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MIGRATIONS AND REMITTANCES: POTENTIAL AND CHALLENGES FOR GUYANA'S ECONOMY

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MIGRATIONS AND REMITTANCES: POTENTIALS AND CHALLENGES FOR GUYANA'S ECONOMY

Hisakhana Corbin¹

Abstract:

This case study was conducted with focus on the potentials and challenges of migration and remittances on Guyana's economy. The study examined, described and analyzed Guyana's major migratory flows, which continue to lead to inflows of monetary and nonmonetary remittances to Guyana. Questionnaires, interviews, focus group discussions, archival records, and observations (direct and participant) were utilized to gain an in-depth understanding of the issue under study. The study confirmed that 56% of the Guyanese population has been lost to migration. As Guyanese continue to migrate, there are greater flows the USA, Canada and the United Kingdom. The study further confirms that nonmonetary remittances accounts for approximately 13% of monetary remittances to Guyana. The study also confirms a significant dependence on remittances by households to meet their basic needs, which further confirms the vulnerability of Guyana's economy in response to shocks on the economies of the USA, Canada and the UK. In-spite of these flows of migrants and remittances, no policy on migration and remittances has been incorporated into policies for development to unlock the potential benefits for the Guyanese economy. While dimensions of migrations such as brain-drain were and still are sometimes perceived a hindrance to development, this study confirms that migration and remittances could impact positively on Guyana's economy if appropriate policy instruments are elaborated and integrated into a policies and comprehensive development framework for Guyana.

Key Terms: Migration. Remittances. Guyana

Resumo:

Este estudo de caso foi realizado com foco nas potencialidades e desafios da migração e remessas para a economia da Guiana. O estudo examinou, descreveu e analisou os principais fluxos migratórios da Guiana, que continuam a levar a fluxos de remessas monetárias e não monetárias para o país. Questionários, entrevistas, discussões em grupo, registos de arquivo, e observações (direta e participante) foram utilizados para obter uma compreensão aprofundada da questão em estudo. O estudo confirmou que 56% da população da Guiana foi perdida para a migração. Como os guianeses continuam a migrar, existem maiores fluxos para os EUA, o Canadá e o Reino Unido. O estudo confirma que as remessas não monetárias correspondem a aproximadamente 13% das remessas monetárias para a Guiana. O estudo confirma também uma dependência significativa das remessas pelas famílias para satisfazer suas necessidades básicas, o que confirma ainda mais a vulnerabilidade da economia da Guiana em resposta aos choques nas economias dos EUA, do Canadá e do Reino Unido. Apesar de esses fluxos de migrantes e remessas, nenhuma política sobre a migração e as remessas foram incorporadas às políticas de desenvolvimento para desbloquear os benefícios potenciais para a economia da Guiana. Embora as dimensões das migrações, como fuga de cérebros eram e ainda são, por vezes percebidas como um obstáculo ao desenvolvimento, este estudo confirma que a migração e as remessas podem ter um impacto positivo sobre a economia da Guiana se instrumentos de política adequados forem elaborados e integrados ao quadro global de desenvolvimento para a Guiana.

Palavras-chave: Migração. Remessas. Guiana.

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1 INTRODUCTION

Given that in excess of 56% of Guyana's population has already emigrated, the flows and uses of remittances and their potentials and challenges for Guyana's economy should be better understood for the purpose of policy formulation. At present, development in Guyana is guided by the National Development Strategy (NDS) and the Poverty Reduction Strategy (PRSP), which embrace development strategies of other institutions including the Inter-American Development, World Bank and the United National Development Programme. Although these institutions have commissioned studies on migration and remittances, the literature on the flows and uses of monetary and nonmonetary remittances, from a household perspective, and the potentials and challenges for Guyana's economy appears scanty.

In an attempt to make a contribution in this regard, this paper presents the findings from the questionnaire survey and focus group discussions on the flows and uses of remittances across the following four Administrative Regions in Guyana: Region Three, Region Four, Region Five and Region Six. In some cases data from the 2002 census and from other sources is presented for comparative purposes. The four Administrative Regions of Guyana are areas of origin of emigrants and as a consequence, major regions of destination for monetary and nonmonetary remittances. The data gathered is separated into the following broad themes: (1) demographic and socioeconomic profiles of households receiving remittances, (2) potentials and challenges for harnessing remittances for community development. As the data is presented, comparisons are made with reference to results from the 2002 census findings as well as empirical observations across the regions under study. The paper concludes with conclusions, recommendations and implications for further research.

2 MIGRATION OF GUYANESE

In decades following the massive movement of Africans, Europeans and Asians to British Guiana, the immigration policies of many developed countries including Canada and the United Kingdom and the United States of America continue to provoke massive waves of migration of qualified workers of various categories from Guyana (GOVERNMENT OF CANADA, 2009; THOMAS-HOPE, 2002; KLEIN, 2000). By 2005, 55.6% of Guyana's population had emigrated mainly to USA, Canada, United Kingdom, Barbados, Brazil, Holland, Antigua and Barbuda, Trinidad and Tobago and Venezuela (WORLD BANK, 2008). In accounting for the distribution of Guyanese in the diaspora, Peters (2009) highlights that 56.89% and 21.6% are located in the USA and Canada respectively.

In 2000, the immigrants stock in the USA totals 31, 107, 890 - 50.2% of which was observed to be females-. Consistent with this overall trend in the migration outlook, disaggregate data also confirms a greater participation among Guyanese females in the migration process to the USA. While the literature remains limited on international migration in a gender perspective, it remains speculative that this marginally higher participation among Guyanese women in the migration process is related to increasing empowerment at home and the employment opportunities being offered abroad (PETERS, 2009). For a country like Guyana where females dominate in the nursing and teaching professions, this speculation seems stronger when comparing the employment categories under which Guyanese in the diaspora are found. Disaggregate data by sectors in the case of Guyanese employed in the USA, shows that 35.6% of Guyanese are employed professionals and educators and health and social workers in the (US DEPARTMENT OF HOMELAND SECURITY, 2009).

