wish to return home...none of the fellow countrymen with whom I have chatted in the fairs, none, has expressed a desire to stay in the countries where they currently reside...all of them wish very deeply to improve their lives, their incomes so they can go back to their country to lead a more comfortable life; to acquire what the opportunities did not allow them to (acquire) here (in Colombia). The majority of people want to return, they want to have something, even if the possibilities of returning are remote”.

As will be explored in chapter 6, regardless of whether the desire to return home is ever materialised, it seems that the very condition of being a migrant worker is, for the majority, the only avenue for realising the dream of homeownership. Although people from all socioeconomic backgrounds attend the fairs, the majority of their sales are made to migrants from the lower-middle and middle income strata. In addition, for the majority of the buyers, this is their first home and is bought for the benefit of the immediate family members¹⁴⁴.

The direct sales reported by the fairs' websites indicate that they have generated a significant source of income for the companies involved; US\$8 million in London and US\$9.7 million in New York for 2008. However, the international fairs have not prompted the kind of immediate boom that the companies involved expected. One of the reasons to explain this relatively small success of the fairs has to do, once again, with the fact that many migrants still prefer to make the purchases through their family members in Colombia. As Leo, the long-term member of CAMACOL explained:

“It is not like we can say that there has been a boom in the sector as a consequence of the fairs, no. It helps to have access to that market; it is a strategy that is worth continuing. Apart from the direct sales abroad, it is difficult to assess exactly what portion of our sales is generated by the fairs. We know that many of the people who come here (to our office) have been sent by their relative who lives abroad (and may have gone to the fair) and are buying for them. If that is taken into account, maybe around 10% of our annual sales may

¹⁴⁴ Leo, owner of a construction company in the Coffee Region of Colombia.

be explained abroad, that is probably not so far from the regional and national average”.

Another reason for the rather small success of the fairs so far seems to be linked to the fact that only a relatively small portion of the country’s construction and financial industries participate in them, around 30-40 companies in total. Whether this is due to income or logistical constraints is not clear. What is clear is that the practicalities of buying a house entail much more than a single visit to a fair. Many construction and financial companies have realised this and instead of focusing on the fairs are now trying to establish branches or alliances with other companies in London, Madrid, New York and Miami in order to reach a greater segment of the migrant population¹⁴⁵.

Despite all the support provided by the government, there is a feeling among some people in the construction sector that the government has not done enough to support these fairs. They believe that given the important role that the sector plays in the national economy, much more should be provided in terms of financial incentives so that a greater number of companies can participate in the fairs. Many of the participating companies have come to realise that the market abroad is much bigger than initially thought and that this is one of their strategic fronts for potential growth. Leo, summed it up this way:

“I really think that the fairs are a strategic front for the commercialisation of housing...those clients there, all those people who require attention there, the numbers are staggering...I think that more incentives should be given by the local and national government to help housing developers attend the fairs...what we are doing is generating investment in the country...the government should sponsor more, subsidise the fairs so we can go en masse”.

Although the Colombian government has continued supporting the international housing fairs but has not officially provided additional help for property developers to attend them, they continue to take place. In 2009 and 2010, CAMACOL organised ‘Donde vivir e invertir en Colombia’ fairs in the Tri-state area of New York-New Jersey-Connecticut and has announced fairs in Miami, New York and Houston in 2011. La Lonja organised ‘Invierte en Casa’ fairs in Madrid and London in 2009 and 2010 but

¹⁴⁵ This was echoed by people in the construction industry, the financial sector and also by the representative of ‘Mi casa con remesas’.

has not announced fairs for 2011. Both entities have also began organising national property fairs in Bogotá, Medellín and Pereira.

5.6. Concluding remarks

Housing policy has been historically used by the Colombian government to favour specific sectors of the economy such as the construction and financial industries. This has been justified by promoting the construction sector as one of the most dynamic forces in the national economy and as an efficient tool for employment generation. The re-positioning of the financial sector as the main medium to access housing, public and private, is just one of the latest instances of the state's use of housing policy as a political tool.

Despite the numerous changes introduced since the 1970s with the aim to boost the construction sector and position housing finance at the centre of the sector's revival as an engine of growth, Colombia's housing finance market remains shallow at best. The rigidity of the requirements and low levels of formal employment and economic activity have meant that in practice, housing finance remains out of reach for the majority of Colombia's population, who belong to the lower and lower-middle income strata. Furthermore, although there are indications that investment in housing is a growing component of remittances expenditures, the official estimate of the amount of remittances that enters the country to finance housing purchases is still a very insignificant proportion of the total amount of money that migrants send to their families back home.

Despite the fact that the government has put all its weight behind creating and sustaining a new transnational socioeconomic space by rendering migrants as financial subjects abroad through programmes aimed at channelling remittances to 'productive investment', the overall impact of these programmes has been relatively small¹⁴⁶. In the case of 'Mi casa con remesas', a number of structural constraints in the programme's design and implementation has prevented it from having a wider impact, especially among Colombians in London. First, for the most part, migrants face exclusion from the programme based on their legal status in the country of destination. Second, to access the programme, the family member of the migrant has to be affiliated to one of the national 'Cajas de Compensación Familiar, CCFs' but membership in a CCF is usually

¹⁴⁶ Many of the initiatives established by governments of other countries such as El Salvador and Brazil to foster business development by home companies at home and abroad have also had limited success (for a description of these programmes, see Levitt 2001b).

restricted to people employed in the formal sector of the economy, which in Colombia only amounts to around a quarter of the economically active population. Third, there is an undersupply of social housing in Colombia which is the target of this programme. Finally, the programme's reach is quite limited geographically and it is overtly focused in the countries that have historically absorbed the majority of Colombian migrants (the United States and Spain) while other places such as London with a significant presence of Colombians are lagging behind.

In the case of the international housing fairs, although there are no legal limitations that prevent Colombian nationals residing abroad from acquiring housing in Colombia, in practice it is quite a difficult, discouraging and sometimes overwhelming process. Not only do they have to incur great additional costs throughout the process but also in many instances, they find themselves unable to prove that they have the capacity to meet the mortgage payments, frequently due to their lack of legal status in the countries of destination. In addition, because the majority of housing investments tend to be made for the immediate benefit of the family members back home, migrants' relatives continue to play a central role in the choosing and buying of property in the local/national market and hence, the practicalities of buying a house entails much more than a single visit to a fair. These are the issues explored in the next chapter.

Alternative Strategies of Accessing Housing: Colombian Migrants in London and their Households in the Coffee Region of Colombia

This chapter will chart the alternative strategies and experiences of accessing housing articulated by Colombian migrants in London and their households in the Coffee Region of Colombia. In particular, it will reveal the motivations behind the use of remittances to finance housing investment and the different ways in which these transactions take place over the transnational space. It does so by drawing on empirical data collected at both ends of the migration network while incorporating other theoretical and secondary data that serve to complement these empirical findings. This approach enables this thesis to contrast the different narratives being articulated by the different actors and to provide a more nuanced understanding of what investment in housing is about and how it is materialised.

The chapter demonstrates that the Colombian government's emphasis on establishing a link between remittances and development – by rendering migrants as financial subjects and channelling their remittances to housing investments – ignores the qualitative effects that these investments have on the everyday lives of migrant households. In addition, the fact that migrants continue to rely on their family members back home for the materialisation of the dream of homeownership points to the role that these investments play in the maintenance and reproduction of family relations across the transnational social field. The findings suggest that Colombian migrants in London are not embracing their newly-assigned financial subjectivities but are instead using alternative channels for housing acquisition and financing. It also shows how they had been doing this prior to the government's establishment of formal channels for this purpose. These housing investments are not 'productive' in the sense articulated by the government, as new-mortgage-financed housing but instead take the form of local-level, gradual, housing upgrading or building and are financed with the monthly remittances sent by migrants which generally bypass the formal banking system.

6.1. Setting the scene for migrants' transnational housing investments

Reasons for remitting

Although there is a considerable amount of literature on remittances behaviour on the part of migrant workers worldwide (cf. Adams Jr and Cuecuecha, 2010; Agarwal and Horowitz, 2002; Rapoport and Docquier, 2005; Shahbaz and Aamir, 2009; Stark and Lucas, 1985, 1988), there remains little statistical evidence to support the claims they have made (Connell and Brown, 2004; Stark and Lucas, 1985). Brown (2006) tends to distinguish between altruistic and non-altruistic behaviour. Specifically, money sent on the basis of altruism tends to be used to complement the migrant family's income and/or to help family members overcome adverse events such as natural disasters or financial crises. In contrast, remittances sent for non-altruistic reasons tend to be used for expenditures that reflect the self-interest of the migrant such as investments in housing or businesses and/or to compensate family members who have been left with the responsibility of caring for the migrant's assets or family members (Brown 2006).

Beyond altruistic concerns, Stark and Lucas (1988) have argued that remittances are part of a migrant household's inter-temporal, informal, cooperative, self-enforcing (by way of feelings of mutual obligation) contractual agreement that serves as a family strategy for income-risk reduction, while Poirine (1997) views remittances as part of an informal loan agreement between migrants and their family members in which the migrant compensates the family for their investment in her/his education.

Empirical studies about migrant workers in the UK have shown mixed results. On the one hand, a study conducted among low-paid migrant workers in London, many of them from Latin America, found that *'generally, migrant workers attributed their remittance to altruism – particularly, the need to assist their families in meeting daily subsistence requirements, such as paying rent, food, utility and sometimes medical bills'* (Datta et al., 2007: 52). Similarly, a study of South Americans in London and the north of England found that migrants internalised remitting as one of the multiple strategies associated with maintaining a transnational family and so were driven to remit money, goods and services because they felt a sense of duty and obligation toward those left behind (Mas Giralt and Bailey, 2010). On the other hand, a study conducted among Latin American migrants in London found that most migrants sent money home both because they needed (and felt obliged) to support their families back home and also in order to accrue savings or make investments (McIlwaine, 2007).

As will be shown throughout this and the next chapter, the reasons behind the sending of remittances by Colombian migrants in London are complex. They combine altruistic and self-interested reasons but also go beyond this dichotomy. Thus, the motives behind the sending of remittances seem to be driven not only by loyalty to the extended family back home but also by calculated investments to facilitate the eventual return and/or to diversify the family's sources of income. In particular, it is argued that the sending of remittances to finance housing investments is a key strategy to maintain and reproduce the family across the transnational social field and these in turn, generate other intended and unintended economic outcomes that reconfigure the livelihoods of these transnational migrant households.

Transnational housing investments

As was revealed in the previous chapter, despite the fact that the government has put all its weight behind creating and sustaining a new transnational socioeconomic space by rendering migrants as financial subjects abroad, through programmes aimed at channelling remittances to housing, the overall impact of these programmes has been relatively small. The limited success of these programmes lies in the fact that Colombians residing abroad who wish to buy property through one of the programmes promoted by the government are faced with a number of requirements that prevent most of them from accessing housing. These include having legal status in the country of destination, being formally employed and/or the ability to prove that they have the capacity to meet mortgage payments. These requirements have a particularly negative effect on Colombians in London, who are for the most part, low-income migrants. Given that only one of the 21 migrants interviewed for this study lacked legal documents to live and work in the UK, this socioeconomic reality may indeed provide some clues for this group's lack of engagement with these remittances-for-housing government programmes. In particular, the high cost of living in London means that many Colombians might find themselves unable to prove that they have the capacity to meet the mortgage payments in London but also particularly in Colombia (where the banks that provide the loans for these programmes are based).

Certainly the inability of the poor to access formal credit is a problem that is particularly acute in Latin America. As Orozco (2008:331) has noted, *'in most of the world, banks are reluctant to cultivate the poor as customers. There are many reasons for this dearth of banking the poor: relatively low profit margins, perceptions – often unrealistic – of risk, and a lack of government incentives or requirements. This general trend is*

exacerbated in Latin America, where banks traditionally concentrate on serving the agro-exporting elite'.

Nonetheless, investment in housing is a growing component of remittances expenditure¹⁴⁷, despite the fact that the official estimate of the amount of remittances that enters the country to finance housing purchases is still a very insignificant proportion of the total amount of remittances sent by Colombians abroad. Between 2005 and 2009, remittances for housing purchases were an average of 3.71%¹⁴⁸ of the total amount of money that migrants sent to their families back home.

Of the 21 migrant households based in the coffee region, 15 had used remittances to invest in housing. For the most part, these houses were acquired or built for the immediate enjoyment of the migrant's nuclear or extended family. However, this chapter argues that these remittances for housing investment are not being captured by the official statistics because these migrant households are using alternative channels for housing acquisition and financing. So what were the main motivations behind these housing investments?

6.2. Why do migrants invest in housing?

Although there are many different and very personal reasons behind migrants' desire to send remittances and engage in transnational housing investments in their localities of origin, some common elements can be identified among the Colombian population in London. Transnational housing investments by Colombians in London are tightly linked with their condition as migrants. Based on real and perceived inequalities in socioeconomic opportunities, one of the main motivations for these Colombians to migrate is to improve their family's overall welfare and provide them with the socioeconomic comfort level that they could have not otherwise afford had they remained in Colombia. Housing is one of the many mechanisms that migrants use to achieve this goal. In this sense, for many, materialising the dream of homeownership is only attainable after migration, given the higher purchasing power that the exchange rate differential between the UK and Colombia provides and the comparatively lower

¹⁴⁷ A study conducted between 2004 and 2005 among Colombian migrants in twenty different countries found that 54% of migrants are interested in investing in housing in Colombia, as opposed to cars, 11%, or the stock market, 8% (Gaviria and Mejía 2005). Another study conducted in 2004 found that close to 10% of remittance recipient households in the country's Eje Cafetero used a portion of remittances to finance housing acquisition and 40% used them to fund housing expansion and/or improvements (Garay and Rodríguez 2005a).

¹⁴⁸ Calculation by author. Data sources: Remesas para adquisición de vivienda, serie estadística & Serie mensual de remesas de trabajadores, Banco de la República (2010).

cost of property in Colombia¹⁴⁹. When asked about whether her family's situation had improved as a consequence of migration, Nancy, a 47-year-old Colombian who is employed as a domestic/commercial cleaner in London replied:

“Oh, immensely...we have all been able to buy houses in Restrepo (Valle del Cauca), my hometown (since we migrated)... Not only that, but my brother bought a house for my mom too. He is also here in London. We would have not been able to do it there because we simply had no means...”

When I spoke to Nancy's sister (Ana) in Cali, she also highlighted the fact that her siblings had only been able to buy their houses a few years after they had been living and working in London. So I asked her: you said that your siblings left some houses here. Did they have them before they emigrated or did they buy them after they left?

“Oh, no, no, they bought them while there, imagine if not how else? That would have been impossible. When my brother left, his intention was for all of us (my sisters and I) to join him later because things were pretty difficult here when they left. Now they have their houses here, one each, in Restrepo. They have lived there (in London and Spain) for about 12-15 years and they bought those houses about 4-5 years ago”.

Thus, these transnational housing investments are part and parcel of migrants' perception of migration as a vehicle to materialise their dreams. These dreams are related to economic progress and greater welfare and are underpinned by a general sense of lack of labour opportunities in the Colombian labour market and the need to search for a better future for themselves and their families. Carmen's comments bring these issues to light. Carmen is a 62-year-old returned migrant now living in Pereira. Carmen's daughters and son have lived in London for 15 years. I asked her why she decided to migrate to London 20 years ago:

“I went to London because of the tough economic situation I was in. I am a widow and I had four small children. They were going to school then but I

¹⁴⁹ Other studies have found that there is a higher propensity to invest in housing among households receiving remittances. For example, Adams and Cuecuecha (2010) found that Guatemalan households receiving international remittances spent 81% more on housing than what they would have spent in the absence of remittances. In the Coffee Region of Colombia, the percentage of households that live in slum and other informal housing is smaller for remittance-recipient households than non-remittances recipients (Garay and Rodríguez 2005b:51).

wanted to send them to university but I was not able to. I used to work as a sales person for a company that commercialised appliances but the money that I made was not enough to raise 4 children. My children realised that they had no future here in Colombia. They left seeking a better future. I was there then and I told them: you come here, save some money and then we can all go back to Colombia, but that was not possible. I returned, then my son and his wife came and tried it out but they had to go back, they managed to get some jobs here but the money they made was barely enough to survive. Here it is very difficult. In any case, I think that migrating and helping them to migrate was the right thing to do. That is how I was able to buy my house. I feel much appreciated by my children, they send me money whenever I need it. They want me to live comfortably”.

Thus, greater socioeconomic aspirations combined with the higher purchasing power that their migrant conditions bestows on them, translate into higher rates of homeownership among these migrant households. So, what are the other more specific attitudes and motivations behind the use of remittances to finance housing investment among Colombian migrants in London and their households in the Colombian Eje Cafetero? And how do these intersect with the socio-political and economic context of the country?

