

Book Review: Migrants and their money: Surviving financial exclusion

by blog admin

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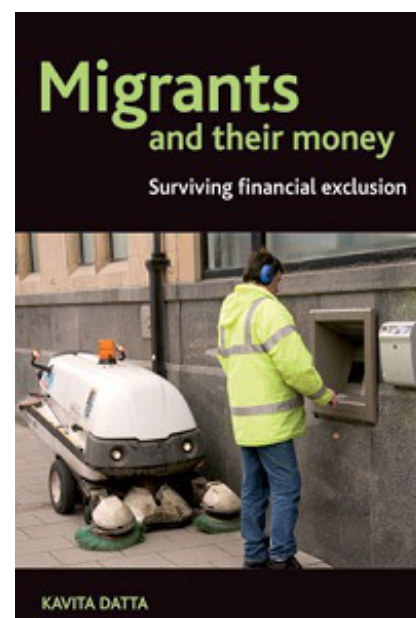
***Migrants and their Money** highlights how migrants negotiate the complex financial landscape they encounter and the diverse formal and informal ways in which they manage their money in London – a city that is often considered the financial capital of the world. **Howard Jones** finds the book provides a very readable, informative and illuminating account of the work and lives of diverse migrant communities.*



Migrants and their money: Surviving financial exclusion. Kavita Datta. Policy Press. April 2012.

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Migrants and Their Money is a more wide-ranging and nuanced piece of work than the full title of the publication suggests. The book certainly provides a detailed, useful and interesting account of the financial lives of individuals within five migrant communities in London: Brazilian, Somali, Turkish, Polish and Bulgarian. However, is it really the case that these migrants are “Surviving financial exclusion” as the second half of the cover title indicates? Initially, this appears to be the case. The first chapter provides an excellent overview of finance and financial exclusion and of changing migration flows to the UK. It gives preliminary accounts of migrant financial exclusion, migrants’ transnational financial lives and their use of “alternative” financial practices. The next chapter then provides a very comprehensive assessment of successive public policy responses to financial exclusion in the UK since the election victory of New Labour in 1997.



When we begin to see the actual findings of the author’s research in Chapter Three (based on questionnaires, interviews and focus groups) it is quite a surprise to find that the great majority of the migrant respondents (87%) have bank accounts. Moreover, two of the five migrant communities (Turkish and Bulgarian) have higher levels of banking inclusion than the British born population, and for three of the migrant communities (Brazilian, Bulgarian and Turkish) female migrants account for equivalent or higher levels of banking inclusion when compared to their male counterparts. In many ways, the photograph on the front cover of an assumed migrant, road sweeper at an ATM, is a better indication of the book’s content than its full title.

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This aside, the book is a very worthwhile and timely addition to the literature on migrant livelihoods and financial practices. Moreover, the approach, and many of the findings and conclusions of the research, has wider application, beyond the particular communities under consideration.

Throughout the book the author rightly emphasises the need to look at financial service needs and practices “in the round”, i.e. within the context of complex social networks and relationships. Such an approach illustrates the great diversity both *within* and *between* different migrant communities, and with respect to their employment patterns and to their financial inclusion or exclusion. Verbatim accounts from the respondents are skilfully interwoven with numerical data, and major areas of investigation are examined, first in general terms, then with reference to UK policy, and finally, in relation to the experience of

the migrants under consideration. This style works well and provides the reader with a very valuable background regarding topical issues (e.g. migration, migrant employment, financial exclusion, remittances) in addition to presenting the field-level research findings. The book also demonstrates the importance of the “mini-economies” in poor communities, something Frits Bouman termed the “penny-economy” in his pioneering research on informal finance.

Moreover, the author rightly questions and qualifies a number of assumptions commonly held in the literature on finance, and more particularly microfinance. She argues that financial inclusion should be considered in terms of quality and depth of engagement, not simply in terms of having a bank account. When examining migrants’ savings and credit practices, their use of “alternative” financial agents and institutions is demonstrated to be not just a result of being “expelled” from the formal financial sector, but, at least in part, an outcome of preferences for informal financial products and processes, i.e. the informal financial sector is not all bad, as commonly portrayed, and can have its own very real advantages. In an excellent chapter on transnational money, the formalisation of migrant remittances, never mind the formalisation of financial services in general, which the microfinance movement has been so keen to promote, is shown to have some downsides.

The ‘voice’ of the migrants can be heard clearly throughout the book and provides insightful comments on the many difficulties they can encounter. Perhaps this is most evident when mapping the financial lives of migrants and when, using a livelihoods framework, the strategies for achieving financial inclusion are discussed. Strategies to speed-up the process of banking inclusion, and strategies to mitigate irregular immigrant status, are shown to depend on a range of both local and transnational capitals. Financial practices pursued by migrants are shaped by their transnational assets and liabilities as well as the financial landscapes they find in their host countries. Interestingly, in some cases, it is argued that wider migrant communities may be as much a source of exploitation as support.

There are some minor quibbles with this book. For example, although the author is correct to describe both Fair Finance and Oakham as taking a lead in interacting with migrant communities in London, they are very different types of financial service provider. More importantly, it would have been useful to have rather more guidance on *how* a greater understanding of specific migrant communities’ financial needs, practices and priorities can be incorporated into financial inclusion policy.

Nonetheless, the book provides a very readable, informative and illuminating account of the work lives and financial practices of diverse migrant communities in London, whose experiences resonate with, and have relevance for, other ‘marginalised’ groups in society.

Howard Jones is a Senior Research Fellow at the Institute of Commonwealth Studies, School of Advanced Study, University of London. He has led DFID funded projects relating to financial exclusion in India and Ghana, and undertaken studies on domestic migration and remittances in India for GIZ. Funded by the British Academy, he is presently updating and expanding a longitudinal study on livelihood diversification and migration in an India village. [Read more reviews by Howard.](#)

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