A comparison to the statistics for all immigrants in the USA shows that only 10.5% and 16.3% of the 28, 545, 150 immigrants in the working age population are employed under the professional and scientific; and, education, health and social services categories, respectively. Furthermore, 1.2% of the professionals in education, health and social services are of Guyanese origin. With approximately 27% of immigrants in the USA working in these categories, governments from particularly middle and lower income developing countries such as Guyana and Jamaica are concerned about developed countries contacting highly trained professionals and technicians in key areas such as health, education, science and engineering (CARIBBEAN COMMUNITY SECRETARIAT, 2007). In some cases, Caribbean governments argue that even the return of remittances cannot offset the economic costs of brain drain. In-spite of this situation, remuneration packages in Guyana remain highly uncompetitive (Table 1) even for professions in health, educations and science, which are areas in which professionals are high demand in developed countries such as the USA and Canada (GOVERNMENT OF CANADA, 2011).

Table 1: Public sector monthly salaries in Guyana, 2011.

| Public service positions | Salary (revised 2010) | Salary converted to US\$ |
|---------------------------------------|-----------------------|--------------------------|
| Medical Officer | GS: 10 \$111,635.0 | 558.17 |
| Education Officer I | GS: 10 \$111,635.0 | 558.17 |
| School Welfare Officer | GS: 7 \$ 61,159.0 | 305.79 |
| Field Auditor | GS: 6 \$ 53,107.0 | 265.53 |
| Community Health Worker | GS: 4 \$ 40,947.0 | 204.73 |
| Driver/Mechanic | GS: 3 \$ 39,160.0 | 195.80 |
| Senior Guidance & Counseling Officers | GS: 10 \$111,635.0 | 558.17 |
| Guidance & Counseling Officer | GS: 8 \$ 74,572.0 | 372.86 |
| Environmental Health Officer | GS: 7 \$ 61,159.0 | 305.79 |
| Pharmacist | GS: 7 \$ 61,159.0 | 305.79 |
| Staff Nurse | GS: 6 \$ 53,107.0 | 265.53 |
| Community Health Worker | GS: 4 \$ 40,947.0 | 204.73 |

| Medical Superintendent | GS: 13 \$218,774.0 | 1093.87 |
|--|--------------------|---------|
| Medical Officer | GS: 10 \$111,635.0 | 558.17 |
| Driver/Mechanic | GS: 3 \$ 39,160.0 | 195.80 |
| Microscopist | GS: 3 \$ 39,160.0 | 195.80 |
| Medical Technologists | GS: 7 \$ 61,159.0 | 305.79 |
| X-Ray Technician | GS: 4 \$ 40,947.0 | 204.73 |
| Law Revision Officer | GS: 11 \$140,402.0 | 702.01 |
| Engineer | GS: 9 \$ 90,270.0 | 451.35 |
| Regional Health Officer | GS: 12 \$172,838.0 | 864.19 |
| National Coordinator, Medical Laboratory | GS: 11 \$140,402.0 | 702.01 |
| Services | | |
| Senior Statistician | GS: 10 \$111,635.0 | 558.17 |
| Chief Medex | GS: 10 \$111,635.0 | 558.17 |
| Nutrition Surveillance Officer | GS: 10 \$111,635.0 | 558.17 |
| Civil Engineer | GS: 9 \$ 90,270.0 | 451.35 |
| Operator Inspectors | GS: 4 \$ 40,947.0 | 204.73 |
| Bio Medical Maintenance Technician | GS: 4 \$ 40,947.0 | 204.73 |
| Microscopist | GS: 3 \$ 39,160.0 | 195.80 |
| Dental Mechanics | GS: 3 \$ 39,160.0 | 195.80 |
| Social Worker | GS: 7 \$ 61,159.0 | 305.79 |

Source: Government of Guyana/Public Service Commission: www.eprocure.gov.gy. Date: 2011-02-25

Researcher's note: Currency conversion to \$US was added by the researcher.

These low salaries and the rising cost of living in Guyana since the enactment of a 16% value added tax in 2007 on a number of consumption items may force professionals to explore foreign employment opportunities in future years. This observation is consistent with the position of the neoclassical school regarding the importance of salary differentials in propelling labour migration. With the government employing only 54.5% in 2009 of what it employed in 1994 (Table 2), in the light of the country's current migration outlook, may be an indication of or that:(1) Guyana's inability to compete with international competitors for highly trained workers, (2) a significant percentage of new employees could be substitutes of other highly trained and well experienced employees lost to migration.

Table 2: Employment in Guyana's Public Sector, 1994-2009.

| Years | Central Government | Rest of Public Sector | Total Public Sector |
|-------|--------------------|--------------------------|---------------------|
| 1994 | 14564 | 35, 928 | 50492 |
| 1995 | 12913 | 33, 758 | 46671 |
| 1996 | 12393 | 29, 729 | 42122 |
| 1997 | 10792 | 28, 028 | 38820 |
| 1998 | 9419 | 26848 | 36267 |
| 1999 | 11383 | 23868 | 35251 |
| 2000 | 8885 | 23510 | 32395 |
| 2001 | 7998 | 23447 | 31445 |
| 2002 | 8767 | 23223 | 31990 |

| Total | 164024 | 382030 | 546052 |
|-------|--------|--------|--------|
| 2009 | 10094 | 17410 | 27504 |
| 2008 | 9364 | 17565 | 26927 |
| 2007 | 8711 | 18370 | 27081 |
| 2006 | 10197 | 17901 | 28098 |
| 2005 | 9893 | 19955 | 29848 |
| 2004 | 9589 | 20784 | 30373 |
| 2003 | 9062 | 21706 | 30768 |

Source: Guyana Bureau of Statistics (2011).

Over the fifteen (15) years in question (1994-2009), there has been declining employments in Guyana's public sector (Figure 1).

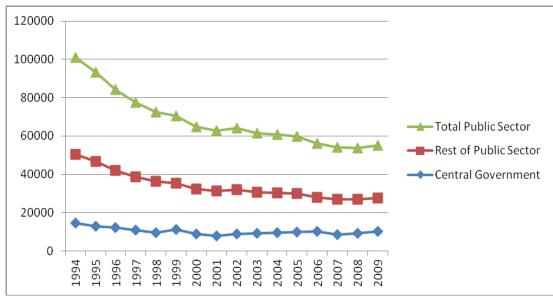


Figure 1: Public Sector Employment.

Source: Guyana Bureau of Statistics (2011).

While other variables such as the rate of inflation, mortality and private sector employments and the "unavailability of qualified professionals" may have a direct effect on declining rate of employment in the public sector, a simultaneous comparison with the net migration outlook of the years in questions makes it speculative that a significant proportion of these workers have been lost to international migration.