6.2.1. Owning a house does not equate with wealth but not owning one equates with poverty?

The attitudes and feelings towards home-ownership predominant in Colombian society are encapsulated in the question above. As will become evident in the interviews presented here, the perception that *‘owning a house does not equate with wealth but not owning one equates with poverty’* is quite evident in migrant households’ discourses about home-ownership. Colombian migrants in London invest in housing as a strategy to secure the basic welfare of the family. Migrant households expressed time and again that their motivations for investing in housing were linked to satisfying an immediate basic need and to avoid having to pay rent. Housing is thought of as the one thing needed to guarantee a decent standard of living. Because of the precariousness of the welfare system in Colombia and the employment conditions of the majority, people feel that if everything else goes wrong, they would at least have secured a roof over their heads. Thus, in an environment in which social, political and economic instability are the norm, housing appears as the most basic element to guarantee the family’s social reproduction. Graciela’s comments illustrate these feelings. Graciela, a

57-year-old resident of Pereira, whose sisters have lived in London for 15 years, summed it up this way:

“Since they left we have bought the house where we live and a plot of land in which we want to build another house. I think that for a family, the house is essential. That is what we fought for since they left, for buying a house. Because we always lived together, we always made the decisions together (even when we decided who was going to emigrate). We have had the house for 10 years now. Five years after they left, we bought the house...the most important thing is that we don't have to pay rent anymore and also with the house, at least we have secured a roof over our heads”.

These ideas about the role of a house in the reproduction of the family are quite an important ingredient in housing investment decisions on the part of migrants, especially when they have left elderly parents behind. A house guarantees not only the security but also the comfort and tranquillity of these elderly members of the family. As Liliana, an 82-year-old resident of Pereira, whose son and daughter have lived in London for 16 years, explained:

“I used to live in a small town (pueblo). Three years ago, my son told me that he wanted me to live in the city, to have more comfort, a better quality of life. We saw this flat with him (when he came to visit) and he liked it because he said: I want my mum to have everything close by, the church, the hairdresser, the drugstore, the supermarket, everything...I want her to have everything within her reach, at her disposal...and well I was already thinking about moving here”.

Similarly, the story of Nancy and Ana's family reflects this. Nancy has resided in London for 12 years and her brother migrated 19 years ago. I asked Nancy how her family's housing situation in Colombia had change post-migration. She replied:

“My mother's life changed quite a lot since my brother left Colombia. My mother did not have a house and my brother bought her one (with remittances)...My mum did not have any necessities but she did not own anything because everything belonged to my grandparents...my mum lived with them. When my grandmother died, my brother bought my uncles' part of the house and that's where my mum lives today. She is alone but at least she has tranquillity”.

Nancy's word seems to imply that having a place to live is not enough to guarantee the family's comfort and tranquillity. Thus, for these migrant household not owning a house was perceived as a source of instability. Although Nancy's mother lived in a property that was partially hers, the fact that there were other co-owners meant that the property could not be counted on in the future. Thus, becoming the sole homeowner was what drove Nancy's brother to buy a house for their mother so that her tranquillity and long term stability could be guaranteed.

When I met Nancy's sister, Ana, in Cali, this is what she had to say about her mother's situation:

"The changes for my mother have been quite significant. She can now do many of the things she could not do before, thanks to the help she receives from my siblings. She has peace of mind, especially about the house, because she was very attached to it (that is where she grew up). Of course, she would rather have them around here but she always says: if they had not left, what would have happened to us?"

In essence, remittances have not only produced material progress but also betterment in the quality of life and general wellbeing of the migrants' family members. This was also exemplified by Margarita's family. Margarita is a 40-year-old hairdresser, resident of Anserma, whose brother has lived and worked in London for seven years. She summarised the benefits that the remittances her brother sends have had on her immediate family's live:

"My brother was always thinking about building a house for my mother. He is now buying a plot to build a house for my mum. He bought from us (all his siblings) a piece of land that we inherited from my father and had a great sentimental value for him...we were going to lose it because we did not have the means to keep it up...he always thinks of us, he is always worried about our wellbeing. She misses him but she says that his emigration has been for the best. Just imagine: my brother who is in Spain has his own big family to maintain, my other bother is unemployed and I just barely make enough for my family. There is no question that my mum now has tranquillity, she does not have to be worried about money all the time".

So migrants' ability to send remittances not only allows the migrant to provide for her/his family's immediate needs but their use to finance housing has other more intangible benefits such as providing the family with medium to long term stability. As these interviews illustrate, the family not only plays a central role in the decision to migrate but also in conditioning, directly or indirectly, the use of remittances. So far, the motives behind the use of remittances to finance housing investments have been related to more altruistic reasons such as loyalty to the immediate family back home and migrants' commitment to improving their family's overall welfare and providing them with socioeconomic comfort. Given that expenditures in housing are life-enhancing and migrants perceive them as a source of stability, it should not be surprising that this is one of migrants' priorities post-migration.

But migrants' desire to invest in homes in their localities of origin is also linked to non-altruistic reasons such as calculated investments to facilitate their eventual return¹⁵⁰. Although, the dream of returning home may never materialise, investing in housing serves an immediate and a future purpose. As the following three quotations illustrate, housing not only fulfils the immediate basic need for shelter of the family members left behind but also provides a certain degree of security in the future in case things go wrong in London. Carmen's daughters and son have all invested in housing in Colombia. When asked about their motives, she replied:

“...The thing is that my daughters dreamed of returning to Colombia and they still do, that is why they invested in those houses because they wish to return one day”.

Similarly, Jose Luis, a 76-year-old resident of Anserma, Caldas, whose daughter and son have lived in London for about 15 years explained:

“Naturally, they have invested here. Each of them has bought a house. My daughter in London bought a plot and built a house. They wanted to have housing for sure for when they return because in any case, this is our country....so to have a little something to come back to”.

¹⁵⁰ As was explained in chapter 5, this is one of the most important issues being exploited by the 'Mi casa con remesas' programme and the international housing fairs.

These sentiments were also echoed by Ana when referring to her siblings' investments in their hometown of Restrepo, Valle del Cauca. Ana's sister, Nancy, and her brother have resided in London for more than 10 years:

“They invested here because they thought (well they say) that they do not know what can happen to them in another country and so if they have to come back here in the future, they have their own place...with that (house) at least they have a roof over their heads for sure¹⁵¹”.

What is evident from these comments is the fact that regardless of how long migrants have lived in London, many still wish to return some day. To the question of whether they wished to return to Colombia, most migrants conveyed the feeling that they were not prepared to spend their last days away from their homeland. However, given that most already had their children in London and were aware of the difficult socioeconomic and political situation in Colombia, returning was a real possibility only when it came time to retire. Because they envision there will be limited employment opportunities in their places or origin, these investments in housing are thought of as a strategy to guarantee that this basic necessity would be secured in old age.

Diana, a 51-year-old Colombian who has lived in London for 20 years working as a cleaner, summarised these feelings:

“Well there are things that although you live here (in London) for many years, you still yearn for from there (Colombia) and you would like to be there...that is one of the reasons that made me think about going back to Colombia, but I did not do it because I thought that it is really difficult to help the family when you live there and my mother had already worked a lot and she was tired. The situation for the people that are still in Colombia is quite difficult...My cousin who is an agricultural engineer and works in a sugar refinery told me that production at the plant had stopped and there were a lot of people going hungry because they had not been paid for a few months. In any case, I would like to go back in 15-20 years, that is why I bought a house, I don't know, to have a place to go back to. Well, you never know but I would like Colombia to change...”

¹⁵¹ This is exactly what Nancy said when I spoke to her in London.

This was also echoed by Mariela, a 52-year-old migrant from Cali that came to London in the mid-1980s:

“Well, yes I would like to return, but I am afraid of the insecurity, the violence, the high unemployment, all the problems that the country has. I always think that if the situation in my country was different, I would have returned already, even now that my children are here”.

Another common issue that emerged as a powerful reason to engage in transnational housing investments was the idea that houses are a good mechanism for wealth accumulation because they are a tangible store of value¹⁵². In some cases, this investment is seen as a solution for preventing the money they send being ill-spent in conspicuous consumption. This was a powerful reason for Viviana, Diana’s sister, to invest in housing. She is 54 years old and has lived in London for 16 years, also working as a cleaner. Viviana had returned to Palmira temporarily to take care of her ill mother. She explained:

“When I left, I left an open bank account. I was sending money every month to be saved. I had left the account in my brother’s name but he emigrated to Spain, so he left the account to my nephew...And he was living the life, he was buying aguardiente¹⁵³ with the bank card...My relatives told me that I had to come to invest that money in something because I was going to be left with nothing, so that is when I came and bought the house”.

So, these migrants perceive investing in houses as making a financially rational decision to accumulate wealth through an investment in a ‘safe’ asset. This should not be surprising given the socioeconomic and political uncertainty that reigns in Colombia and perhaps migrants’ lack of acumen in investing in financial instruments and markets. Also, the limited dynamism that tends to characterise the areas of the country far from the centre of economic activity (Bogotá) may mean that sometimes, there are simply no other better alternatives for investing. In addition, because once they are made, these investments do not need constant support, like a business would, migrants invest in houses as a good mechanism for storing the value of their savings.

¹⁵² The representative of ‘Mi casa con remesas’ stated that this was one of the main reasons given by the people who wanted to sign up for the programme.

¹⁵³ Aguardiente is Colombia’s national spirit. It is made of distilled sugar cane and aniseed.

In summary, the motives behind using remittances to finance housing investments by Colombians in London are multiple. Migrants perceive that houses fulfil a wide range of roles such as improving their family's immediate welfare and quality of life and guaranteeing the security and comfort of their loved ones. Other roles include being calculated investments that would facilitate migrants' eventual return (mostly at the time of retiring) and serving as a tangible store of value. The running theme along these motives is migrants' perception that owning a house is the minimum one must have in order to guarantee the maintenance and reproduction of the family from a distance. Thus, owning a house is not perceived as a luxury that can only be afforded by the rich, but it is a sign that a person has been successful in guaranteeing a fixed space for the family's social reproduction. This is particularly important in the context of the formation of new subjectivities under neoliberalism. As Mitchell et al. (2004: 3) have suggested, the current regime of accumulation devolves *'more and more 'choice' to a seemingly ever more autonomous individual who must rationally calculate the benefits and costs of all aspects of life'*. Furthermore, this ideological devolution *'infiltrates and articulates with other commonsense understandings in society'* (page 4), in a way that redefines the meanings of social reproduction. The very material and practical reasons which are encapsulated by the phrase *'owning a house does not equate with wealth but not owning one equates with poverty'*, seem to be the driving force behind transnational housing investments by Colombian migrants in London. These attitudes and feelings towards home-ownership are rooted in the specific and highly volatile nature of the social, economic and political structures predominant in Colombian society¹⁵⁴.

6.2.2. *Buying a house: an incentive to migrate?*

As mentioned before, transnational housing investments by Colombians in London are part and parcel of migrants' perception of migration as a vehicle to materialise their dreams. So, another important reason for investing in housing is that of fulfilling one of the purposes of migrating¹⁵⁵. As many migrant households explained, buying a house or improving the existing one was their relatives' main incentives to migrate. The following interview quotations illustrate these trends. Lina is a 54-year-old resident of Zaragoza (Valle del Cauca) whose sons reside abroad. One has resided in London for 14 years and the other has lived in Spain for 6. I asked her about their motivations to migrate and she replied:

¹⁵⁴ These issues have been explored in chapter 3.

¹⁵⁵ This finding is, of course, not exclusive to Colombian migrants. Van der Horst (2010) found that building or buying a dwelling in Turkey was one of the primary goals of going abroad for Turkish migrants in the Netherlands. Albeit these houses were regularly built for holiday/retirement and not for the immediate family to occupy.

“My sons wanted to upgrade this house. This used to be a big, wattle and daub house. We demolished it and built two new ones, mine and this one (my mother’s). My sons refurbished mine, they built a fitted kitchen, built-in closets, etc....they polished it. Then we built this one from scratch. That was their major motivation to go there (migrate). My eldest son always said that he wanted to refurbish our house and also buy a new car for his father”.

The drastic physical changes to housing structures like the ones described by Lina are quite evident in small towns around the Coffee Region of Colombia, where wattle and daub used to be the traditional and most common building material. As will be explored in chapter 7, this is an indication that these investments in housing have gone beyond the initial goal of guaranteeing shelter for the family but are an expression of migrants’ material success and aspirations.

Another related incentive for investing in housing among Colombian migrants in London had to do with fulfilling the goal of recovering the house that had been lost due to the profound economic and mortgage crises of the second half of the 1990s and/or because the house had to be mortgaged to pay for the trip abroad¹⁵⁶. As stated in chapter 5, Colombia experienced a severe mortgage crisis in the late 1990s. The crisis not only affected the financial and construction sectors, but it had devastating social effects because a large segment of the population found themselves unable to meet their mortgage payments and lost their houses. As Yair, a 31-year-old returned migrant, resident of Pereira, whose mother migrated to London in 1997 eloquently put it:

“Honestly, things were very tight. The house had to be mortgaged and my mum was constantly worried about that. She did not sleep, it kept her tormented, worried. She was desperate and did not know what to do. So, one day she said that she was arranging her documents to leave and effectively she did. Now, we have recovered the house. This is the house where we have always lived but we paid the mortgage off”.

¹⁵⁶ Some of the key actors interviewed also mentioned that this was one of the issues that migrants repeatedly cited as the reasons to invest in housing either through the *Mi casa con remesas* or the international housing fairs.

Judith's family had a similar experience. She is a 24-year-old resident of Pereira whose mother has lived in London since 2001:

“My mom left in 2001. She came back two years later because she could not get papers in London, she came back empty handed and she was desperate to see us. My aunt helped her with a man who wanted to marry her for the papers. We had our own house...they got married here but she had to sell the house to be able to pay for the visa and all the stuff she needed to go back to London. God permitting, this October she will buy a house. She had not been able to buy one before because she had to spend a lot of money taking my sisters to London and then she needed time to save”.

This indicates that a powerful reason for migrants to invest in housing is linked to recovering the socioeconomic status that they had previous to the crisis of the 1990s thus, migration was a means for preventing downward social mobility. In Colombia, as in many other parts of the world, home-ownership is perceived as a marker of a person's socioeconomic status. When that status is threatened, people often see international migration as a way to maintain it, recover it, and/or improve it. In this context, the materialisation of home into housing is linked not only with satisfying the family's basic need for shelter but also with a person's position within society. As Kellett, reminds us, *'At one level [the home] it is concerned with the domestic spaces and activities of everyday life, and simultaneously it has broader dimensions which relate to issues of identity, economic and social positions'* (Kellett, 2002: 18).

So how is it that migrants are going about materialising the dream of homeownership? The following section outlines the ways in which Colombian migrants in London are using remittances to finance housing purchases and the ways in which these transactions take place over the transnational field.

6.3. Materialising the dream: buying a house across the transnational field

In Latin America, remittance resources tend to *'go to immediate family members...They are not the only beneficiaries but are rather the main administrators of foreign income'* (Orozco, 2008: 313). Housing investment practices among Colombian migrant households in the Eje Cafetero also follow this logic. As mentioned in section 6.2, the family members of Colombian migrants in London are not only the main beneficiaries of remittances but also play a crucial role in remittance-spending decisions. Thus, housing investments by these migrants tend to be made through a family member in

Colombia, who is given the responsibility of finding the property or piece of land, buying (or overseeing the building) and administering the property¹⁵⁷. As Carmen, the returned migrant introduced in the previous section, explained:

“My son wanted to buy something. About 7 years ago, my sister told me that there were some plots for sale in a strategic area in the Coffee Region. I went to see them and I liked it, so my son bought a plot. We have a cottage with a pool and Jacuzzi in a posh condominium, which I administer. We rent it for the season and usually, I reinvest the money in the property so my son does not have to send money from London for its maintenance”.

Because of their proximity and knowledge of the local market, the family member is the one who usually identifies the potential investment opportunity and advises the migrant to buy. They are also the ones who take care of negotiating the sale price and the legal procedures involved in acquiring the property, whether that is an empty plot or a finished house. Carmen went on to comment about her daughter’s investments:

“As with my other children, I am the one in charge of everything because they deposit all their trust in me. I tell them of good houses I see that I consider as good investments, because modesty aside, I have business vision. My daughter bought one in a gated community that I indicated”.

The element of trust mentioned by Carmen was an important factor in many other migrant families’ discourses around housing investment. Ana, who as mentioned before, has a sister and brother in London, commented on their investment decisions:

“My brother and sister deposit all their trust in my mother. So, for example, if she sees a cheap plot, she would ask them if they are interested. In that manner, they have bought plots and built houses. Usually, they tell my mom what they want more or less and she decides how to build. She takes care of everything, of finding the architects, the building materials, everything”.

¹⁵⁷ This does not seem to be the case among other migrant communities. Smith and Mazzucato (2009) found that Ghanaian migrants in Amsterdam keep their housing investments in the capital city hidden from their extended family in the village. They rely on friends or other relatives (who can be trusted to keep the secret) for these transactions.

These dynamics are important expressions of the transnationality of these migrant households. In order for these transactions to take place, there is a constant flow of information and resources that goes back and forth between Colombia and London. Whether these transactions involve the purchase of a plot, a finished house or improving the existing house, the decisions about what to buy and how to build are taken jointly, so the investment process is quite transnational in nature. As the next two quotations clearly illustrate, the transnational nature of these housing investments has been facilitated by new developments in information and communication technologies such as the low cost of phone calls and the internet. Yair, the 31-year-old returned migrant recounted the improvements made to the house that his mother recovered a few years after having migrated to London:

“This house was remodelled. Once the mortgage was paid off, she started sending money to remodel. New doors have been installed, the tiles of the bathrooms and the floors were changed and the house has been painted. Also, the third floor was added and the other two were polished. To do all these changes, I used to send photos to my mother and she would say if she agreed. I used to choose the things and then I would show her, so we both made the decisions”.

Oriana’s household had a similar experience but she made a more explicit account of how new technologies such as the internet had facilitated the transnational investment process. Oriana is a 67-year-old whose daughter has lived in London since 2006:

“My daughter used to send us money for the rent. One day she told her dad to look for a small plot because she wanted to build us a house. And sure enough, she bought the plot and because he works in construction, he built the house himself. First, she wanted to see the plot, so he sent her photos. Then she would tell him what she wanted and he would build it. Once construction began, my husband sent photos to her...he was building and sending photos, building and sending via internet”.

As explained in chapter 5, this crucial role that family members play in the acquisition of housing by Colombian migrants has emerged as an impediment to the success of the international housing fairs which have sought to bridge the geographical gap between the supply and demand of housing. But this should not be surprising given that, as shown in section 6.2, the majority of these housing investments are made for

the immediate benefit of the family members back home. So how are migrant households financing these investments?

The money for these investments in housing / property is usually sent by migrants in London in the form of regular remittances, together with the amount sent monthly for the maintenance of the family. This means that the majority of these housing investments are not registered as such and therefore, are done bypassing the formal banking system. These dynamics may explain why although investment in housing is a growing component of remittances expenditure, the official estimate of the amount of remittances that enters the country to finance housing purchases is still a very insignificant proportion of the total amount of money that migrants send to their families back home (see section 5.5 in chapter 5). Although an increasing number of families in the Coffee Region are, directly or indirectly, being connected with financial institutions because they received their remittances through banks, they are not financing these housing investments by borrowing from these banks.

The experience of Oriana's household is a clear example of how these housing transactions are being financed and how they take place over the transnational space. Oriana used to live in a rented house. In 2007, a year after her daughter migrated to London, they bought a plot and built a house, one floor at the time. To this day, improvements continue to be made to the house. Oriana's house is located in a popular neighbourhood in Dosquebradas, a municipality in the Coffee Region. On the question of how was the process of acquiring the house she explained:

“So, we bought the empty plot and we then built the house. We did it all ourselves, without intermediaries, no construction company, no banks. My daughter sent the money for the plot directly to us and we made the deal. Then we built the house little by little with the money that she sent every month. That's how we built it”.

A similar story was reported by María, a 42-year-old resident of Pereira, whose sister has lived illegally in London for 10 years. María summarized her sister's experience of accessing housing while living abroad, five years after having migrated:

“My father was the one who found the plot. He said to my sister: ‘there is a small plot for sale, it is cheap, look and see if you have enough savings to buy it. You do not have to build it now; you can start sending money and build it little

by little'. And sure enough, they first laid the foundations and then it took them a long time to build the first floor, but they built the whole house little by little...she sent money every time she could”.

Graciela’s experience also highlights the alternative strategies employed by these migrant households to access housing:

“To buy the house, I simply started to save some of the money that my sisters sent me. They knew that I was going to buy the house. Every month, with the regular remittance, they sent me a little bit extra so that I could save. I made the down payment in instalments and then I made bigger payments so that I could get the house”.

Figure 6.1 exemplifies the sort of housing that is built with remittances.

Figure 6.1: Popular Neighbourhoods in Pereira



Photographs by author

The alternative strategies being articulated by Colombian migrants in London around investing in housing with remittances are underpinned by migrants’ perceptions of the Colombian government. Most migrants perceived the government as corrupt and lacking the ability and interest to solve the social and economic problems that pushed them to leave the country and to help them navigate their new society and/or improve

the hard socioeconomic reality most of them are faced with in London¹⁵⁸. Since the programmes for channelling remittances to housing are sponsored and disseminated by the Consulate, this may be an important factor in understanding why many migrants may be discouraged from participating in them. When asked about the government's support for Colombians in London, Ana Aura, a 45-year-old migrant woman who has lived in London for 22 years, summed up the situation well:

“Look, I went to a meeting in the Colombian consulate when the Minister of External Relations came from Colombia. It is really sad to see that the government has no vision...they want us to tell them what we are going through (our problems) are but at the end they will do nothing because it is about politics and there is no money. It was sad to see that they have no plan to reintegrate us to our society (for our return home). They think that we are a money-making machine and they want us to invest, buy and improve the country but remain abroad or if we return, they don't care...”

Migrants also feel that there is no government support for Colombian citizens abroad, there is no government presence in their communities and a total disconnect exists between the actions of the consulate and the needs of the population in London. In addition, many complained about the bad treatment and service they received at the consulate. As Alejandra, a 53-year-old migrant who has lived in London since 1991 complained:

“The little that I know is that there is no support from the government. I do not see that they are really concerned about what happens to us. Actually, when I wanted to bring my son from Colombia, I received a very bad service in the consulate”.

This sentiment is well known to the people who work in NGOs that provide services to the Latin American community in London. When asked about the government's presence in the Colombian community, Daniela, a worker from a Latin American organisation replied:

“I do not feel that there is a presence of the Colombian government in the community. Perhaps the embassies are now trying to get in touch with

¹⁵⁸ This perception of the government seems to partially explain the relatively small engagement of Colombians abroad in transnational political activities (see chapter 3, section 3.2.2).

organisations like ours. However, a few years ago I went to the Colombian consulate and spoke to the consul and the question that he asked me was: what have those liars come here to say about Colombia?”

In summary, the majority of Colombian migrants in London interviewed for this study have invested in housing in Colombia after having migrated. None of them has accessed housing through the government-sponsored programmes, ‘Mi casa con remesas’ and the international housing fairs or by borrowing from a bank. They have all accessed housing using alternative strategies and channels with the help of their family members back in the Coffee Region of Colombia. Some migrants have saved the money in London and others have sent the money to the family member in Colombia to be saved there. In both cases, the money for these investments is sent to Colombia, in small amounts, with the remittances that are sent for the maintenance of the family every month. Whether these transactions involve the purchase of a plot, a finished house (usually used) or improving the existing house, the decisions about what to buy and how to build are taken jointly, so the investment process is quite transnational in nature. During this process, resources and information constantly flow across the transnational field and this has been facilitated by new developments in information and communication technologies such as the low cost of phone calls and the internet. These alternative strategies are underpinned by migrants’ generally negative perception and mistrust of the government, which may be fuelling migrants’ limited engagement with the programmes designed to channel remittances towards housing.

As mentioned in chapter 3, the global financial crisis had a significant negative impact on the amount of remittances that migrants send to their families back home. In particular, the volume of remittances to Colombia decreased by almost 15% in 2009. So, how were these migrant families affected by the global downturn? If so, how have these developments affected their housing investment decisions?

The world financial crisis and transnational housing investment

At the time of conducting field research in Colombia in the summer of 2009, the negative effects and instability produced by the global economic downturn were becoming quite apparent and everybody was talking about it, from the government officials that appear on television to explain the high rates of unemployment to the social scientist and migrant families I interacted with on a daily basis.

Migrant households spoke about how the crisis has had a direct negative effect on them, not only because the amount of money that they received regularly in the form of remittances had decreased but also because their purchasing power had fallen through the decline in the value of the British pound. When asked whether her sisters in London had been affected by the crisis, Graciela put it plainly:

“Yes, we have been affected by the crisis because they have been affected there. So if they are affected, we are affected. They work fewer hours than they used to...things are very tough in London now”.

Oriana’s daughter, who works as a cleaner in London, has also been directly affected by the crisis. The 67-year-old woman explained:

“Yes, my daughter has been affected because she recently told me that things were difficult there. She used to have three jobs but now she only has two. She also said that the pound was very low and that she had not been able to send much because she was losing a lot when sending the money”.

In cities such as Pereira, there has been a marked decline in internal demand associated with this decrease in remittances and high unemployment (which has arguably increased due to large number of Colombians abroad returning home¹⁵⁹). So, in areas with high rates of emigration such as the Coffee Region, the downturn has caused distress among migrant and non-migrant households alike. Families such as Graciela’s have been directly and indirectly affected by the crisis. She has a small business in the city centre of Pereira and has seen her sales deteriorate since the crisis started:

¹⁵⁹ Although there are no statistics to prove that this has been the case, on May 29th 2009, the Colombian Ministro de Hacienda (Chancellor of the Exchequer) appeared on the national TV news, CARACOL, to say that one of the main reasons for the higher than average levels of unemployment in the coffee region was a massive return of migrants, particularly from Spain.

“Here in Pereira, the economic crisis has been felt quite a lot because the people who are there (the migrants) are sending less money and there are no jobs here. Many people depend on those remittances. One can see that, a lot of businesses have had to close...So, clearly people are spending much less and our sales have decreased”.

This brief section brought to light how the global economic downturn has directly affected Colombians in London and consequently, their family members in the Coffee Region of Colombia. The crisis has not only had a direct negative impact on the amount of remittances that they receive but also on migrant households' purchasing power. Because of high rates of migration in the Coffee Region, the crisis has also produced spin-off adverse economic effects that have impinged on migrant and non-migrant households alike. The uncertainty regarding the long term effects of the crisis on migrants means that it is difficult to predict exactly how these housing investment decisions are going to be affected.

6.4. Concluding remarks

Although the Colombian government has deployed a number of different tools to expand the national housing and financial markets to Colombian migrants and the majority of migrants interviewed for this study have invested in housing in Colombia after having migrated, none of them has accessed housing through the government-sponsored programmes or by borrowing from a bank. In this sense, this chapter showed that Colombian migrants in London have not embraced their newly-assigned financial subjectivities but are instead using alternative strategies for housing acquisition and financing. These housing investments are not 'productive' in the sense articulated by the government, as new-mortgage-financed housing but instead take the form of local-level, gradual housing upgrading or building and are financed by the monthly remittances sent by migrants that generally bypass the formal banking system.

The alternative strategies to access housing are underpinned by migrants' generally negative perception and mistrust of the government to solve the social and economic problems that pushed them to live Colombia and/or improve the hard socioeconomic reality they are faced with in London. For these migrants, investing in housing is seen as a strategy to guarantee a space for the reproduction of the family but also as a calculated investment that may facilitate their eventual return. Thus, housing fulfils multiple roles such as fulfilling one of the goals of migrating and directly improving the family's welfare as well as providing a sense of present and future stability and

security. In this sense, housing investments have material but also important qualitative effects on the everyday lives of migrant households. The fact that migrants continue to rely on their family members back home for the materialisation of the dream of homeownership and that the investment process is quite transnational in nature elucidates the role that these investments play in the maintenance and reproduction of family relations across the transnational social field. As the next chapter will show, the process of maintaining these family relations across space also generates other intended and unintended socioeconomic outcomes that may reconfigure the long term livelihoods of these transnational migrant households.

Remittances and Housing: Intended and Unintended Social and Economic Outcomes

The previous two chapters analysed the official narratives around investment in housing articulated by the Colombian government and compared them with the alternative strategies and channels used by migrant households to access housing. This chapter explores other intended and unintended social and economic outcomes that are generated by remittances and their use to finance housing investments. The chapter is divided into three parts. First, it draws attention to the intended and unintended economic outcomes that arise in the process of maintaining and reproducing family relations across the transnational social field and it examines how these shape the long term livelihoods of migrant families in the Coffee Region. Second, it documents the changes in landscape that have taken place in the Coffee Region of Colombia as a result of the changing economic geographies that have accompanied the high rates of emigration from the region. Lastly, it contextualises migrant families' reproduction strategies by exploring the personal sacrifices and social cost that underpin the sending of remittances.

Based on empirical material collected at both ends of the migration network, this chapter questions the premises that underpin the migration-development discourse. It does so by providing a more nuanced interpretation of development to account for the socioeconomic spinoffs that occur in the process of migrant households' attempts to produce and reproduce their livelihoods over the transnational social field.

7.1. Remittances and housing investments: shaping livelihoods

Migration has been recognised as one of the main strategies that families employ for the production and reproduction of their livelihoods (King, 2011; Kothari, 2003a; McDowell and de Haan, 1997; Sørensen and Olwig, 2002). The production of livelihoods involves capital assets, social relations and organisations and the ability of individuals to access and employ them in order to generate income and support households. The ability to access these resources differs across time and space and sometimes it may require the movement of labour and capital (Bebbington, 2000; King, 2011). In this sense, the sending of remittances can be seen, in the broader context of transnational family relationships, as part and parcel of these livelihood strategies. As Sørensen and Olwig (2002: 1) remind us: people *'do not necessarily migrate to start a new life elsewhere but rather to search out new opportunities that may allow them to enhance and diversify livelihoods practised and valued back home'*. Thus, there is a strong interdependence between those who migrate and those who stay behind so that migrant households engage in a wide range of activities for the maintenance and reproduction of family relations across the transnational social field.

All the migrants in London interviewed for this study, send remittances for the maintenance of their families in the coffee region of Colombia. As stated in chapter 6, the reasons behind the sending of remittances by these Colombian migrants in London are complex and go beyond the altruistic and self-interested dichotomy articulated in the literature. In particular, the sending of remittances, to finance housing investments or for other purposes is a key strategy to maintain and reproduce the family across the transnational social field. Given the transnational nature of these migrant households, family relations are crucial for producing and reproducing the socioeconomic strategies that sustain these networks. These family reproduction strategies in turn, generate other intended economic outcomes that ultimately reconfigure the livelihoods of these transnational migrant households by de-linking (at least partially) the family's subsistence from the migrant's remittances. The sending of remittances also generates other unintended economic outcomes that extend to the migrant's wider social network. These intended and unintended economic outcomes may also contribute to the development of the local economy, albeit not through the mechanisms favoured by proponents of the neoliberal-inspired migration-development nexus. Thus, these findings overshadow the current policy-makers' preoccupation with the use of remittances for 'either' consumption 'or' investment'. In particular, the evidence presented in this chapter provides a more nuanced interpretation of development to account for the socioeconomic spinoffs that occur in the process of migrant

households' attempts to produce and reproduce their livelihoods over the transnational social field. Thus, it highlights the conceptually narrow nature of the migration-development discourse and its failure to recognise the economic and social dimensions of migrant households' diverse livelihood strategies and their impact on the development process. Furthermore, the remittances-for-development programmes promoted by the major international lending and aid agencies and embraced by the Colombian government, are based on a set of narrow, prescriptive and economic practices that exult migrants' role as consumers and producers of wealth. These programmes privilege easily quantifiable general measures of development and ignore local structural and institutional specificities and the intrinsic linkages that exist between geography, political economy and society and development processes.

So, how are Colombian migrants in London and their households in the coffee region of Colombia using remittances and housing investments to bring about changes in their livelihoods in the long term?

7.1.1. Remittances and housing investments: intended economic outcomes

As part of the process of maintaining and reproducing the family across the transnational social field, the migrant families interviewed for this study are using remittances to invest in housing as a livelihood strategy to generate additional sources of income for the family. This strategy takes two main forms. The first strategy is to consolidate an additional income stream from the migrant's family home by building additional rooms for rent, housing for housing, or setting up small businesses. The second strategy involves using the earnings from renting other property (previously financed with remittances) as an income supplement that is de-linked from migrant remittances.