Furthermore, Docquier e Marfouk (2006) indicated that Guyana has lost 85.9% of the population with higher education principally to developed countries. The brain drain of educators has reached an alarming level, as expressed by the Minister of Education during the 34th Conference of UNESCO in 2007, where it was reiterated that as a result of losing 15% or a corresponding 300 of its

highly trained teachers, annually. In this circumstance, it was expected that Guyana would be unlikely to achieve the educational goals set out in the Dakar Framework of 2000 (BAKSH, 2007).

Analysis of statistics for 1, 154 ex-students from the University of Guyana and have migrated between 1963 and 2011, show that Guyana has lost specialists from seventy-seven (77) programmes of studies from 7 main faculties (Table 3).

Table 3: Selected University Students lost to Migration, 1963-2011.

| Faculty | Ex-students | Percentage |
|--------------------------|-------------|------------|
| Agriculture and Forestry | 42 | 3.6 |
| Arts | 165 | 14.3 |
| Education | 88 | 7.7 |
| Health Sciences | 81 | 7.0 |
| Natural Sciences | 200 | 17.3 |
| Social Sciences | 395 | 34.2 |
| Technology | 156 | 13.6 |
| Other | 27 | 2.3 |
| Total | 1154 | 100.0 |

Source: University of Guyana Student Alumni Portal (2011).

While Guyanese professionals in the diaspora continue to migrate to Africa, Asia, and Latin America and the Caribbean, the majority (73.3%) have migrated to the USA, Canada and the UK combined (Table 4).

Table 1: Destination for University of Guyana Graduates, 1963-2011.

| Country | Frequency | Percentage |
|----------------|-----------|------------|
| Bahamas | 45 | 3.9 |
| Canada | 253 | 21.6 |
| United Kingdom | 54 | 4.6 |
| USA | 556 | 47.4 |
| Other | 264 | 22.5 |
| Total | 1172 | 100.0 |

Source: University of Guyana Student Alumni Portal (2011).

With English and/or French language proficiency being one of the requirements for skilled migrants wanting to secure permanent residency in Canada and other countries developed countries, ex-British and ex-French speaking colonies in Africa and Latin America and the Caribbean may continue to be targets for sourcing human capital to replace their aging populations. Canada has been ratifying it categories of professionals needed to fill its labour demands. When the categories of professionals trained in and migrate from Guyana are compared against areas of professions demanded

in Canada, it becomes evident that Guyana may continue to lose highly trained professionals in future years to Canada.

In giving its only response to the loss and impacts of human capital to Guyana's economy, the Overview of the National Development Strategy states:

[...] Perhaps worst of all, many of the better-educated professional teachers have emigrated to other countries over the past two decades or so, mainly because of the low emoluments which are meted out to them in Guyana. As a result, there is a serious dearth of trained teachers at every level of our educational system.

This shortage of human capital is a most severe constraint to our future social and economic development. Although difficult, it may be possible, over the medium and long-terms, to train and educate a number of the personnel that would be required to assist in the development of our economy in general, and in the implementation of this NDS, in particular. In the short-term, however, measures and strategies must be devised to meet the estimated deficits. These might include the encouragement of expatriate Guyanese either to remigrate permanently, or to return home for specific periods to perform specific tasks; they might embrace the mobilization of overseas Guyanese, who remain permanently abroad, to undertake certain duties, through the utilisation of the new advances in Information Technology; and they might entail the seeking of technical assistance in a number of areas, particularly to implement donor-funded programmes and projects (NATIONAL DEVELOPMENT STRATEGY, 2000, p. 5-6).

In-spite of this recognition, there is no policy for migration and remittances, which accounts for a significant proportion of Guyana's economy. In the absence of adequate policies to manage migration, Guyana has maintained a negative net migration status for the past fifteen (15) years (Table 5).

Table 2: Guyana – net migration, 1997-2010.

| Years | Arrivals | Departures | Net Migration |
|-------|----------|------------|---------------|
| 1995 | 184, 879 | 192, 390 | -7, 511 |
| 1996 | 170, 885 | 183, 483 | -12, 598 |
| 1997 | 161, 061 | 177, 377 | -16, 316 |
| 1998 | 152, 834 | 163, 178 | -10, 344 |
| 1999 | 178, 982 | 191, 146 | -12, 164 |
| 2000 | 186, 137 | 197, 678 | -11, 541 |
| 2001 | 139, 363 | 147, 405 | -8, 042 |
| 2002 | 184, 031 | 197, 754 | -13, 723 |
| 2003 | 185, 046 | 194, 287 | -9, 241 |
| 2004 | 212, 347 | 218, 235 | -5, 888 |

| Total | 2 93, 0259 | 311, 3923 | -183, 664 |
|-------|------------|------------|-----------|
| 2010* | 97, 805** | 107, 165** | -9,360 |
| 2009* | 209, 627 | 222, 468 | -12, 841 |
| 2008* | 204, 734 | 223, 511 | -18, 777 |
| 2007* | 227, 573 | 238, 389 | -10, 816 |
| 2006 | 218, 822 | 228, 083 | -9, 261 |
| 2005 | 216, 133 | 231, 374 | -15, 241 |
| | | | |

Source: Bernard (2005, p.108); Guyana Bureau of Statistics (2011).

When age groups are considered, the majority of first generation Guyanese in the USA are in their prime working ages, with a median age of 39.8 years. A small percentage (5.1%) of Guyanese less than 15 years could be an indicative of a low fertility rate among adult Guyanese before migrating, hence a low volume of accompanied migration to the USA (US Department of Homeland Security, 2009).

Guyanese migration can also be interpreted in the context of the free movement of labour agreement under the Caribbean Single Market and Economy (CSME) outlined in the Revised Treaty of Chaguaramas (CARIBBEAN COMMUNITY SECRETARIAT, 2001). With their countries being members of the Caribbean Community and signatories to the free movement of skills/labour agreement, Guyanese and other CARICOM Nationals², who are eligible³ for the free movement of skills/labour certificate, have the right to seek work or engage in gainful employment in Member States of their choice.

While this continues to limit a deeper understanding of Guyanese migration to bordering countries, statistics from official sources suggest that the majority of Guyanese migrate to OECD countries particularly the USA, Canada and the U.K, which together account for 84% of Guyanese in the diaspora. Hence the flows of remittances are only captured in the North-South context.

3 SOCIOECONOMIC PROFILES OF HOUSEHOLDS RECEIVING REMITTANCES

3.1 Ethnic composition and gender

^{*}Data declared as tentative by the Bureau of Statistics for unspecified reasons.