Generating income within the home: housing for housing

The case of Carmen's family illustrates the functioning of the first strategy quite well. As stated in chapter 6, Carmen is a returned migrant now living in Pereira, whose daughters and son live in London. Carmen bought her house about ten years ago with the money she saved while working as a cleaner in London. Although Carmen receives remittances and a small pension, she wanted to create her own source of income, as she put it, in order not to become a burden for her children. She summarised her situation this way:

“This house was remodelled. The ceiling and the façade were changed and the whole house was painted. I also built a studio flat thinking that I can have my own income, instead of depending on the money my children send me because I do not work anymore. To remodel the house, I spent COP\$21 million¹⁶⁰ of which my children gave me 15 million, I had 4 million and I borrowed 2 million...It has been a year since that was finished and now I have a young professional living there”.

The case of Yair’s family also illustrates this housing for housing strategy. He is a returned migrant from London living in Pereira whose mother left to the UK 12 years ago. I asked him about what sorts of changes had been made to the house with the remittances his mother sends. He replied:

“This house was remodelled...the third floor was added and the other two were polished. We [my mum and I] wanted to make that investment so we could rent one of the floors and make some extra money. Now, my grandmother, uncle, niece and I live in the two top floors and rent out the first floor. It is not much, but at least we have the extra fixed amount coming in every month because my salary is not enough to cover all the household expenses”.

The experience of Carmen’s and Yair’s family highlights one important issue being overlooked by the migration-development discourse. Because of its emphasis on the use of remittances for ‘productive’ investment as a potential development tool for migrants’ countries of origin, this discourse overlooks the real contributions that migrant remittances make to the local economy. In particular, these housing for housing activities are not simply an ‘unproductive’ livelihood strategy that migrant households engage in to make ends meet or supplement their income, they generate an increased, albeit small, demand for goods and services that are produced by local businesses, in this case, by the construction industry.

In Colombia, building additional rooms for rent in the home and/or renting the spare rooms in the house is a very common strategy to diversify a family’s earnings, especially among low income urban households. And there is a growing demand for this sort of living arrangement. As explained in chapter 5, since the transition from a rural to an urban society in the 1950s, growing numbers of people in Colombia have

¹⁶⁰ £1 is worth around COP\$3,000. COP\$21 million is equivalent to around £7,000.

moved to the cities in search of jobs and the country's housing deficit has widened in recent years. Because this strategy does not tend to require great amounts of capital investment, requesting costly building permits and/or high levels of education, one can see why this may be an effective way for low-income migrant households to diversify their sources of income. Thus, remittances are providing these migrant families in the Coffee Region with the capital resources needed to take advantage of this national trend. Despite the fact that these migrant remittances are being channelled to the construction industry (as the government programmes seek to do) and these housing for housing activities make an important contribution to migrants households' improved wellbeing and living standards, they are not considered 'productive' investments because they are not producing any formal linkages with the financial industry.

Generating income within the home: home-businesses

Setting up small businesses with the use of remittances was another common livelihood strategy among migrant households in the Coffee Region. As explained in chapter 3, this region was particularly hard hit by the economic and socio-political crises of the 1990s and the dissolution of the international coffee agreement had some dire socioeconomic consequences, especially in terms of the economy's ability to create jobs, which continues to be felt today. In the face of this reality, some migrant households considered setting up a business with remittances an effective strategy not only to provide an income for the family and ease the burden on the relatives in London, but also as a means to employ other family members who, given the limited employment opportunities, could not get a job elsewhere.

The case of Andrea's family is a clear example of these trends. Andrea lives in London with her daughter, sister and two nephews. Her 57-year old sister, Graciela, lives in Pereira with her two nephews, Arturo and Javier, who are in their early thirties. When I interviewed them in Pereira in the summer of 2009, the city had the highest unemployment rate in the country, close to 20%. When Graciela's sisters migrated to London in 1994, they agreed as a family, that she would stay behind to take care of their children (5 in total) and their mother, so she did not work outside of the home for many years. Andrea and her sister managed to bring 3 of the 5 children to London but Arturo and Javier could not obtain a residence permit because they were over the age limit for family reunification. Arturo and Javier were enrolled at the university in Pereira but stopped studying to go to London. They lived and worked in London and studied some English for six years, while they waited for the Home Office's decision, but had to return to Colombia two years ago (in 2007). When they returned, they were unable to

find jobs and because of Arturo's passion for cooking, they decided to open a restaurant. Andrea had told me the family story when we spoke in London in December 2008 and Arturo supplemented it in Colombia:

“When I was in London I had the opportunity to buy some land and that has helped a lot. We [my brother and I] also tried to set up a business when we were there (raising chickens) but it was a failure. It is difficult to be on top of things like that when you are so far away. We returned two years ago and we help each other (the ones here and the ones there). Now we have this business, we all contribute to it. Although it has not been easy, it provides us, as a family, with an income so that the family in London does not have to send a lot from there”.

The strategy of setting up businesses with remittances was so common in neighbourhoods with high rates of migration such as Cuba¹⁶¹ in Pereira, that I encountered it by chance. On 26th September 2009, I went to a beauty salon for a manicure in Corales (Cuba). The following paragraph is from my field notes:

“At the beauty salon, I was talking to the owner, Cielo, about her neighbourhood and I asked her about her business. She told me that she had been able to formalise her business with the help of her mother who had lived in London for 12 years. She used to provide beauty services in people's homes but that did not provide her with a steady income. Her mother helped her with the financing of the house and the business set up. She said that this was quite common in her neighbourhood because everyone had a family member abroad. She also said that she could now support her family and that one of her daughters helped her with the running of the salon”.

The layout of Cielo's beauty salon resembles the typical family business found in the Coffee Region: the store is usually operated from the lower level of the house while the family resides in the upper level. As can be appreciated in figure 7.1, this was a very common sight in Cuba¹⁶²:

¹⁶¹ Cuba is the biggest popular neighbourhood in Pereira. It is home to around 20% of the city's population.

¹⁶² Although I did not interview the owners of all these small businesses, a community leader of the neighbourhood insisted that the majority of them had been financed with remittances.

Figure 7.1: Small family businesses in Barrio Cuba, Pereira



Photographs by author

So, these migrant families' strategy to set up small businesses with remittances was primarily a response to the hard economic reality of the region, especially the inability to access formal employment. This strategy allowed many not only to employ other family members and provide an additional source of income for the family, but also served as a mechanism to decrease the family's dependence on the remittances they receive from their relatives in London. Although from an economic point of view these small businesses contribute to the development of the local economy, through the generation of employment and tax revenues and increased family incomes to finance consumption, ultimately, they cannot remove the structural constraints that have historically inhibit the development process of these localities. In practical terms, the social and productive base of an economy significantly defines the ways in which remittances will effectively function in that economy. The Colombian government's embrace of the migration-development discourse by emphasising the contribution that migrants can make to their places of origin and its insistence on the centrality of financial markets for households' socioeconomic reproduction is an attempt to shift its responsibility for economic development to its citizens at home and abroad. It is also an ideologically-inspired mechanism that aims to obscure the more severe problems that underpin the lack of development in migrants' places of origin.

Generating income outside the home: capitalising on housing investments

The second livelihood strategy among Colombian migrants in London and their families in the Coffee Region is to generate additional sources of income from earnings created outside of the family's home. It entails using the income created through the renting out of other property, previously acquired with remittances, as an income supplement. These monies do not cross national borders. They are used for the upkeep of the property and serve to supplement the monthly remittances that migrants send for the maintenance of the family.

Carmen's story illustrates these dynamics. The properties that Carmen's children acquired while living in the UK are now rented and she administers them. One is a cottage with a pool and Jacuzzi in a posh condominium which, as Carmen put it, "*I administer and reinvest the money in the property so my son does not have to send money from London for its maintenance*". The other property is a house in Pereira. Carmen keeps the rent it produces as extra income, to be able to eat better, travel and save. In Carmen's words:

"My daughter for example, instead of sending me money every month, she tells me to keep the rent of her flat. I spend all that money. I eat a lot of fruit, vegetables and white meat, all of which are expensive. The rest I spend travelling around here and I also save a little. I have also visited them in London 5 or 6 times"

The case of Viviana's family was similar. Viviana, is a 54-year-old who had returned temporarily to Colombia, from London, to take care of her ill mother. Her sister Diana also lives in London. I asked Viviana about her motivations for investing in property in Colombia, she replied:

"My sister Diana bought this house for mum. I bought a house 9 years ago to have some extra money coming in, some money guaranteed. I opened a bank account where the money for the rent is deposited. We all contribute for the maintenance of mum but sometimes I barely have any money left to send from London, you know how expensive it is to live there and what you earn, you spend because everything is expensive...so, sometimes I have to use some of the money that the house produces here, when I cannot send, then I tell my mum to withdraw the money from that account".

As is the case with the aforementioned livelihood strategies employed by migrant households, the economic dynamics illustrated by Carmen and Viviana are also not being captured by the 'productive' forms of investment favoured by the migration-development discourse. On the one hand, the additional income that is generated through the renting of property is not only improving migrant families' wellbeing but is also producing a multiplying effect in a variety of local industries through higher demand for goods and services. On the other hand, these monies are also rebalancing the transnational flows originating in London and indirectly benefiting the British economy by leaving migrants with more disposable income to spend locally.

And for some migrant households, the monies derived from the renting of property are the only help that migrants are able to provide for their families back home. Among low income families, these monies may be critical for the family's survival because they may constitute their sole source of income. Mariela is a 52-year-old single mother of three who lives in London. Her sister lives in Cali and takes care of their disabled brother. They are the only members of Mariela's nuclear family left in Colombia. Their case clearly illustrates this situation:

"My flat in Colombia is rented. When I first came here, I used to send money and give them a third of the rent from the flat. I have not been able to send money for a while because I have been on benefits since I separated from my husband. So, I decided to give my sister, half of the rent I receive for the flat and the rest is used to pay the property tax and the administration fee. They practically live on that because my family is very poor"

The importance of these remittances-related but internally-acquired funds cannot be underestimated. These new sources of income have in effect, proved crucial for the survival of the family during the current global economic downturn. Thus, in a sense, the basic premise on which many migrants base their decision to invest in houses, that they are a 'safe' asset, has paid off. Because of the nature of the small scale activities that produce these funds (and the steady demand for them), they have not been subjected to the vicissitudes of the market and have proved an effective way to cope with unexpected economic shocks. Some migrant families talked about how important this stream of income has become for the economy of their household. Oriana's story puts this into perspective:

“My daughter used to send us money for the rent, religiously. Then we built this house. First we built the first floor and that’s where we lived. Once the second floor had been built, she said that we should move there and rent the first floor. When the crisis started, she said that she would not be able to send the same amount of money because she used to have three jobs but now she only has two, so we needed to take the money from the rent to make ends meet”.

In summary, the Colombian migrants in London and their families in the coffee region interviewed for this study have purposely engaged in a set of strategies that seek to diversify the sources of income that sustain their livelihoods. These strategies tend to capitalise on the housing investments previously financed with remittances and take the form of building additional rooms for rent and/or setting up small businesses in the migrant’s family home. They also involve using the earnings from renting other property as an income supplement. These strategies serve as a mechanism to guarantee the maintenance and reproduction of the family across the transnational social field by creating employment opportunities for the family and/or supplementing the family’s income in case of unexpected changes in migrants’ ability to remit. These additional sources of income ultimately reconfigure the livelihoods of these transnational migrant households by de-linking (at least partially) the family’s subsistence from the migrants’ remittances. These livelihood strategies have produced significant improvements in migrant households’ wellbeing and living standards and have aided the local development process through the multiplying effects they have on local industries, primarily via higher demand for goods and services. However, because of the form they take and the fact they are not producing any formal linkages with the financial industry, they have not been taken into account by the ‘productive’ forms of investment favoured by the migration-development discourse.

So, are these dynamics unique to migrant households in the coffee region of Colombia? How do these experiences compare with those of other migrant communities in Latin America and other parts of the world?

Multifaceted uses of remittances: the wider context

The use of remittances to engage in strategies that aid the long term maintenance and reproduction of livelihoods has been documented among migrant households in many other sending countries in Latin America, Asia and Africa. For example, Montoya Zavala (2006) has documented the use of remittances to finance small business ventures from taxi services and hairdressers to cafeterias, restaurants and hotels in the

Dominican Republic, El Salvador, India, Pakistan, Morocco and Tunisia. Sørensen (2005) found that some Colombian migrant families with relatives in Italy rely on renting rooms in the home, that had been built with remittances, to supplement their income, while Verrest and Post (2007) have shown how low-income migrant households in Suriname combine remittances and home-based economic activities as livelihood strategies to make ends meet. Also, Laurie (2005) has documented how rural migrants in Cochabamba, Bolivia established home-based clothing workshops that relied on kinship relations with *paisanos* for their reproduction. But this integration of economic activities within and around the dwelling is a feature that has also been previously observed among non-migrant families. In Colombia, Kellett (2002) found that a significant number of low-income households in Santa Marta used the home as a place of sustenance, that is as the centre for production activities, as well as the domestic reproduction of the family, while Gough (1999) found that self-help builders in Pereira established home-based enterprises as a means of earning extra income to finance the completion of their houses. Similarly, Tipple et al. (2002) found that home-based enterprises have become crucial to guarantee the livelihoods of low-income families in Bolivia, India, Indonesia and South Africa, especially after the introduction of structural adjustment programmes in these countries. So, what are the unintended economic outcomes that are produced in the process of maintaining and reproducing family relations from afar through the sending remittances?

7.1.2. Remittances and housing investments: unintended economic outcomes

The unintended economic outcomes that emanate from the sending of remittances among Colombians in London are related to their 'multiplying effect'. This is described here as spin-off effect that occurs at the level of the household/family and may or may not have immediate economic effects at the community/local economy level. That is, remittances not only help their direct beneficiaries in the Coffee Region but also the migrant's extended family because the former, given their higher disposable income, help the latter and these, in turn, help others. In contrast, in the economic literature, the 'multiplying effect' of remittances derives generally from the fact that a significant portion of them is spent in household consumption which has positive impacts on the local, regional and national economies (Durand, 2009).

This household multiplying effect is illustrated by the utilisation of remittances in Nancy's family. Nancy and her brother have lived in London for more than 10 years. Their mother, sister and nephews live in Cali. I asked Nancy's sister, Ana, how the situation of the family had improved since her siblings migrated and she replied:

“The situation has definitely improved. One can see for example that my mum helps the people she can help with the same money that she receives from my siblings. She has 11 siblings and she helps them. She has benefited by their emigration and also other people such as my children because they are the only two grandchildren that she has here...if they need anything, she gives it to them because she now has that extra income from abroad”.

Similarly, Lina, whose son resides in London, recounted how she was able to help other relatives with the money she received from abroad:

“With the money that my son sent me every month, I used to help my brother, who does not have a stable job. I used to buy food for my house and his. I also help other family members like my sister, who has two children, and my niece who is studying in Pereira; I buy food for them because they just don’t have enough money”.

As the stories of these two migrant households have illustrated, the remittances received from London have produced other unintended economic outcomes that extend beyond the migrants’ immediate family. Although migrants do not usually remit with the intention of aiding the reproduction of their wider family networks, these are nonetheless benefiting in multiple, yet often intangible, ways. These spin-off effects of remittances at the household level have tended to be ignored in the economic literature, which has concentrated on analysing their wider economic and quantitative impacts on growth, investment, labour supply and financial sector development (Fajnzylber and López, 2007; Ratha, 2003). Documenting these dynamics highlights the fact that there is a wider interdependence between those members of the family who migrate and those who stay behind but remain connected with the migrant through kinship, economic and social ties and allow us to capture some of the qualitative impact that the flow of remittances is having on migrants’ wider social networks.

In summary, migration and the sending of remittances can be seen, in the broader context of transnational family relationships, as part of wider livelihood strategies for the maintenance and reproduction of the family. This first section has shown that these family reproduction strategies generate other intended and unintended economic outcomes. On the one hand, they create avenues for the generation of additional sources of income that ultimately reconfigure the livelihoods of these transnational

migrant households in the Coffee Region by delinking (at least partially) the family's subsistence from the migrants' remittances. On the other hand, migrant remittances have spin-off effects that extend beyond the migrants' immediate family, which point to the wider interdependence of those who migrate and those who remain behind. On the whole, these migrant households' strategies to maintain and reproduce the family across the transnational social field highlight the conceptually narrow nature of the migration-development discourse. In particular, its failure to recognise the important and diverse economic and social dimensions of migrant households' livelihood strategies and, given its obsession with easily quantifiable general measures of development, their real impact on households' everyday living conditions and local development processes.

So how have these households' economic advancement and search for guaranteeing their long term livelihood shaped their local environment? In particular, the next section will explore the changes in landscape that have taken place in the Coffee Region of Colombia as a result of a large influx of remittances and their increasing use to finance housing construction. This is important because it reflects how the changing economic landscape of the region, given its high rates of emigration, has impacted upon its visual and socioeconomic landscape. In addition, as the next section will make clear, the issue of changing landscapes as a result of increased migration and remittances has been a salient and contentious subject in the migration literature.

7.2. Remittances, housing and landscape transformations in Colombia's Coffee Region

Changing landscapes as a result of increased migration and remittances have been observed and documented in a diverse range of communities around the world. These studies have vividly described the material changes in the landscapes that have taken place in different communities in the global south¹⁶³ while placing an emphasis on the contested nature of the newly-built migrant houses at the community level and how they are shaped by local and global processes. For example, in Asia, ()Van der Horst (2010) found that some villages in central Anatolia, Turkey were utterly transformed through both migration and the construction of new houses by Turkish migrants in the

¹⁶³ With the exception of Katharyne Mitchell (1998) who documented the vast changes in landscape that occurred in Vancouver's west-side neighbourhoods as wealthy Chinese immigrants built 'Monster Houses' and how they disrupted many established notions of home, community and the way of life of some local residents.

Netherlands. These houses were usually bigger and of a totally different style to the vernacular architecture and testified to the success of their owner and were regularly created and recreated as summerhouses or retirement retreats. In Africa, Vasile (1997) documented how, in an effort to display their material success, working class migrant families in the urban periphery of Tunis emulated the 'villa' architectural housing style previously reserved for the suburban middle class. Vasile vividly described not only how these new houses seemed out of place in these marginal neighbourhoods but also, how they are embedded in global social and cultural process and the ways in which they contested the elite's ideal of economic and social mobility.

In Latin America, Peggy Levitt (2001a) has documented the changes in the housing landscape taking place in the Dominican village of Miraflores, where two-thirds of families have relatives living in the metropolitan area of Boston in the United States. In particular, she vividly described the ways in which the new, mostly half-finished, homes differed so completely in style and scale from the other houses in the area. Christien Klaufus (2006) has documented the ideological conflicts over the vast physical changes in the built environment of Cuenca, Ecuador as a result of massive transnational out-migration of lower and middle class locals to the US and Europe in the last two decades. She concluded that the established elite's objections to these new constructions were based on notions of class, class-based geography and taste. Similar cases have been documented in other parts of Ecuador and Mexico. Colloredo-Mansfeld (1994) has documented that in Ecuador's northern Andes, local and transnational textile weaver/trading families create new architectural forms to affirm their economic success and social position. Fletcher (1999) documented similar trends in a village in the state of Michoacán which relies heavily on transnational migration to the Los Angeles area of the United States while Pader (1993) explored housing as a culturally mediated phenomenon among Mexicans living in the US and migrants returning to the state of Jalisco, Mexico. A more recent study by a group of Anthropologists and Architects under the umbrella of the Spanish Agency for International Development entitled 'the architecture of remittances: dreams of return, signs of success' documented the great influence of economic and social remittances on the family and community life and architecture of Guatemala, El Salvador and Honduras (AECID, 2010). All these examples point to the fact that landscapes are deeply embedded in social relations and are part of complex processes through which individuals define themselves and claim a place in the social and economic arena in which they function.

As explained in chapter 3, the coffee region of Colombia occupies an important place in the geographies of migration of the country. The central western area of Colombia, the Eje Cafetero and the state of Valle del Cauca, has the highest rate of emigration in the country and receives around 50% of the remittances that enter the country every year. In addition, around 50% of Colombian migrants in London come from this geographical area. So, how much has the region's visual landscape change as a result of these trends?

The visual changes

Although there is no hard data on the number of houses that have been built and/or improved with remittances in the cities and towns of the Eje Cafetero, their increasing number and visibility is a fact in the common domain of migrant and non-migrant families alike¹⁶⁴. Andrea, the 51-year-old woman from Pereira who has lived in London for 14 years, summed up the situation:

“I know that the economy of Anserma¹⁶⁵ is driven by the remittances that are sent from overseas...here in London there are an awful lot of people from Anserma...I visited Anserma 2 years ago and I found that it had changed a lot, quite a lot. My brother (who lives there) told me that virtually all these changes are due to the emigration of people from there because everybody sends money, every 8-15 days people (the family members) receive money; they open up businesses, there is a lot of construction...you know that one comes here and the main objective is to build a home, buy a home....so there has been a lot of progress in the town – it has changed a lot with emigration”.

Figure 7.2 illustrates the sorts of changes that Andrea described. It is evident that these new houses, presumably financed with remittances¹⁶⁶ contrast in style and scale with the old houses. These houses seem to be constantly in construction, expanding upwards and tend to have new, freshly painted façades. One important reason for this is that, unlike the trends documented in other localities in Asia and Latin America, these houses are not built for migrants' summer or holiday retreats. They are usually

¹⁶⁴ As it is argued in chapters 2 and 5, one clear sign of this trend is the fact that the Colombian government has put all its weight behind the institutionalisation of the flows of money that fund these housing investments.

¹⁶⁵ Anserma is a traditional coffee town in the Eje Cafetero.

¹⁶⁶ Certainly, not all new/enlarged houses in the towns and cities of the Coffee Region belong to migrant families. However, many of the people I interviewed in different localities in the region pointed at me the houses they know, first hand, have been built, extended/remodelled or bought by migrant families in their neighbourhoods with the remittances sent from abroad.

inhabited by the migrants' relatives at origin and are often used to derive an additional source of income, such as the renting of newly-built additional floors.

Figure 7.2: Changing landscapes in Anserma, Caldas



Photographs by author

These visual changes in the housing landscape were one of the main issues that residents of the Eje Cafetero highlighted when asked about recent socioeconomic changes in their communities. These housing improvements were invariably linked to an overall improvement in the quality of life of the people with relatives abroad.

As Margarita, the hairdresser in Anserma, Caldas, eloquently put it:

“One can see a lot of improvement in the houses. The shacks are not shacks anymore and there is a lot of housing restoration going on...A lot of people have bought houses in the new neighbourhoods outside the centre or even in Pereira because this area (the centre) has always been reserved for people with old money, the town's traditional families...although there are still a lot of wattle and daub houses because there is still a lot of poverty here in the town. One can see that the families that receive money from abroad live better and much more relaxed”.

Eugenia, a 69-year-old, resident of Zaragoza, Valle whose sisters and nephews have lived in London since the 1990s, also spoke about the changes she had seen in her community in the last few years:

“Well, there have certainly been changes around here because a lot people have left. A few things have changed, not everything. Of course, the houses have been improved. Primarily, the people with relatives abroad, like me, have improved their kitchens, the bathrooms, the façades; those are the most important things. The majority make these changes little by little with remittances...around here, people tend to fix, remodel their old houses”.

But as the stories of Margarita and Eugenia suggest, despite the fact that migrant families have been able to upgrade their old homes or build new houses with the remittances they receive, that has not necessarily meant that they have been able to move up the socioeconomic ladder¹⁶⁷. So, the increasing use of remittances to finance housing investment has no doubt allowed migrant families to significantly improve their individual living conditions but this has not necessarily meant more profound changes in their socioeconomic standing or the structures of the localities where they reside. This should not be surprising given that, as explored in chapter 6, migrants' decisions to invest in housing were invariably linked with guaranteeing a space for the reproduction of the family back home and/or as part of a long term personal strategy to facilitate their eventual return, not as a conscious decision to challenge the socioeconomic order in their localities of origin. Nonetheless, it seems that the changes that have been made to some of the houses have gone beyond fulfilling the need to provide shelter and guaranteeing a space for the family's reproduction. As explored in chapter 6, because for many the dream of homeownership can only be materialised by migrating, the houses built also tend to be an expression of the material success attained while living and working abroad. So, the materialisation of the dream of homeownership among migrant families is by no means, a homogenous process. As figures 7.3 and 7.4 illustrate, these expressions of success are quite varied and do not necessarily follow a specific architectural pattern and their contrast in style and scale is even more striking in towns where wattle and daub houses used to dominate the landscape. Thus, the importance that migrants attach to these houses may not only be associated with their capacity to improve the material structures but also with their hopes and ideals, with feelings of security and continuity and as a setting for the expression of the self.

¹⁶⁷ This finding is largely in line with recent studies on the impact of remittances on poverty. Based on 20 years of data for Asian developing countries, Vargas-Silva (2011) found that although remittances have no impact on poverty ratios they do have a significant impact in reducing the depth of poverty (people may be less poor even if they do not cross the poverty threshold).

Figure 7.3: Wattle and daub and remittance-financed houses, Anserma, Caldas



Photograph by author

Figure 7.4: Wattle and daub and remittance-financed houses, Zaragoza, Valle



Photographs by author

In summary, high rates of emigration have produced significant changes in the housing landscapes in Colombia's coffee region. The materialisation of the dream of homeownership among migrant families is a heterogeneous process. The varied architectural styles indicate that these housing investments are a rich expression of the material and non-material possibilities that have been accrued by migrating. Certainly, investing in housing is the translation of migrants' efforts and sacrifices into the ability to produce and consume a space for the reproduction of the family, which is one of the main reasons behind migrating. It is a merging of the social, the material and the symbolic that may be producing these specific landscapes. On the face of it, these housing investments have produced significant improvements in the living conditions of migrant households even if they have not necessarily implied greater changes to their socioeconomic standing or local social structures, as has been documented elsewhere. Yet, these investments can be interpreted as one of the mechanism that migrants have found to maintain a presence and participate in the socioeconomic life of their places of origin from afar. Although there is no hard data on the number of houses that have been built and/or improved with remittances in the cities and towns of the Eje Cafetero, what is clear is that these investments are an important ingredient in the remaking of the visual landscape of these localities.

The final section contextualises the family reproduction strategies discussed in the empirical chapters of this thesis by exploring the social cost and personal sacrifices that underpin the sending of remittances for the maintenance and reproduction of the family in the transnational field. This is important because although migrants have been placed at the centre of the migration-development discourse, these aspects of migrants' lives have tended to be ignored in the literature.

7.3. Family reproduction strategies: personal sacrifices and social cost

As explained in chapter 6, international migration is seen by most Colombian migrants in London as a vehicle to realise their dreams. In general, these dreams are closely related with obtaining the means for the family's maintenance and reproduction and hence, greater welfare for themselves and their families. This perception is underpinned by a general sense of limited labour opportunities in the local market epitomised by the phrase 'en Colombia no se puede progresar'¹⁶⁸ and also, by the urgency of searching and providing for a brighter and better future for themselves and their families.

¹⁶⁸ 'one cannot get ahead in Colombia'

In effect, most of the migrants interviewed for this study have been able to, partially or wholly, materialise those dreams. The materialisation of those dreams has taken the form of a general (and in times, quite significant) improvement in both their own, and their families' welfare. In the process of maintaining and reproducing the family across the transnational social field, migrants pride themselves in having built/bought houses, improved the old ones and/or recovered houses previously lost during the mortgage crisis and guaranteeing a good level of subsistence for their family members back home. They are also able to provide their children with the opportunities they never had, help other family members in times of crisis, including facilitating the migration of other family members and funding the education of relatives who would otherwise not be able to afford it. Although the decision to migrate tends to be very personal, migrants usually expressed their decision to migrate in terms of the needs and welfare of their families, especially their children, specifically, the search for a better future for them. But fulfilling these needs has come at a great personal cost, especially in terms of downward occupational and social mobility.

However, as Datta et al. (2007) have rightly pointed out, despite the fact that remittances have been hailed for their potential role as drivers of economic development in migrant-sending countries, the emotional sacrifices that migrants make in order to remit and the exploitative conditions under which those remittances are created have not been widely documented. Thus, in order to address this gap, this section documents the personal hardship, involved in the migration process and the sending of remittances, faced by migrants in London as well as the experiences and emotional toll that these have had on their families in the coffee region of Colombia. This is especially important given the difficult social, economic and political conditions that most of these migrants left behind but, in many parts of the country, continue to be felt until today.

Migration, family reproduction and personal sacrifices

In the coffee region, as in much of the rest of the country, the armed conflict, high levels of poverty, marginalisation and social and economic exclusion intertwined in such a way that people from all socioeconomic backgrounds have been pushed to seek social, political and economic refuge abroad. A sense of desperation and the urgency of searching for a better future was commonplace among Colombians in London. This situation was well summarized by Ana Carolina, a 41-year-old migrant from Pereira who has worked as a cleaner in London for 7 years:

“I came here because of the situation, the difficult economic situation we had. I had three little girls. I did not have a proper job, I used to sell lingerie and cosmetics via catalogue. It was difficult to get a job because I did not finish high school....so we depended on my husband’s salary and that was simply not enough. We were on the verge of losing our house and I felt trapped. I did not have any hope for the future of my children, for their education which was the thing that worried me the most. I wanted to get ahead, I wanted them to become someone, to go to university, not to stay home like me or become maids. But to come here, I had to leave my daughters there. That is very sad and very painful. We, the people who leave our children behind, we suffer horribly, I do not wish that kind of pain to anyone”

And it seems that Ana Carolina has in effect, been able to completely transform her and her family’s life by providing her daughters with the opportunity to get an education, something she did not have. When I spoke to Ana Carolina’s daughter, Judith, in Pereira, she recounted all the things that they, as a family, had been able to achieve since her mother migrated but also how painful it was to see her go. Judith was in her late teens when her mother migrated:

“My mum left because she wanted to give us a better future and living here with my dad made that impossible. Back then, it was very, very painful and unsettling to realise that she was not going to be around and I still feel like there is something missing in my life. But my mother helps us a lot with everything. She helps me and my daughter, especially now that I am between jobs...she pays for my daughter’s school, the transport, the food, etc. She also helps my grandmother and the rest of her family. If my mum had not left, god only knows what would have happened to us in the middle of all this poverty here in Colombia. The best thing that has happened is that my mum was able to take my sisters to London. They have their papers and they are now polishing their English to be able to study because there are a lot of opportunities there and things are easier. Ah and after I had my baby, my mum offered to pay for my school. I am now a nursing assistant...and she wants to buy us a house this year”.

The achievements that Ana Carolina’s family have been able to attain based on her migration to London are indeed great. Ana Carolina has not only been able to improve the current living standards of her immediate family members but, by providing her

daughters with an education, has also been able to enhance their future prospects. Indeed, the higher purchasing power that remittances afford to this migrant household has allowed an investment in human capital that would have not been possible prior to migration. The story of this family highlights the socioeconomic possibilities that are being created by the multiple resources generated by migration but also the emotional sacrifices that they have had to make in order to fulfil their aspirations.

These socioeconomic possibilities in Colombia are being created at the same time that migrants themselves are experiencing de-skilling, de-professionalisation and downward social mobility in London. And more often than not, these experiences have been accompanied by a deterioration of migrants' socio-human condition: high rates of depression, loneliness and feelings of isolation. Andrea, a 51-year-old migrant in London, put it bluntly:

“Living here has not been easy, especially when we first came. We used to work from 5 in the morning until 10 at night, cleaning offices...but we were educating our children in Colombia and that was expensive. Here I have worked with doctors, lawyers and engineers, all with a cloth in their hands cleaning desks...one as an immigrant has to be humble because you have to make a living and living in London is extremely expensive, one lives as a poor person here...But the worst is the lack of papers, we lived through that and one feels devastated. Also the stress and the one thing that is very, very hard and touches all of us is depression. When the first December came, we felt awful knowing that the whole family was in Colombia and only the two of us were here...that was depressing...my sister and I spent entire weekends just crying, crying, crying”.

But Andrea's story is not unique. As Durant (2009:29) reminds us: *'In many rich and developed countries, the labour situation and living conditions of migrant workers is not only questionable but inadmissible'*. The nature of the labour market in a global city such as London, where there is great demand for highly skilled professionals but also low-skilled service workers, means that these low-paid jobs with limited advancement opportunities and job security tend to be filled by documented and undocumented migrant workers. Two main reasons explain Colombian migrants' de-skilling, de-professionalisation and subsequently downward social mobility. On the one hand, a significant proportion of them do not have the necessary language skills needed to thrive in London's competitive labour market. On the other hand, the professional

qualifications they have obtained back home are not always easily recognised (or equivalent) in the UK. The fact that migrants from the global south tend to face downward occupational and social mobility in cities in the global north, has been previously documented. Sørensen (2005) has documented the growing class diversification and labour informalisation of Colombian and Dominican migrants in Europe. Specifically, the fact that increasingly migrants, regardless of their class background, are forced to take precarious jobs in the informal labour market of the European societies where they settle. Similarly, Datta et al. (2007) found that almost half of low-paid migrant workers in London held jobs that required substantially lower qualifications than those they had obtained in their home countries. And as explained in chapter 3, the Latin American Migration in Europe Survey found that a great portion of Colombians in London reported having experienced downward social mobility: while 46% belonged to the lower and lower middle income strata in Colombia, now 76% do so in London society (LatMES cited in Guarnizo, 2008).