^{**}Data for 1st & 2nd quarters only.

²Article 32.5: (A) of the Revised Treaty of Chaguaramas states that a Caricom National is a person who is regarded as a National of Member of State. To qualify as a Caricom National, such person must, "be a citizen of a Member of State [...] has a connection with that State of a kind which entitles him/her to be regarded as belonging to or, if it be so expressed, as being a native or resident of the State for the purpose of the laws thereof relating to immigration [...]" (CARIBBEAN COMMUNITY SECRETARIAT, 2001, p. 22-23).

³ To be eligible, one must be engaged in legitimate economic activities of some sort within the Caricom Single Market and Economy.

A total of 144 family households participated in a questionnaire survey. Being asked to give information about their entire households, these 144 participants provide data on 472 family members that make-up their households. More specifically, 32, 68, 16 and 28 households are from regions 3, 4, 5 and 6 accepted to participate in the survey. Of the respondents, 63.9% identify themselves as Afro-Guyanese, while 33.3% and 2.8% gave self-identifying information as Indo-Guyanese and Amerindian/Native Americans.

The households surveyed are from Administrative Regions 3, 4, 5 and 6. The majority (47.2%) of respondents has permanent residence in Region 4, followed by Region 3 and Region 6 (Figure 2).

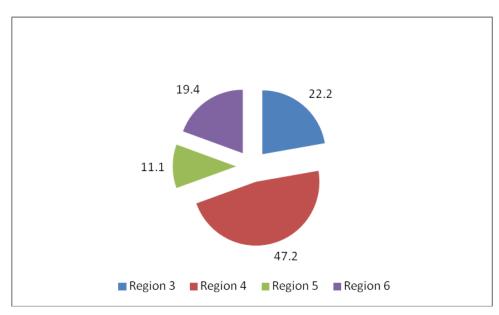


Figure 2: Regional distribution of households.

Source: Questionnaire survey (2011).

Overall, 66.7% of the recipients of remittances were women. There was also a greater female participation in each region, which indicates that more women are recipients of remittances (Figure 3).

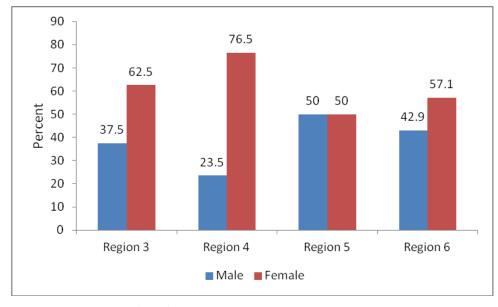


Figure 3: Regional distribution by gender.

Data source: questionnaire survey (2011).

In-spite of this feminine participation in the receipt of remittances, women do not dominate in household headship. Most of males surveyed (83.3%) indicate that they head their households, while only 45.8% of the females interviewed affirmed that they are the head of their households. The fact that most of these women currently reside with their spouses in Guyana, husbands are not the most dominant remitters of remittances. For this reason, conducting the study with recipients of remittances provides a greater advantage rather than working with household heads that might not have been able to respond adequately to the questions posed.

3.2 Age range and family size

Age range of the surveyed population varies from 22-83 years, with the majority (72.6%) being between the ages of 22-48 years old. This is an indicative that the majority of remittances flow to members of the working age population. One-half (50%) of the surveyed population are married and are mainly of a nuclear family background.

The data shows that household sizes range from 1-9 members, with a mean of 3.2 and a median 3.0. With a standard deviation of 1.9, it can be deduced that there is fair level of dispersion about the mean, and thus, the median of 3.0 members per household provides a clearer understanding of household size. The data further shows that 75% of households have between 1-4 members, which indicates that households have few children and/or "absent" family members from whom remittances flow, are lost to migration (Table 6).

Table 6: Household family size of surveyed population.

| Number of individuals | Frequency | Percent of households |
|-----------------------|-----------|-----------------------|
| 1 | 20 | 13.9 |
| 2 | 44 | 30.6 |
| 3 | 28 | 19.4 |
| 4 | 16 | 11.1 |
| 5 | 20 | 13.9 |
| 6 | 8 | 5.6 |
| 8 | 4 | 2.8 |
| 9 | 4 | 2.8 |
| Total | 144 | 100.0 |

Data source: questionnaire survey (2011).

Consistently, only 12 or 8.3% of all households have 1-4 dependent children and 22.3% of households with 1-2 dependent adults. The majority (72.9%) of all respondents have secondary to tertiary education, while a significant 33.3% have completed tertiary schooling. With the 72.6% of respondents being between, 22-48 years, this average level of literacy is an indicative that receivers of remittances have potentials for being productively engaged in the formal economy.

3.3 Monthly Income and Employment

Regarding total family income, the data shows that 52.8% of total family incomes range from \$G 26, 000 - \$G 100, 000 per month. A conversion to \$US and annual estimation shows that more than one-half (52.8%) of family household earn \$US 130 - \$US 500 monthly (Figure 4).

Don't know 5.6 Above 1, 255 1,005 - 1,250 755-1,000 13.9 505 - 750 13.9 255 - 500 22.2 130 - 250 30.6 less than 125 5.6 0 5 10 15 20 25 30 35 **Percent Households**

Figure 4: Households' monthly income in \$US.

Source: questionnaire survey (2011).

These low aggregate family incomes indicate that most women in the surveyed population are outside the labour force, and are thus dependent on remittances. This is consistent with the national scenario, where in 2002 only 56.1% of the working age population⁴ is in the national labour force. Further, the 2002 census report shows that while approximately 78.5% of the male working population is in the male labour force, only 34.1% of females in the female working age population are in the female labour force. Within the labour force category of both sexes a high level of 89.8% and 84.9% of males and females are employed. However, 21% males and 65% females of the male and female working age populations are outside the labour force. This observation of 43.9% of the both sexes of the working age population being outside the labour force is consistent with the growth of the informal economy (THOMAS, 2011). This high level of the working age population being outside the labour force has shown marginal fluctuations from the 1980, 1992 and 2002 surveys with 39.9%, 40.5, and 43.9%, respectively (Table 7).