Nonetheless, migrants recognised that living and working under these conditions was the personal price they had to pay in order to send remittances for the maintenance and reproduction of the family and the materialisation of the dreams that pushed them to leave Colombia. In short, the migration experience was internalised as a sacrifice that had to be made by the individual, the migrant, for the welfare of all, the family.

As Diana, a 51-year-old migrant who has resided in London for 20 years, summed it up:

“The majority of us leave our country searching for a better future but to be able to attain that you have to work hard and you have to go through a lot of things. It has been hard. The first year, I used to cry every day and I wanted to go back. Then I set myself a target but time goes on and I saw that I could help my family because I started to make money and what I made here was worth twice or three times the amount there (in pesos). That is what made me think twice about going back to Colombia because I knew that it would be difficult to help my family living there...That is what pushed me to stay in this country”.

But although the remittances migrants send have produced significant material progress and considerable improvements in the quality of life and general wellbeing of their families, the migration of loved ones has also taken a personal toll on the family members left behind in the coffee region. The case of Maricruz’s family provides a

telling example. Maricruz, her brother and nephews live in London. Maricruz also has a sister in Spain. Her sister Dulce, who lives in Pereira, recounted the emotional toll that the migration of her relatives has taken on her family:

“It hurts me quite a lot to see my brother’s son. He is 12 and has been without his father for 8 years now. He practically does not remember his father. They talk via the internet but it is not the same. I long for the day they, my siblings, come back because my parents miss them quite a lot and they are getting older and weaker. My parents are in their 80s and I know that the deterioration of their health has been accelerated by the absence of my siblings...So, yes my parents live better now because of the help they get from them but what we have felt the most is that big void, that big gap in the family, it is very sad”.

Although these trends have been not been extensively documented, the very few available studies on migrant communities in Latin America point in the same direction. For example, a recent study on the emotional impacts of migration on origin families in Mexico found that the migration of close family members to the US such as spouses and children significantly increases depression and feelings of loneliness among family members remaining in Mexico (Silver, 2011). Similarly, Pribilsky (2007) has documented the adverse emotional effects that the migration of men from the Ecuadorian Andes to New York has had on the women left behind.

The fact that the majority of Colombian migrants interviewed for this study are found at the margins of London’s occupational and socioeconomic structure along with the expressed enormous personal toll that migration has bestowed upon them and their families, point us to question the extent to which migrants still perceive their migration project to have been worth it. Despite the hardships they have endured during their time in London, most migrants expressed that the benefits of migrating still outweigh the personal cost of having to live separated from their loved ones. They perceive British society as much more egalitarian than Colombian society, a place that provides opportunities for advancement regardless of a person’s social background. In particular, London is perceived as the place that has given them the opportunities for material and non-material gains, they would have not been able to attain in Colombia.

Mariana put some of these issues into perspective. She is a 36-year-old migrant from Buga, Valle. Mariana and her husband came to London 10 years ago. After working as

a cleaner for a few years, Mariana managed to get certified as a nursery teacher. She recounted her experience of living here:

“The past is sad. I had to go through a lot of sad experiences to be able to get where I am now. Coming and living in this country has not been easy and you face difficulties at the personal, professional and financial levels. But this is a country of opportunities for everybody, the poor, the rich and the lame. There is a balance here and one cannot tell who is rich or poor because everyone relates to everyone...It is not like in Colombia where there is such a big imbalance between the rich and the poor and where people are separated by the neighbourhoods in which they live...”

Antonio, a 44-year-old, small business owner from Pereira who migrated to London with his family in 1999, also put it succinctly. I asked him whether he thought it had been worth migrating:

“Look I have to tell you that I am very grateful to this country because despite all the difficulties you have to face as an immigrant, at least here even old people find jobs and that is very important, to feel useful. There are many reasons that attract and keep people here in this country. Here you can have a new experience, you see economic improvement, physical security, economic security and stability and a better future for your children and your family....and on top of it, help your family in Colombia...how can you have all that there [in Colombia]?”

As these quotations illustrate, even though most of these Colombian migrants occupy a marginal position in London's social and economic life, they perceived the UK as a place with opportunities for upward social mobility which are not available in Colombia, because of its rigid class structure and high levels of inequality. Thus, living and working in London (a global city) represents an improvement in migrants' position vis-à-vis their equals in Colombia. These findings should not be surprising given that, as explained in chapter 2, migrants' socioeconomic and cultural terms of reference tend to operate simultaneously in the society of origin and destination. So, while these perceptions of British society may sound too optimistic, the fact is that migrants' multiple interactions, socioeconomic practices and context-specific understandings are constituted within their own historical specific points of reference. Despite all the difficulties they have had to face, for these migrants, the economic possibilities that

London has to offer are no match for the harsh socioeconomic and political environment they left behind.

In summary, international migration has allowed most Colombians in London interviewed for this study to, wholly or partially, improve their own and their families' welfare. But fulfilling the needs of maintaining and reproducing the family across the transnational social field has usually come at a personal cost to migrants in London as well as their extended social unit in the coffee region of Colombia. These costs have tended to be ignored in the literature, and are especially absent in the migration-development discourse. In particular, this section highlighted that important socioeconomic possibilities, such as investing in housing and human capital, are being created in Colombia by the multiple resources generated by migration. But these possibilities are being created at the same time that migrants themselves are experiencing de-skilling, de-professionalisation and downward social mobility in London. Migrants' position of liminality in London's occupational and social structure has often been accompanied by high rates of depression, loneliness and feelings of isolation, some of which are also being felt by their loved ones back home. Because migrants' socioeconomic and cultural terms of reference tend to operate simultaneously in the society of origin and destination, for these migrants, living and working in London represents an improvement in their position vis-à-vis their equals in Colombia. Thus, the evidence presented here suggests that most migrant households perceive that the benefits of migrating outweigh the personal cost of having to live separated from their loved ones.

7.4. Concluding remarks

Migration and the sending of remittances can be seen, in the broader context of transnational family relationships, as part of wider livelihood strategies for the maintenance and reproduction of the household. For Colombian migrants in London and their families in the coffee region, these family reproduction strategies have generated other intended and unintended economic outcomes. On the one hand, they have created avenues for the generation of additional sources of income that may ultimately reconfigure the livelihoods of these transnational migrant households by partially de-linking, over time, the family's subsistence from the migrants' remittances. These resources are being generated within the home, by building additional rooms for rent, housing for housing, or setting up small businesses. They are also being generated outside of the home, by using the earnings from renting other property (previously financed with remittances) as an income supplement. On the other hand,

migrant remittances have spin-off effects that extend to the migrant's wider social network, which point to the wider interdependence between those who migrate and those who remain behind.

Migrant households' economic advancement has shaped the environment they left behind. In particular, the large influx of remittances and their increasing use to finance housing construction have produced significant changes in the visual housing landscape of the Coffee Region of Colombia. These housing investments are a rich expression of the material and non-material possibilities that have been accrued by migrating and are an important ingredient in the remaking of the visual landscape of these localities. Although important socioeconomic possibilities are being created in Colombia by the multiple resources generated by migration, this has usually come at a personal cost to migrants in London as well as their extended social unit in the coffee region of Colombia. In particular, these possibilities are being created at the same time that migrants themselves are experiencing de-skilling, de-professionalisation and downward social mobility in London. While their families endure the emotional sacrifice of having to live separated from their loved ones in order to guarantee the reproduction of the family. However, because migrants' socioeconomic and cultural terms of reference tend to operate simultaneously in the society of origin and destination, for these migrants, living and working in London represents an improvement in their position vis-à-vis their equals in Colombia.

The findings presented here point to the conceptually narrow nature of the migration-development discourse and its failure to recognise the multiple economic and social dimensions of migrant households' diverse livelihood strategies and their impact on the development process. On the one hand, many households' livelihood strategies involve channelling remittances to the construction industry and they make an important contribution to migrants households' improved living standards and aid the local development process through the multiplying effects they have on local industries. However, these activities are not considered 'productive' investments and hence, are not being captured by the migration-development discourse because they are not producing any formal linkages with the financial industry. On the other hand, although migrants have been placed at the centre of the migration-development discourse, important aspects of their lives have tended to be ignored. Specifically, because of the insistence on exalting migrants' role as consumers and producers of wealth, this neoliberal-inspired discourse has ignored their condition as citizens with social rights. Moreover, it has downplayed the social, economic, political and historical factors that

pushed migrants to leave their countries of origin and the conditions in which most of them enter (and remain in) their societies of destination in the global north.

Conclusions

This thesis has explored the multiple political, financial and social linkages that are generated by migrants' transnational practices while contextualising the connections between state policy, economic development, global financial flows, family livelihood strategies and migration experiences and aspirations. This analysis has been grounded in an examination of the ways in which Colombian migrants are being constructed as transnational financial subjects and how the construction of these subjectivities fits within broader discourses of development and neoliberalism. The study is based on multi-sited empirical data collected at both ends of the migration network, London and Colombia. It has employed a multi-method approach to data collection that includes semi-structured interviews and participant observation as well as secondary qualitative and quantitative data. It has also employed a set of methodological techniques such as volunteering at migrant organisations and establishing links with local academic groups, which facilitated the research process and provided a wide range of contextual and practical insights not available in the formal literatures.

This final chapter begins by reviewing the research questions and outlining the main findings of this research. This is followed by an exploration of this thesis' theoretical, empirical and methodological contributions to current debates on the link between migration and development. Finally, it outlines some of the policy implications that derive from this study and highlights the avenues for future research.

8.1. Summary of findings

As outlined in chapter 1, this thesis aimed to answer the following questions:

- 3) How are Colombian migrants being constructed as transnational financial subjects? And what role is the state playing in shaping the construction of these new financial subjectivities through housing?
- 4) How are Colombian migrants in London and their households in the Coffee Region of Colombia realising their dream of homeownership? And what implications do their transnational housing investments have for our understanding of the link between migration and development?

In order to answer these questions, chapter 2 situated the Colombian government's narratives around the use of remittances to finance housing investment within broader discourses of development and neoliberalism, in an era of growing financialisation of the process of capital accumulation. It also drew on recent scholarship on the processes of transnationalism to frame migrants' diverse practices along the geography of the migration network. It examined how these articulate with the state's efforts to institutionalise migrant households' economic practices in the transnational field. Chapter 3 provided detailed contextual information on the historical and recent developments in relation to Colombian migration, remittances and the socioeconomic and political context that underpin these developments. It also framed the Colombian government's response to recent developments in the arenas of migration and remittances within the wider regional and global contexts.

Chapter 5 examined the ways in which the Colombian government is constructing migrants as financial subjects abroad and how these subjectivities have progressively been incorporated into the national policy discourse and practice. This was achieved by analysing the remittances-for-housing programmes that target Colombian migrants: 'Mi casa con remesas' and international housing fairs. Chapters 6 explored the alternative strategies and experiences of accessing housing articulated by Colombian migrants in London and their households in the Coffee Region of Colombia. Finally, chapter 7 explored other intended and unintended social and economic outcomes that are generated by remittances and their use to finance housing investments. It also documented the changes in landscape that have taken place in the Coffee Region of Colombia as a result of the changing economic geographies that have accompanied the high rates of emigration from the region and the personal sacrifices and social cost that underpin the sending of remittances.

The main empirical findings of this research can be grouped in three main strands. First, despite the numerous changes introduced since the 1970s with the aim to boost the construction sector and position housing finance at the centre of the sector's revival as an engine of growth, Colombia's housing finance market remains shallow at best. The rigidity of the requirements and low levels of formal employment and economic activity have meant that in practice, housing finance remains out of reach for the majority of Colombia's population, who belong to the lower and lower-middle income strata. In this scenario, the Colombian government has embraced the migration-for-development discourse emanating from the international development and aid agencies. It has engaged in a dynamic campaign to redefine its relationship with its diaspora in an attempt to institutionalise migrants' transnational practices by designing specific programmes to channel remittances to key sectors such as housing and finance. To this end, the government created the 'ColombiaNosUne' (Colombia unites us) programme in 2003. Under this programme, the government has backed a programme designed and financed by the Inter-American Development Bank, based on the use of remittances for mortgage-backed housing acquisition. But the Colombian government has gone a step further than many other sending states by promoting housing/property fairs for Colombian migrants in their main cities of destination in the global north: Madrid, London, New York and Miami. Despite the fact that the government has put all its weight behind creating and sustaining a new transnational socioeconomic space by rendering migrants as financial subjects abroad through programmes aimed to channel remittances to 'productive investment', the overall impact of these programmes has been relatively small. Given the western-centred nature of these programmes, structural constraints in their design and implementation have prevented them from having a wider impact, especially among Colombians in London.

Second, the majority of Colombian migrants in London interviewed for this study have invested in housing in Colombia after having migrated. However, none of them has accessed housing through the government-sponsored programmes, 'Mi casa con remesas' and the international housing fairs or by borrowing from a bank. Thus, Colombian migrants in London have not embraced their newly-assigned financial subjectivities but are instead using alternative strategies for housing acquisition and financing. These housing investments are not 'productive' in the sense articulated by the government, as new-mortgage-financed housing but instead take the form of local-level, gradual housing upgrading or building and are financed by the monthly remittances sent by migrants, which generally bypass the formal banking system.

These alternative strategies to access housing are underpinned by migrants' generally negative perception and mistrust of the government to solve the social and economic problems that pushed them to live Colombia and/or improve the hard socioeconomic reality they are faced with in London. For these migrants, investing in housing fulfils multiple roles such as fulfilling one of the goals of migrating and directly improving the family's welfare as well as providing a sense of present and future stability and security. In this sense, housing investments have material but also important qualitative effects on the everyday lives of migrant households. The fact that migrants continue to rely on their family members back home for the materialisation of the dream of homeownership and that the investment process is quite transnational in nature elucidates the role that these investments play in the maintenance and reproduction of family relations across the transnational social field.

Finally, for Colombian migrants in London and their families in the Coffee Region, these family reproduction strategies have generated other intended and unintended economic outcomes. On the one hand, they have created avenues for the generation of additional sources of income that may ultimately reconfigure the livelihoods of these transnational migrant households by partially de-linking, over time, the family's subsistence from the migrants' remittances. On the other hand, migrant remittances have spin-off effects that extend to the migrant's wider social network. The large influx of remittances and their increasing use to finance housing construction have produced significant changes in the visual housing landscape of the Coffee Region of Colombia. Although important socioeconomic possibilities are being created in Colombia by the multiple resources generated by migration, this has usually come at a personal cost to migrants in London as well as their extended social unit in the coffee region of Colombia. These more nuanced social and economic contributions (and costs) that migrant households' diverse livelihood strategies in the transnational field have for the development of their households and communities are not being captured by the migration-development discourse.

8.2. Contribution to knowledge

Given the absence of previous research on the interactions between the political, financial and social geographies of transnational migration in the context of housing, this thesis makes a number of theoretical, empirical and methodological contributions to knowledge.

The main theoretical contribution of this research stems from its crossing of disciplinary boundaries to create an arena for analysis that emphasises the mutual constitution of the global north and south and 'de-compartmentalises space' (Pollard et al., 2009). In particular, it has developed a cross-disciplinary conceptual framework that articulates the local-to-global connections of the transnational practices that flow, between the north and the south, through both ends of the migration network, and how they shape and are shaped by the wider socioeconomic and political-economic processes of capitalist development (chapter 2). This framework has been developed by paying particular attention to the role of the state in shaping and framing these practices in an era of growing financialisation of the process of capital accumulation (chapter 5) while privileging embodied accounts of migrant households' livelihoods (chapters 6 and 7). Thus, this research has challenged the boundaries between economic geography and development studies by answering calls to 'bridge the divide' between these two sub disciplines (Vira and James, 2011) and stretching economic geography's research to the confines of the global south (Murphy, 2008).

The main empirically-based but theoretically significant contribution of this research stems from its conceptualisation of Colombian migrants as transnational financial subjects and its critical readings of the link between migration and development. In this sense, I have made three main arguments. Firstly, the Colombian government's efforts to cast migrants as transnational financial subjects and hence as agents of development is tightly linked to wider attempts at the institutionalisation of migrants' transnational social field. These attempts are embedded in ideologically-driven neoliberal discourses of citizenship that privilege the financial market as the medium for individuals' and households' socioeconomic reproduction and displace the responsibility for economic development from the state to its citizens (at home and abroad). Secondly, based on the primary role of the Colombian government in the construction of migrants' financial subjectivities, the nation-state continues to play a crucial role not only in framing the terms under which transnational practices take place but it is also being pushed to redefine its domain of action in an attempt to capture the resources of the population beyond its borders. Finally, the singling out of the housing

and financial sectors for migrants' incorporation into the polity as agents of development is not a coincidence, rather it is based in a belief in the neoliberal orthodoxy of development economics and a recognition of the potential that migrant households' links with global circuits of capital and finance have for the country's incorporation into the global capitalist system.

Furthermore, as illustrated in chapters 6 and 7, the migration-for-development discourse and its programmes tend to be based on a set of narrow, prescriptive and economic practices that exult migrants' role as consumers and producers of wealth. Conversely, they ignore their condition as citizens with social rights and the social, cultural, political and historical factors that pushed them to leave the country and the conditions in which most of them enter (and remain in) their societies of destination in the global north. In addition, because the migration-for-development programmes privilege easily quantifiable general measures of development, they fail to capture the multi-faceted and more nuanced contributions that migrant households' diverse livelihood strategies in the transnational field have for the development of their households and communities at origin.

Lastly, this thesis' main methodological contribution is having brought back geography into transnational discourses by tracing Colombian migrants' transnational practices along the geography of the migration network. Although it has been suggested that high rates of migration have transformed Colombia into a '*transnational social formation*' (Guarnizo, 2006a), there remains a dearth of research on the transnational practices of Colombians abroad. In addition, most research has been conducted either at the point of departure or destination and has, for the most part, focused on the established flows of migrants to the United States and more recently, on the transnational connections established by Colombians in Spain (cf. Bermúdez Torres, 2006; Cock, 2008; Echeverri, 2010; García, 2008; Gimeno Collado et al., 2009; Guarnizo, 2006b; Guarnizo and Diaz, 1999; Portes, 2003; Puyana Villamizar et al., 2009; Sørensen and Guarnizo, 2007). This research has followed migrant households' multifaceted links along the geography of the migration network, London and the Coffee Region of Colombia, particularly in terms of their experiences of accessing housing. This has been achieved by utilising a range of methodological techniques (chapter 4) that frame migrants' transnational practices within broader regional, national and global political, economic and social processes. This methodological approach has allowed for unpacking the complex processes that are produced and

reproduced by the transnational flows of people and resources that are involved in the process of maintaining and reproducing the family in the transnational field.

8.3. Policy implications and avenues for future research

The development model based on remittances promoted by the international financial institutions and embraced by the Colombian government is a response to its inability and/or interest in filling the economic vacuum being left by the neoliberal structural adjustment policies that have been implemented since the 1990s. Considering the fact that the implementation of neoliberal structural adjustment programmes in Colombia was one of the triggers for the recent large flows of emigration from the country, it is counter productive to think that the neoliberal-inspired migration-for-development programmes now being promoted would bring about the kind of development that years of public policy have failed to produce. There are two main reasons for this. On the one hand, the fundamental socioeconomic and political structure that pushed most migrants to leave continues to be unchanged. On the other hand, the Colombian migration-for-development programmes do not tackle the structural and institutional inadequacies that curtail the development process at the local and national levels. In addition, the western-centred nature of the migration-for-development programmes means that they often ignore the local political-economic structures and the global sociospatial asymmetries in which they are embedded. In this sense, emphasising the contribution that migrants can make to their places of origin not only obscures the more severe problems that underpin the lack of development in these localities but also the conditions under which most migrants enter and remain in their societies of destination in the global north.

In this scenario, these migration-for-development programmes intend to transfer more responsibility to the individual, the 'responsible citizen' who is to secure not only her/his own economic and social security but also contribute to public projects and the economic and social development of her/his community through her/his productive investments and enterprise. This framework creates dependency on the private resources of migrant families, while ignoring the personal and social costs that are borne by migrants and their families to produce them. The migration for development discourse is especially contradictory in light of the tightening of immigration rules brought about by the managed migration programmes recently implemented in the north. These programmes and rising anti-immigrant discourses in the political and popular debates increasingly portrait migrants as the source of trouble and a threat to national security.

Based on the evidence presented in this thesis, it is clear that the linkages between migration and development are context-specific, complex and dynamic. Migration has allowed migrant households to obtain the resources needed to become active market players and consumers by affording them the purchasing power to demand goods and services in the local market. The diverse livelihood strategies employed by these migrant households have produced significant improvements in their everyday living conditions and have served to guarantee their maintenance and reproduction over the transnational social field. Whether or not these strategies involve using remittances to invest in housing, they generally have a direct or indirect impact, albeit small, on the development process through the multiplying effects they have on local industries. Thus, these findings overshadow the current policy-makers' preoccupation with the use of remittances for 'either' consumption 'or' investment'. In general, the benefits accrued by migration and their accompanying remittances tend to remain concentrated in migrant households (primarily by decreasing the depth of poverty). They often have limited impacts on wider development processes because they are not accompanied by government strategies to improve the structural socioeconomic and institutional conditions that curtail the development process at the local and national levels. In summary, although the agency of individual families is at the centre of the socioeconomic dynamics presented in this thesis, the current articulation of the migration-for-development discourse in the Colombian context tends to attribute migrant families an unlimited capacity to overcome the structural constraints that inhibit development. Therefore, migration-for-development programmes are bound to fail (or at least remain marginal) because there is a mismatch between the micro and the aggregate/macro conditions that are needed to enable development. Specifically, there is a disconnection between the improved livelihoods that households' obtain through migration and the macro-level structural social, economic and political developments that are needed to improve the general living conditions in the localities/regions of origin of migrant households.

Thus, I propose that rather than using the orthodox/economistic notion of development that underpins current articulations of the link between migration and development, broader definitions of development need to be taken into account in order to capture the more nuanced contributions that migrants' practices in the transnational field have for their households and communities in the global south. Essentially, future policies must take a view of development that includes the creation of the social, political and economic conditions necessary for the development of the potential of individuals and households according to the context-specific needs of their localities. These policies

must take into account the multidimensional nature of development as well as the different spatial scales (individual, household, village/town/city, region and nation) in which development takes place. They must also consider the ways in which migration and development shape and are shaped by global political, economic and social restructuring processes.

More specifically, given the semi-permanent nature of migration flows in the Colombian context, these policies must be complemented by a renewed integral migration policy that incorporates the socioeconomic realities of Colombian migrants and their families and more avenues for their active participation in its design and implementation. This participation should be based on a systematic assessment of 'the lives that people have reason to value' (Sen, 1999) so that public policies effectively aid the creation of the social, economic and political opportunities that foster human and economic development.

Thus, following Delgado-Wise and Márquez Covarrubias (2010), I suggest that future research must entail systematic international comparative analyses that examine the dialectic relationship between migration and development and place them within the global political-economic processes of capitalist development. In the context of deepening global social inequalities and poverty produced by neoliberal capitalist development, future scholarship must also encompass the development of a more interdisciplinary and holistic theoretical approach to migration and development that calls attention to the fact that they are part and parcel of the same process as well as to the deeply asymmetrical nature of social transformations. In short, future research must not lose sight of the mutual constitution of the political, the economic, the social and the cultural dimensions of global migration and development. In an ideal world, the conversation on the development potential of migration would not be centre stage if, as one of the Colombian migrants who participated in this study suggested: 'the government could do something radical so that we (migrants) do not have to leave our country and be separated from our loved ones in order to survive'.

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Interview Schedules

Interview Schedule, London

Interviewee's details

Name:

Age:

Gender:

Date:

- What would you like to emerge/get out of this interview?

Migration

1. Tell me, where are you from in Colombia? Did you live in the same town before you came here? Did you move around the country?
2. Are there many people from your city here, in London? If so, are you friends with them?
3. When did you arrive in the UK? And who did you come with?
4. Do you have any family here?
5. What are the main reasons for migrating to the UK?

Educational Background

1. Did you have the opportunity to go to school in Colombia? What did you study?
 1. Did you have to work while you were in school?
 2. Have you studied English? Where? Can you read, write, communicate in English?

Work

1. What did you do in Colombia?
2. What do you do here?
3. What type of work did you do when you first arrived?
4. What type of work would you like to do?

Gender

1. Tell me, what do you think are the main problems Colombians face in the UK?
2. Do you think they affect women and men in different way?
3. What sorts of things have changed for you as a woman since you came to the UK?
4. How have your family arrangements changed since you came to the UK?
5. Do you think the role of men in the family has changed since they migrated here?

Transnational Links

1. Do you have any family left in Colombia? If so, who?
2. If you have family in Colombia, how do you keep in touch with them? How often?
3. Do you send money back to Colombia? Approximately how much do you send per month? How do you send the money? To whom and for what purpose? How dependent do you think they are on the money you sent?
4. Do you send any other goods to Colombia?
5. Have you bought/remodelled a house since you came to the UK? How did you go about doing that?
6. What are your sources of money?
7. How do you think your family in Colombia perceives your migration to the UK?
8. Do you think your family is better or worse off since you migrated here?

Other issues

1. What do you think the main changes (social, economic or cultural) taking place in Colombia due to migration are?
2. Have you gone back to Colombia since you came here? How do you feel when you go back? Do you feel dislocated? Do you find it hard to adapt to the changes that have taken place there? Do people there treat you differently when you are there visiting?
3. Do you participate in the activities that the Colombian consulate or embassy organise in London?
4. In reality, would you like to go back to live in Colombia?

Would you like to add something else?

Finally, I am going to spend 4 months in Colombia in the summer next year. I would like to go to your city. If I do, what should I visit? Where should I stay? Can you recommend any places? Do you think I could visit your family? I am interested in tracing families back to Colombia, in order to understand what is happening on the other side. This is strictly voluntary. Be assured that the information that you and your relatives provide me will be strictly confidential and anonymous.

Thank you very much for your time and all the stories you have shared with me. This will be very valuable for my research. Once I finish my project I will come back here with a report for you to read.

Interview Schedule (migrant families), Colombia

Interviewee's details

Date

City of residence

Neighbourhood

Place of interview

Name

Gender

Age

- What would you like to emerge/get out of this interview?

Household information / socio-demographic characteristics

1. Do you have relatives living overseas?
2. What is your relationship to them?
3. In which country/city do they live? Have they lived in another country?
4. What are the main reasons for their emigration? When did they leave?
5. Did you participate in their decision to migrate? If so, how? How did they make the decision to emigrate?
6. How do you perceive your relatives' decision to migrate?
7. How many people do you have under your care? What is your relationship to them? Who is the head of the household (who makes the household's decisions)? Do you participate in the decision-making?
8. What is the composition of your household?

History of migration

1. Have you ever migrated?
2. Have you ever thought about migrating? If so, where to?
3. Have you ever visited your relatives overseas?

Work / Income

1. Do you work? Inside or outside of the home?
2. What is your occupation?
3. What is the occupation of the members of your household?
4. What are your sources of your income (waged work, own business, transfers, remittances)?
5. Do you administer your money through banks (have a savings or current account)? If not, how?

Remittances

1. Do you receive money from overseas (remittances)? Who sends you the money?
2. Is the money for you or for one of the people under your care?
3. Through which company do you receive the money?
4. How much do you receive and how often?
5. How long have you been receiving this money?
6. What do you spend the money on (utilities, food, clothing/shoes, health, education, housing, debt)?
7. Does your relative send the money for those uses?
8. Does this amount vary depending on the time of the year? For example, has the amount of money you receive decreased in the last few months as a consequence of the global economic crisis (because your relative lost their job or something similar)?
9. If yes, what mechanisms have you used to overcome this limitation?
10. Do you receive any 'in kind' help (clothes, jewellery, appliances, furniture)?
11. Would you say that your livelihood depends on those remittances? What percentage of your income do they constitute (are they complementary or your only source of income)?

Housing

1. Have you or your relative abroad bought a plot or a house with those remittances? If yes, when? What use does the plot/house have now?
2. What motivated your (your relatives') investment in that plot or house (why did you not invest the money in something else)?
3. If yes, what intermediary did you use to buy the house ('Mi house with remittances' programme, relative brought through housing fairs overseas, local construction company)?
4. How did (does) your relative transfer the money to buy the house? Was it sent gradually? Or did she/he bring the money to buy the house in one of their visits?
5. Have you made any repairs, extensions or improvements to your house with the money you receive from overseas? When? What type? Who did the work? How much did you invest? Who made the decisions about the building/buying?
6. Did you relative leave any property for you to administer? If so, what and where is it located?

Education

1. Do you use part of the remittances to finance education?
2. If so, for whom?
3. What kind of education (primary, university, semi-professional courses, short courses)?
4. Did you, or your relative overseas, acquire a loan to finance these studies?
5. Have the remittances you receive allowed you (or any of your household members) to access a better education or to remain studying for longer?

Health / Pension

1. Are you affiliated to the government's social security program?
2. Are you affiliated to a 'caja de compensación familiar' (workers' co-ops)?
3. Who affiliated you?
4. Do you have a pension?
5. Would you say that you use the remittances as a form of pension?

Social Mobility

1. What have remittances allowed you (or your household) to do? What do you think you can do now that you could have not done before (because of the remittances)?
2. How has your welfare improved as a consequence of remittances?
3. Have the remittances allowed you to change your socioeconomic status?
4. In general, do you think your family situation has improved or worsen since your relative migrated?
5. What changes have you seen in your community as a consequence of increased migration and remittances?
6. How much do you think your community depends on remittances?
7. What symbolic value does the migration of your relative have for you?
8. What would you like to change/happen about your family's situation in the next five years?
9. Would you like to add something else?
10. Do you have a friend, neighbour or acquaintance with relatives in the UK? I would greatly appreciate if you put me in contact with them.

Thank you very much for your time and all the stories you have shared with me. This will be very valuable for my research. Once I finish my project I will come back here with a report for you to read.

Personal Details for Research Participants

London

1 - Diana. Diana is a 51-year-old Colombian from Palmira, Valle del Cauca. She has lived in London for 20 years. She works as a domestic cleaner. Diana lives with her partner and their 8-year-old son. Diana's sister, Viviana, also lives in London. In Colombia, Diana worked as a sales person for an important department store. She finished high school but did not attend university. Diana's mother resides in Palmira and her other 5 siblings reside in the south of Colombia. I interviewed Viviana in Palmira.

2- Celia. Celia is a 62-year-old Colombian from Bogotá. She has lived in London for 14 years. She works as a childminder. Celia is divorced and has a 21-year-old daughter and a 27-year-old son. Celia has two sisters and two brothers who also live in London. She used to have a small clothing factory in London. She had to close the factory a few years after the Colombian economy was liberalised, because she could not compete with the cheap imports from China. Celia's two brothers live close to Bogotá. She also has some cousins and uncles in Colombia.

3- Mariela. Mariela is a 52-year-old Colombian from Cali. She came to London in the mid-1980s. She works as a domestic and commercial cleaner. Mariela is a single mother of three small children. She came to London with the help of her aunt, who had lived in the UK since the 1970s. Two of her cousins and a niece also live in London. She worked as a secretary in Colombia. Her sister lives in Cali and takes care of their disabled brother. They are the only members of Mariela's nuclear family left in Colombia

4- Miriam. Miriam is a 42-year-old Colombian from Bogotá. She came to London in 1998. She works as a childminder. She lives with her partner and four children. Her eldest child is 21 and her youngest is 11. Miriam's brothers, sisters and father live in London. Miriam's mother still resides in Bogotá. Before moving to London Miriam worked as a secretary.

5- Andrea. Andrea is a 51-year-old woman from Pereira. She has lived in London for 14 years. She works as a domestic cleaner. She lives with her daughter, sister and two nephews. Andrea's sister, Graciela, lives in Pereira with her two nephews, Arturo and Javier, who are in their early thirties. Andrea and her two sisters lived in the pacific coast of Colombia where they had a small grocery store. They were pushed out of this area by the armed conflict and moved back to Pereira in search for a new life. Unable to find employment, they agreed as a family, that two of them would emigrate and Graciela would stay behind to take care of their children (5 in total) and their mother. I interviewed Graciela and Arturo in Pereira.

6- Luis. Luis is a 50-year-old from Cartago, Valle del Cauca. He has lived in London for 25 years. Luis co-owns a small Colombian restaurant. Luis came to the UK after failing to enter the university in Colombia. He came with the help of his brother who was already living in the country. Luis has a cooking certificate from the UK. Luis lives with his wife and two children. His brothers still live in Cartago.

7- Cesar. Cesar is a 49-year-old from Palmira, Valle del Cauca. He has lived in London for 18 years. Cesar co-owns a small Colombian restaurant. He has a university degree in Marketing. After the business he had in Colombia failed, Cesar came to the UK to join his sister. He lives with his wife and children. His mother and two brothers live in Palmira.

8- Lourdes. Lourdes is a 55-year-old from Armenia, Quindío. She has lived in London since 1976. Lourdes works as a childminder. She is divorced and has two grown-up children. Lourdes came to the UK with the help of an aunt, who recommended her to an employer who offered her a job as a nursing aid. Lourdes' siblings live in Spain. She only has some distant relatives left in the Coffee Region.