Table 3: Employment Status by Gender in Guyana, 1980-2000.

| | 200 | 2002 1992 HIES | | 1980 | | |
|--------------------------|----------|----------------|---------|---------|---------|---------|
| Both Sexes | Number | Percent | Number | Percent | Number | Percent |
| Total: 15 years and over | 484,042 | 100 | 467,173 | 100 | 449,803 | 100 |
| Labour force | 271,728 | 56.1 | 278,078 | 59.5 | 241,934 | 53.8 |
| Employed | 239,965 | 88.3 | 245,492 | 88.3 | 201,575 | 83.2 |
| Unemployed | 31,763 | 11.7 | 32,586 | 11.7 | 40,575 | 16.8 |
| Not in labour force | 212,315 | 43.9 | 189,095 | 40.5 | 179,389 | 39.9 |
| Male | | | | | | |
| Total: 15 years and over | 240,342 | 100 | 225,666 | 100 | 220,784 | 100 |
| Labour force | 188,652 | 78.5 | 183,188 | 81.2 | 184,579 | 83.6 |
| Employed | 169,426 | 89.5 | 167,778 | 91.6 | 156,656 | 84.9 |
| Unemployed | 19,227 | 10.2 | 15,410 | 8.4 | 27,923 | 15.1 |
| Not in labour force | 51,690 | 21.5 | 42,477 | 18.8 | 21,927 | 9.9 |
| Female | | | | | | |
| Total: 15 years and over | 243, 701 | 100 | 241,508 | 100 | 239,019 | 100 |
| Labour force | 83,076 | 34.1 | 94,890 | 39.3 | 57,355 | 25.0 |
| Employed | 70,540 | 84.9 | 77,714 | 81.9 | 44,703 | 77.9 |
| Unemployed | 12,537 | 15.1 | 17,176 | 18.1 | 12,652 | 22.1 |
| Not in labour force | 160,624 | 65.5 | 146,618 | 60.7 | 157,462 | 68.8 |

Source: Guyana Bureau of Statistics (2005, p. 50).

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⁴ In Guyana, the working age population is characterized by persons 15 year and over.

While the census report did not explore the reasons for this low labour force participation, it did shed some light on one of the main factors being unemployment, which in 2002 accounted for 10.2% and 15.1 of the male and female labour force, respectively. Regarding the female cohorts most affected by unemployment are the 15-19 and 20-24, which, together, have accounted for 68.5% of unemployed females in 2002. Although the unemployment rate for males is lower, the 15-19 and 20-24 cohorts are mostly affected by unemployment, which in this case, accounts for 45.7% of unemployed males in 2002 (Figure 5).

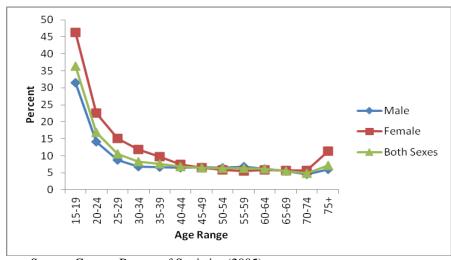


Figure 5: Unemployment by gender, 2000.

Source: Guyana Bureau of Statistics (2005).

With income gained from the informal economy is not considered in this study, surveyed households are observed to have very little disposable income. From these statistics, it is deduced that 64% of the 144 households have 1-3 members. The majority (65%) or 60 of the 92 households in this category earn up to \$US500 monthly. Similarly, 64% of the total households surveyed earn up to \$US 500 monthly (Table 8).

Table 4: Household (HH) by size and total monthly income.

| HH Total Income/Month (\$US) | 1-3 Individuals /HH | 4-6 Individuals/HH | 7 Individuals & Above/HH | Total Households | % of Total HH |
|------------------------------------|---------------------------|-----------------------|-----------------------------|---------------------|------------------|
| less than 125 | 8 | 0 | 0 | 20 | 14.0 |
| 130 - 250 | 32 | 12 | 0 | 44 | 31.0 |
| 255 - 500 | 20 | 8 | 4 | 28 | 19.0 |
| 505 -750 | 8 | 12 | 0 | 16 | 11.0 |
| 755 -1, 000 | 12 | 4 | 4 | 20 | 14.0 |
| 1, 005 - 1, 250 | 8 | 0 | 0 | 8 | 5.0 |
| Above 1, 255 | 4 | 0 | 0 | 4 | 3.0 |

| Don't know | 0 | 8 | 0 | 4 | 3.0 |
|------------|----|----|---|-----|-------|
| TOTAL | 92 | 44 | 8 | 144 | 100.0 |

Data source: questionnaire survey, 2011.

Note: HH = household.

3.4 Household Goods and Amenities

An assessment of the presence or absence of basic consumer durables and amenities such as potable water supply and electricity as an indication of the quality of residents enjoy is considered important in better determining the standard of living of households given the possibility of underestimations of income for fear of taxation. The majority (97.2%) of households have access to electricity and television. This means that information regarding remittances or diaspora activities could be easily disseminated across the regions studied (Figure 6).

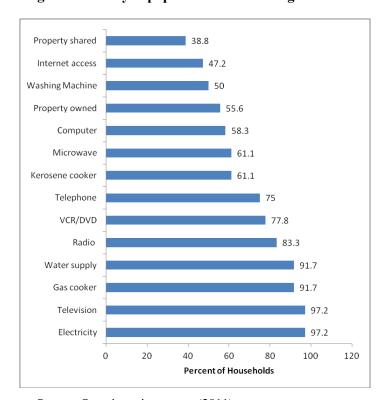


Figure 2: Surveyed population's access to goods and amenities.

Source: Questionnaire survey (2011).

The fact that 55.6% and 38.8% own and share property, respectively, is an indication that 94.4% of households are not required to pay rent from their disposable incomes. The fact that 38.8% of households residing in shared property is yet another indication that owners of these properties are residing outside Guyana or in other areas of the country. If the first speculation is holds for the majority of households, then the forgone income from renting these properties would be the economic

benefits family members /relatives enjoy while enjoying an improved standard of living as their disposable income could be diverted to cover other expenses. In the context of nonmonetary remittances, this could be a significant contribution considering the fact that more than half of the Guyanese population is residing overseas.

Comparisons of access to household goods and amenities against 2002 census findings reveal that households that receive remittances have greater access to many household goods and amenities (Table 9).