9- Nancy. Nancy is a 47-year-old Colombian from Restrepo, Valle del Cauca. She has lived in London since 1997 and is employed as a domestic/commercial cleaner. She is a single mother and lives with her 7-year-old daughter. Nancy came to the UK to join her brother who had lived in London since the early 1990s. Before moving to the UK, Nancy worked in a factory as a clothing sales person. One of Nancy's sister lives in Spain and her mother, sister and nephews live in Cali. I interviewed Nancy's sister, Ana, in Cali.

10- Mariana. Mariana is a 36-year-old migrant from Buga, Valle del Cauca. Mariana and her husband came to London 10 years ago. They entered the UK on a fake Spanish passport but a few years after they arrived in the UK, they applied for political asylum. In Colombia, she worked as a school teacher. After working as a cleaner for a few years, Mariana managed to get certified as a nursery teacher. She is divorced and lives with her two daughters. Mariana's parents and siblings live in Buga.

11- Ana Aura. Ana Aura is a 45-year-old migrant from Palmira, Valle del Cauca. She has lived in London for 22 years. She is temporarily unemployed but works as a volunteer for a well-known NGO. She came to the UK to join her husband, who had claimed political asylum in the UK after his brother was murdered in Colombia. She is divorced and lives with her 23-year-old son. Ana Aura's siblings and father live in Palmira.

12- Rebeca. Rebeca is a 47-year-old Colombian from Cartago, Valle del Cauca. She came to London in 1990. She works at a Latin American migrant organisation.

13- Claudia. Claudia is a 42-year-old migrant from Pereira. She came to the UK to study English in 2000. She is divorced and has no children. She is unemployed. In Colombia, Claudia studied graphic design and worked for a big company. Claudia's family resides in Medellin.

14- Ana Carolina. Ana Carolina is a 41-year-old migrant from Pereira. She has lived in London for 7 years. She works as a commercial cleaner. She entered the UK with a fake Spanish passport. She lives with her partner and three children. Ana Carolina brought her two youngest daughters to London a year ago, her eldest daughter, Judith, resides in Pereira. Her mother and siblings also reside in Pereira. Ana Carolina did not finish high school and worked selling lingerie and cosmetics via catalogue in Colombia. I interviewed Judith in Pereira.

15- Alejandra. Alejandra is a 53-year-old migrant from Armenia, Quindío. She has lived in London since 1991. She is employed as a domestic cleaner. She lives with her husband and two daughters. Alejandra's eldest son lives and works in Australia. In Colombia, Alejandra worked as a lawyer. She left Colombia after being threatened by a criminal gang. Her asylum case was never resolved and she became a legal resident through an amnesty in 1995. All of Alejandra's immediate family resides in London.

16- Daniela. Daniela is a 55-year-old Colombian from Bogotá. She has lived in London for 25 years. She works at a Latin American migrant organisation.

17- Juana. Juana is a 35-year-old migrant from Pereira. She has lived in London for 10 years. After working as a cleaner for a few years, Juana got certified as a childminder. She cares for 5 children at her home. Juana lives with her partner and two small children. She came to the UK in search for a better life. Juana has a high school degree but could not afford to go to the university. In Colombia, she worked as a sales person at a well-known supermarket.

18- Leonel. Leonel is a 48-year-old from Bogotá. He came to London in 1999. He is the owner of a small grocery store in North London. Before coming to the UK, Leonel was studying for a vocational degree and working independently as a sales person. Leonel came to the UK seeking to explore other opportunities with the help of some Colombian friends who were established in London. He lives with his wife and two children. Leonel's mother and two siblings still reside in Bogotá.

19- Antonio. Antonio is a 44-year-old from Pereira. He migrated to London with his family in 1999. He owns a small business in North London. Antonio used to have a small business in Colombia but was being extorted by a paramilitary group. He was granted political asylum in the UK a few years after having arrived. He lives with his wife and three children. His mother and siblings reside in Pereira.

20- Hector. Hector is a 67-year-old migrant from Bogotá. Hector has lived in London since the 1970s. He is retired and lives alone in a flat in south London. He is one of the thousands of Colombians who came to the UK on a work permit scheme to work in the hospitality sector in the mid 1970s. He has no family in the UK and only some distant relatives left in Colombia.

21- Dilia. Dilia is a 40-year-old migrant from Cali. She has lived in London for 10 years. She is a housemaker. Dilia has a high school degree and worked as a sales person in Colombia. She claimed political asylum when she arrived in the UK. She did not specify the reasons for her asylum claim. Dilia lives with her husband and three children. Her mother and other relatives live in Cali.

22- Angela. Angela is a 43-year-old migrant from Cartago, Valle del Cauca. She has lived in London for 6 years. She works as a cleaner. Angela is divorced and lives her

two small children. She came to the UK to join her Colombian husband who was already established in London. Angela did not finish high school and worked in a restaurant in Colombia. Angela's immediate family lives in Cartago.

23- Maricruz. Maricruz is a 58-year-old migrant from Anserma, Caldas. She came to London with her husband in 1997. They left Colombia because they were worried about the security situation. Maricruz works part-time as a childminder. Maricruz's husband died five years after they moved to London. She has two children in their twenties who help her financially. Her brother and nephews also live in London. Maricruz also has a sister in Spain. Her sister, parents and other siblings live in Pereira. I interviewed one of Maricruz's sisters, Dulce, in Pereira.

Colombia, Key Actors

1- Fabiola. Fabiola is a professor in the department of rural and regional development at the Universidad Javeriana in Bogotá. Her areas of research are forced displacement, gender, human rights and community development.

2- Gustavo. Gustavo is a professor in the department of anthropology at the Universidad Nacional de Colombia in Bogotá. He specialises in international migration, territory and culture.

3- Antonio. Antonio works for Fundación Esperanza, an NGO for the defence of human rights in the context of migration and human mobility. They specialise in human trafficking, forced displacement and child labour.

4- Manuela. Manuela is a professor in the Faculty of Economic and Social Sciences at the Universidad del Valle in Cali. Her main areas of research are international migration to Spain and sociology of the labour market.

5- William. William is the Director of the Human Mobility Group at Alma Mater, the Network of Public Universities of the Coffee Region of Colombia. This group has an important local, national and international reach and works closely with a range of NGOs and other organisations to produce empirically-based research to influence public policy and actions that attend to the social demands generated by the migration phenomenon. The group has recently collaborated in founding the first master's degree in migration studies in Colombia.

6- Carolina. Carolina is the representative of the Mi casa con Remesas programme in the state of Risaralda. She works for the state's Caja de Compensación Familiar, Comfamiliar.

7- Leo. Leo is the owner of an important construction company in the Coffee Region. He has been in the construction business for more than 25 years and is a long-term member of CAMACOL, the National Association of Builders.

8- Cristina. Cristina works at the state of Risaralda's governor's office. She works in the office for the attention of migrant workers and their families.

9- Daisy. Daisy works at the offices of the municipal government of Palmira, Valle. She works as a development consultant.

10- Sabrina. Sabrina is employed by Centre for the Attention of Migrant Families in Palmira, Valle.

11- Cristian. Cristian is a community leader in Cuba, the biggest popular neighbourhood in Pereira. He has worked as a teacher and community leader for more than 20 years. He is in charge of the local educational development chapter.

12- Jorge. Jorge is the representative of a well-known multinational remittances corporation in Bogotá. He has worked in the financial industry for over 25 years.

13- Laura. Laura is an employee in an important construction company in the Coffee Region. She has worked in the business for more than 10 years. Laura specialises in mortgage advice for low-income housing.

14- Javier. Javier is the representative of Bancolombia's commercial division for Colombians abroad. Bancolombia is Colombia's largest commercial bank. Bancolombia is the only bank formally associated with the Mi casa con Remesas programme.

Colombia, Migrant Households

1- Dulce. Dulce is a 61-year-old from Pereira. Dulce is a retired lawyer. Dulce's sister, brother and nephews live in London. Dulce has not seen her siblings in more than 10 years because they have not been able to return to Colombia due to their legal status.

She is partially responsible of taking care of her elderly parents. Dulce's contact information was provided by her sister, Maricruz in London.

2- Graciela. Graciela is a 57-year-old woman. Graciela lives in Pereira with her two nephews, Arturo and Javier, who are in their early thirties. They own a restaurant in the city centre of Pereira. Her sisters, Andrea and Luciana, have lived in London for 15 years. Graciela's son and nephews also live in London. When Graciela's sisters migrated to London in 1994, they agreed as a family, that she would stay behind to take care of their children (5 in total) and their mother. Graciela's contact information was provided by her sister Andrea in London.

3- Claudia. Claudia is a 45-year-old from Pereira. Claudia lives with her 12-year-old son. Her child's father has lived in London for 9 years. He emigrated to London with the help of some relatives after his business failed. Claudia receives remittances for the partial maintenance of her son. She lives from renting rooms in her house.

4- Arturo. Arturo is a 30-year-old returned migrant. He lives with his aunt and brother in Pereira. Arturo and his brother lived and worked in London and studied some English for six years, while they waited for the Home Office's decision, but had to return to Colombia in 2007, after their case for family reunification was refused. When they returned, they were unable to find jobs and because of Arturo's passion for cooking, they decided to open a restaurant with the saving they had. Arturo's contact information was provided by his aunt, Andrea, in London.

5- Hilda. Hilda is a 63-year-old from Pereira. She lives with her husband and one grandchild. Hilda's has a son residing in Spain and one in London. They both left after being unemployed for more than one year, with the help of friends who were established in these countries. Hilda complements her income with the remittances that she receives from her sons.

6- Judith. Judith is a 24-year-old resident of Pereira whose mother has lived in London since 2001. She lives with her small daughter and her father. Judith's two younger sisters recently reunited with their mother in London. Judith could not go because she was over the age to qualify for family reunification. Judith works as a nursing assistant and relies on her mother's support to make ends meet.

7- Lucia. Lucia is a 45-year-old who lives in Pereira. She lives with her three children and works as a sales assistant in a beauty shop. The father of Lucia's children has

lived in London since 2001. Lucia receives remittances from him, but they are not regular and she says that it is not enough. Two of her children are about to finish high school and have no prospects of entering the university because they cannot afford it. Lucia is hoping that at least one of them would join their father in London.

8- Liliana. Liliana is an 82-year-old whose son and daughter have lived in London for 16 years. She lives with two of her daughters in a house in a middle-class neighbourhood in Pereira. Liliana used to live in a small town in the coffee region where she had a small farm. She wanted to move to the city and her son bought her the house where she lives. Because of her age, and the fact that her other children do not earn much money, Liliana relies heavily on the remittances she receives from London.

9- Patricia. Patricia is a 36-year-old resident of Pereira. Patricia lives with her 13-year-old daughter and her partner. The father of Patricia's daughter has lived in London for 7 years. Patricia works as a hairdresser and is pregnant with her second child. Patricia receives some money from London for the maintenance, mainly schooling, of her child.

10- Viviana. Viviana is 54 years old. She has lived in London for 16 years, working as a cleaner. Viviana returned to Palmira temporarily to take care of her ill mother. Viviana's 23-year-old daughter also resides in London. Viviana left Colombia after separating from her husband. She joined her sister, Diana, who was already established in London. They also have two siblings living in Spain and two more in Palmira. Viviana, Diana and their siblings in Spain send remittances for the maintenance of their mother and to help other members of the family. They have all invested in housing in Colombia. I interviewed Diana in London and she provided the contact information for her family.

11- María. María is a 42-year-old resident of Pereira. Her sister has lived illegally in London for 10 years. María lives with her husband and two children. She works as a school teacher and her husband is a factory worker. María's sister left Colombia after her husband lost his job during the economic crisis of 1999. They eventually separated and she left her 14 and 16 year olds children in the care of her parents. They reunited with their mother two years after she left. María's sister sends remittances regularly for the maintenance of her parents, mainly for their health expenses.

12- Oriana. Oriana is a 67-year-old resident of Dosquebradas, Risaralda. Oriana lives with her husband and one of her granddaughters. Oriana's daughter has been working as a cleaner in London since 2006. Oriana's daughter sends monthly remittances for the maintenance of the family. They complement their income with the rent they derive from renting rooms in the house they recently built with remittances.

13- Carmen. Carmen is a 62-year-old returned migrant now living in Pereira. Carmen's daughters and son have lived in London for 15 years. They went to London to join her when she was still living there. Carmen's children support her from abroad. Carmen is retired, so she complements her income by renting rooms in her house. She remodelled the house with the financial help of her children.

14- Fabiola. Fabiola is a 52-year-old resident of Pereira. She lives with her husband and two grown-up children. Fabiola's brother went to London in 1999 in the midst of the Colombian economic crisis. Fabiola used to take care of her brother's 15-year-old daughter but she now lives with her grandparents. Fabiola's brother sends money from London to pay for her education.

15- Martha. Martha is 35 years old and lives in Pereira. Martha works as a childminder. She lives with her 14-year-old daughter and her partner. The father of her daughter moved to London with his wife in 2000. They do not communicate much but he sends money every month to pay for the education of their daughter.

16- Eugenia. Eugenia is a 69-year-old, resident of Zaragoza, Valle del Cauca. Eugenia has ten siblings, five of whom have lived in London since the 1990s. They all left due to the lack of economic opportunities in the town where they live. Eugenia lives with her extended family and the household depends entirely from the remittances sent from London. They recently rebuilt the house where they live with the money they receive from London.

17- Lina. Lina is a 54-year-old resident of Zaragoza, Valle del Cauca. Lina's sons reside abroad. One has resided in London for 14 years and the other has lived in Spain for 6. They left after being unemployed for more than a year after finishing high school. They had a cousin in London who helped them with the travel arrangements and initial settling. Lina has not seen her son who lives in London since he left, because he does not have legal documents. Lina lives with her elderly mother and one of her nephews. With the money Lina receives from her sons, she helps other family members.

18- Jose Luis. Jose Luis is a 76-year-old resident of Anserma, Caldas. Jose Luis lives with his wife and two of their grandchildren. They are both retired. Jose Luis' daughter and son have lived in London for about 15 years. He also has two daughters in Spain. They left in search for better opportunities, mainly to provide for the education of their children. The pension that Jose Luis receives is not enough to cover the living expenses, so the household depends on the remittances they receive from London and Spain.

19- Margarita. Margarita is a 40-year-old, resident of Anserma, Caldas. Margarita has a small hairdressing salon in her house. She lives with her husband and two children. Her brother has lived and worked in London for seven years. Margarita's brother moved to London with the help of some friends, as she put it, to 'escape poverty'. He sends money regularly for their mother's healthcare and living expenses and occasionally to help Margarita (when the business is slow).

20- Yair. Yair is a 31-year-old returned migrant now living in Pereira. His mother migrated to London in 1997, due of the difficult economic situation and because they were about to lose their house. Yair's mother was employed in Pereira but the money she made was not enough to cover their living expenses. Yair lives with his grandmother, an uncle and one niece. Yair recently got a job as a technician in a telecommunications company but he also receives monthly remittances from his mother. They have paid off the mortgage of the house and have built on it to rent some rooms.

21- Ana. Ana is 43-year-old from Cali. Ana is a homemaker and she lives with her husband and two children. Ana's brother has lived in London for 19 years and her sister, Nancy, has resided in London for 12. She also has a sister in Spain. They all send money for the maintenance of their elderly mother, who lives in the town where they grew up (Restrepo). About 5 years ago, Ana's siblings bought houses in their hometown and also bought a house for their mother. I interviewed Nancy in London and she provided her sister's contact information.

List of Acronyms

CAMACOL	Cámara Colombiana de la Construcción: Colombia's national association of builders.
CAVs	Corporaciones de Ahorro y Vivienda: Savings and Housing Corporations.
CCFs	Cajas de Compensación Familiar: regional, not-for-profit institutions that capture resources from private companies to provide social services such as health, education, housing and recreation to low-income employees and their families.
CONPES	Consejo Nacional de Política Económica y Social: National Council for Economic and Social Policy.
Fonvivienda	Fondo Nacional de Vivienda: replaced INURBE in 2003
ICT	Instituto de Crédito Territorial: state agency responsible for building and financing government housing solutions.
INURBE	National Institute for Social Housing and Urban Reform: replaced ICT in the 1990s.
SFV	Subsidio Familiar de Vivienda: one-off housing subsidy for the acquisition of privately supplied social housing
UPAC	Unidad de poder adquisitivo constante: indexation mechanism for savings accounts and housing loans provided by the CAVs.
UVR	Unidad de Valor Real Constante (Constant Real Value Unit): inflation-adjusted indexation mechanism for housing finance.
VIS	Vivienda de Interés Social: social interest housing
VIP	Vivienda de Interés Prioritario: a type of VIS designed for the poorest segment of the population