Table 9: Comparison of household (HH) goods and amenities.

| HH amenities/goods | National(2002) | Aggregate survey | |
|--------------------|----------------|------------------|--|
| Radio | 69.7 | 83.3 | |
| Television | 66.3 | 97.2 | |
| VCR | 25.0 | 77.8 | |
| Computer | 6.0 | 58.5 | |
| Internet | 5.0 | 47.2 | |
| Washing machine | 11.0 | 50.0 | |
| Microwave | 14.0 | 61.1 | |
| Telephone | 28.0 | 75.0 | |

Source: Guyana Bureau of Statistics (2005); Questionnaire Survey (2011).

This gap in access is even significantly greater when comparisons are made regarding amenities/goods such as washing machine, microwave, computer and internet access. In many case, these goods are remitted from migrants and can be classified as nonmonetary remittances. While 58.5% of households have computers, 75% with telephone and or cellular phones only 47% has internet access at home. However, due to the low cost of internet services at internet cafes, where Guyanese browse the internet and make calls to the U.K., USA, Canada and the English Speaking Caribbean at very low costs, it could be expected that more households have access at a lower cost. For example, households are able to telephone family members and friends living abroad for as low as \$G 10.0 or an equivalent US 0.05 cents per minute to the US and Canada.

From the standpoint of informational asymmetries caused by high transaction cost for making international calls 20 years ago, this significant cost reduction can be a significant advancement in telecommunication and local competition among service providers thus, permitting rapid transfer of information from the diaspora to family members in Guyana. It warrants noting that in some cases it is currently cheaper for Guyanese to contact relatives living in the US and Canada. A \$US/CDN 2.50 calling card allows a 5-8 minute conversation with relatives in Guyana, while the same sum of money could allow Guyanese to call relatives, instead, for 50 minutes of high quality international call. The very advancements in the field of information technology could be an important tool for accessing e-

services from highly trained members of the diaspora, particularly in strategic fields such as commerce and education, given the country's migration outlook.

4 FLOWS AND USES OF REMITTANCES

In response to the massive emigration from Guyana, the volume of remittances to the country continues to show an increasing trend. Data gathered form the World Bank and the United Nations dataset, shows that the volume of remittances is higher than Foreign Direct Investment (FDI) and Overseas Development Assistance (ODA) (Figure 7).

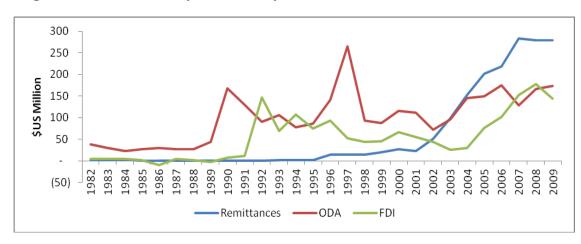


Figure 3: Official Monetary Flows to Guyana, 1982-2009.

Sources: World Bank (2011); UNCTAD (2011).

Flows of remittances have continued as Guyana's economy was severely hit by a natural disaster in 2005, when some 59.49% of the 2005 GDP was lost due to severe flooding (ECLAC, 2005). In 2005, there was an increased flow of monetary remittances by 76% of what was remitted in 2004.Remittances have even exceeded ODA during this worst natural disaster in Guyanese history. However, further studies would be necessary to better analyze natural disaster and the flows and impact of remittances on resilience of migrants' hometowns. With remittances skyrocketing following the new millennium, Guyana is identified as one of the 24 countries, in world economy, for which remittances account for more than 10% of their GDP. In the case of 2009, Guyana is identified as the 14th most remittance dependent economy. These only account for monetary remittances. Therefore, if non-monetary remittances are quantified, Guyana's dependence may be evidently greater. In 2010 monetary remittances totaled US\$ 308 million. Data collected on the flows of non-monetary remittances, in barrels and boxes, confirm that nonmonetary remittances accounted for US\$ 40, 040,

000 or 13%% of total monetary remittances remitted by the Guyanese diaspora in 2010. Data collected form remittance receiving households provided greater detail regarding the flows and uses of remittances.

The majority (72.2%) of the 144 households earn between G\$26, 000 – G\$150, 000 or an equivalent of US\$130 - \$US 750 monthly. While a median family income of 75, 500 or \$US 377.5 has been found, a further analysis of income data shows that median per capita income of \$G 19, 250 or \$US 96.2 is observed. This means that the larger the household size, lesser income is available for each person, and thus remittances assume an important role in diversifying households' income while simultaneously allowing greater savings and investments.

Statistics gathered by Guyana Bureau of Statistics for 365 consecutive days in 2005 show that at least each Guyanese adult between the ages of 20-80 and above receives remittances approximately 3 times yearly. The statistics also show that 90% of the recipients of remittances across Guyana have received less than \$G 20,000 or an equivalent of \$US 100. Regions Three, Four, Five and Six, which are the focus of this study, account for 80% of the remittances that flow to Guyana. Residents of these four regions combined are major recipients of remittances in the higher categories, which range from \$US 100 - \$US 3,750 per transaction. For example, 86% of the remittances that flow in the 3,750 and above, have flown to these four regions alone. For other Regions such as 7, 8 and 9, which are all hinterland regions, flows of remittances are significantly smaller and is generally under \$US 100.

An overall frequency of approximately 3 means that each Guyanese recipient receives monetary and nonmonetary remittances three times a year. This is rather similar to the overall findings from the 144 households surveyed, which reveal that 41.6 and 41.7% of households receive monetary and nonmonetary remittances seasonally, respectively. This seasonality corresponds to the three major seasons: Christmas, Easter and summer.

When asked about whether aggregate family income is sufficient to cover basic expenses, only 36.1% of the 144 households surveyed have responded in the affirmative. With the addition of monetary and nonmonetary resources from family members overseas, the following combinations became evident:

- 25% state that total income plus remittances are sufficient to cover family expenses;
- 25% affirm that total income plus remittances are insufficient to cover family expenses;
- 38.9% state that total income plus remittances are sufficient to cover family expenses and simultaneously permit savings;
- 11.1% claim that total income plus remittances are sufficient to cover family expenses and simultaneously allow investments in ventures such as food businesses, mobile vending, and animal rearing that are often unregistered and thus, form part of the informal economy.

The effectiveness of remittances in completing total family income to cover households' monthly expenses are determined by other factors such as the level of unemployment, per capita income, frequency and volume of remittance per household (Table 10).

Table 10: Impacts of remittances on households in regions studied.

| Region | EDMI Index ⁵ (2002) | HH Income Sufficient | Remittances + Household Income Sufficient | % Unemployed Males (2002) | % Females Unemployed Females (2002) | % of Recipients of Monetary Remittances (2005) |
|----------|--------------------------------------|----------------------------|--|---------------------------------|--|---|
| Region 4 | -0.14 to 0.19 | 35.3 | 94.1 | 10.4 | 14.1 | 49.6 |
| Region 6 | -0.14 to 0.19 | 28.6 | 57.1 | 9.4 | 12.5 | 18.3 |
| Region 5 | 0.23 to 0.30 | 25.0 | 25.0 | 12.4 | 22.5 | 7.0 |
| Region 3 | 0.30 to 0.58 | 50.0 | 75.0 | 7.0 | 11.0 | 16.0 |

Source: Guyana Bureau of Statistics (2005, 2002); Questionnaire Survey (2011).

These factors coupled with the lack of institutional arrangements for allowing households to use remittances as a source of income for micro business investment, and the fact that 86% of the recipients of remittances receive is below \$US100, seem to be the major factors that are responsible for the low levels of savings and investment from the household perspective. Interviews conducted with five of the six Commercial Banks in Guyana reveal that recipients of remittances cannot secure loans for micro investments by showing remittances as a source of income. To secure a microloan of US\$ 1, 250 for investment, potential investors *m*ust be employed for at least three years and furnish a security deposit of the same amount.

2012.10 01 0111121102, 2000).

⁵ This is an index developed by Guyana Bureau of Statistics and the Inter-American development Bank for the classification of Enumeration Districts according to wealth/poverty status. Higher values denote greater poverty. Based on statistics from the 2002 census, the following variables were used to compute this **Enumeration District Marginality Index EDMI:**

[•] The proportion of adults (15 yrs of age or older) in the enumeration district (ED) who have either no education at all or did not complete primary schooling;

[•] The proportion of adults (15 yrs of age or older) in the enumeration district who work in the primary sector;

[•] The proportion of children (6-14 yrs of age or older) in the enumeration district who do not attend school full-time;

[•] The proportion of dwellings in the enumeration district that report not having piped water as their main source of water supply;

[•] The proportion of dwellings in the enumeration district that do not have a W.C. linked to sewer;

[•] The proportion of dwellings in the enumeration district that do not report electricity as their main source of lighting;

[•] The proportion of dwellings in the enumeration district that report their main method of garbage disposal is not garbage collection service, compost, or burying;

[•] The average number of family members per bedroom in the enumeration district (Crowding) (GUYANA BUREAU OF STATISTICS, 2005).

While households could not provide an accurate breakdown of how monetary resources are allocated, the majority of surveyed households have indicated the following main uses of monetary resources: food, monthly bills such as energy and telephone, education and health. A very small quantity is allocated to savings and investment. When nonmonetary remittances such as foods, clothing and household articles are received, households have indicated that they are better able to save or reallocate disposable income to other uses such as savings and/or investments. Households that receive remittances also have greater access to durable goods and amenities across the regions studied. When survey findings are compared against the regional and national level of access to household durables and services, the findings show that remittances receiving households have a significantly greater access, and as such enjoy a better quality of life.

The data shows that greater access is pronounced regarding households' access to internet, telephone, television, all of which have significant potentials for networking with the diaspora particularly for human capital formation.

The findings further show that the four regions under study receive 80% of recipients of the monetary remittances to Guyana. Comparisons among the regions show that with the exception of Region Five, there is a positive relationship between the level of regional development as determined by the EDMI index and the flows of remittances, which when added to aggregate family income is sufficient to cover basic family expenses for the majority of households. This means that, with Region Four being the wealthier region, it is the recipient of greater volumes of remittances. The statistics show that Region Five does not conform to this pattern and one of the reasons seems to be that this region has a highest level of unemployment and simultaneously receives the least volume of remittance of the four regions studied.

5 THE POTENTIAL AND CHALLENGES OF MIGRATION AND REMITTANCES FOR GUYANA'S ECONOMY

An understanding of the factors governing Guyana's migratory outlook, the forms and channels through which remittances are remitted and, the extent to which these are integrated into policies for development, are all crucial for evaluating the potentials and challenges of migration and remittances for Guyana's economy.

In the first instance, the potentials and challenges can be interpreted in the context of the brain drain of Guyanese principally to OECD countries. Losing over 56% of its most productive population and entrepreneurs is threatening to Guyana's economy. With a fertility rate of 2.2 children per couple, an increase in the purchasing power (consumption) from population growth could be restricted as the

Keynesian economists have maintained the view that if population growth slows, then aggregate demand could decrease in the case of Guyana. As opposed to Malthus who has influenced Classical economists on the perceived ills of population growth, Keynesian economists have envisioned an increase in the purchasing power from population growth, which is viewed as a stimulator of the economy. Conversely, the Keynesians maintain the view that if population growth slows, then the propensity to invest, and aggregate demand will decrease.

With the entrepreneur playing a central role in the process of economic development, as he is seen as an innovator who undertakes new combinations of the factors of production, as Schumpeter (1934) has observed, is a major challenged to the Guyanese economy in the absence of favourable economic and political climate which are behind the emigration of the country's entrepreneurs. In their study Staritz et al. (2007) observe that the emigration of highly skilled and entrepreneurs, and the decline in capital accumulation are the principal factors that restrict Guyana's economic growth. More specifically, they observed that the growth of the labor force fell from 0.6 percent during 1991-1997 and by -0.4 percent in 1998-2004, while simultaneously the accumulation of capital fell from 5.8 percent between 1991-1997 to below 2 percent between 1998 and 2004. The result therefore, would be the reverse of post-Keynesians who have argued that investment generates income and that capital accumulation increases the productive capacity of the economy by enlarging its capital stock.

Following the massive brain drain of university graduates and experienced professionals to OECD countries, Guyana is blessed with flow of remittances, which currently exceed other official flows such as ODA and FDI. However, the study reveals that the impacts of these on economic growth are certainly different. Remittances are private flows that go directly into the food-basket of recipient households. Relative to GDP, the Guyanese economy seems heavily dependent on remittances. In 2011, monetary remittances accounted for 25.8% of Guyana's GDP; although there was a decline to 14.5% in 2011. With this area of study being relatively new, differences in epistemologies and country and region specific peculiarities continue to hinder consensus regarding the possibilities of using remittances as a tool for socioeconomic development. The multiplier effects of remittance are viewed as impossible by opponents. A more critical view of the issue and the findings of this study show that the multiplier effect in the Guyanese context is contingent upon the necessary institutional arrangements to unlock its potentials for consumption, savings and investments.

In the Guyanese context, the majority of households use remittances to cover basic expenses. Monetary remittances are allocated for payment of bills, food, education and health, while savings and investments are rather restricted. Complementing monetary remittances, nonmonetary remittances further contributes positively to households' access to food, clothing and domestic appliances and equipment. Certainly, this has a positive impact on the wellbeing/standard of living of recipient households. Depending on the stock of nonmonetary items received, households are able to re-allocate

disposable income among competing uses. For this reason, this study does not identify a specific percentage classification regarding the allocation of monetary remittances.

The study further confirms a greater positive impact on income and consumption. Similarly, an IDB country study of the macroeconomic determinants and consequences on monetary remittances to Guyana confirms a positive impact on consumption and income and a negative impact on investment (PETERS, 2009). The very fact that Guyana imports most of its consumption goods, this injection of monetary remittances into the economy may be rapidly lost by a leakage for imports of consumption goods. In 2010, Guyana's imports of consumption goods stood at \$US 376.8 million while remittances stood at \$ U.S 308 million in the same fiscal year (BANK OF GUYANA, 2010). In 2010, twenty-eight percent (28%) of consumption goods imported went towards food, while 34.3% went towards food and clothing and footwear combined. This financial leakage may be an important factor that further restricts the impacts of remittances on economic growth and development that could accrue from the multiplier effect in the Guyana scenario. Government policy regarding the importation of nonmonetary remittances in barrels and boxes seem to be in contradiction with the objectives of the pro-agriculture of the Jagdeo Initiative, thereby hampering the productiveness of the idle factors of production that are below the production possibility frontier.

If local producers are to enter the global competitive market, then other challenges including dumping, economies of scale, access to investment capital and competitiveness, given Guyana's vulnerability following the loss of preferential market access in OECD countries, would be major obstacles to achieving the objectives of the Jadgeo initiative in a competitive global economy. The reality that cheaper food, clothing and electro domestic appliances could be sourced from abroad at the expense of the family members living abroad, could certainly create the dependency syndrome, which critics put forward as a major impediment for achieving the multiplier effect from the flows of remittances to developing countries.

While recipients of remittances may be interested in investments, the inability to furnish remittance receipts as income source to access loans for micro investments is also a limiting factor. Putting the Guyanese scenario into perspective, therefore, savings and investments are contingent upon a number of factors including the flow of money and consumption goods from abroad, and local institutional arrangements at commercial banks in Guyana. However, Guyanese that have savings accounts at some commercial banks could have remittances channeled directly into their accounts from abroad (ROBERTS, 2008). Although Roberts envisions this as an a path to secure loans for investment and also a manner in which financial deepening could be achieved, data from official sources including the World Bank shows that over 70% of the remittances to Guyana are channeled through MTOs rather than through commercial banks.

A review of the Mexican literature shows that the government has embarked on the necessary policies and programmes to integrate diaspora and remittances into planning for national development. Neither Guyana's National Development Strategy nor the PRSP recognizes migration and remittances as potential tools for accelerate socioeconomic development. In the case of Jamaica and other countries in LAC, Terry and Wilson (2005) have observed a positive relationship between inflows of remittances and investment, economic growth and development. Consequently, they insist that once the necessary institutional arrangements are established to harness the true potentials of remittance by receiving households, and then the multiplier effect can be achieved through job creation, consumption and investments.

With the assumption that a force of highly skilled and productive are both necessary for improving performance in the productive sectors and economic development (SCHUMPETER, 1934), the exodus of entrepreneurs coupled with the migration of professionals to OECD countries and/or under the free mobility of labour of the CSME may not be beneficial to Guyana on the short term. The reality that only 56% of Guyana's working age population is within the labour force remains a major challenge for economic growth and development. This problem is compounded with the flourishing of the underground economy since the enactment of the socialist development policies in the 1970s and accelerated following the ERP (THOMAS, et al. 2011). The fact that only 34.1% of women in the female working age population constitute the female labour force, presents a greater challenge for increasing the productivity of economy through the funding from remittances. To some extent, the absence of women from the labour force can be explained by cultural factors, where women of East Indian decent are obliged to serve as housewives. In other cases, this problem could be linked to gender discrimination where Westminster models have noted for excluding women from policy formulation and planning for development. With women being the major recipient of remittances, any attempt to use remittances and diaspora resources in general, as a tool for socioeconomic development, must address this issue of engaging or encouraging women to become more involved in the productive sectors of the economy. In this context, a comprehensive institutional framework, which recognizes access to finance, education and training and all forms of gender equality, is necessary.

If remittances are to be compared against government's expenditure on higher education, the returns in the form of remittances are greater and currently supersede ODA and FDI. In 2007, the government spending on education and university education accounted for 9.9% and 0.97% of Guyana's GDP (BYNOE; BERNARD, 2008). In 2001, monetary remittances alone accounted for 6.24% of Guyana GDP, ranking Guyana second to Jamaica for the entire English-speaking Caribbean. By 2007, monetary remittances to Guyana has totaled 25.8% of Guyana's GDP, thus, in financial terms, the gains from brain are evidently higher, as another study has found in the case of brain drain

from the Dominican Republic (ARISTY, 2008). However, because remittances are private flows that enter into the food basket of households and the fact that Guyana continues to lose entrepreneurs and professionals from at least 77 specializations, could be threatening to economic growth as strategic areas of the economy become weakened.

In the light of this mass migration from Guyana and other countries in LAC, comparisons of remittances as percentage of GDP based on World Bank statistics for 2011, show that Guyana and other middle low income economies in LAC such as Guyana (14.5%) Guatemala (9.45%), El Salvador (15.8%), Haiti (21.1%) and Honduras (15.9%) are heavily dependent on remittances and are thus highly vulnerable to shocks that may affect the economies from which remittances flow to Guyana. Based on this regional dependency particularly for lower income countries in LAC, a regional policy for migration and remittances may be needed to be instituted with urgency.

It is also argued that on the long-term, migration of particularly highly qualified Guyanese could yield benefits beyond monetary. Such benefits could include formation of human capital, hometown associations for community-based development and networking in the diaspora for rapid information for innovation and possibly FDI, which could accelerate various aspects of socioeconomic development of countries of origin once appropriate intuitional arrangements are enacted. At present, there is in existence a number of community-based organizations including women's group, religious organizations, charitable NGOs and farmers associations to which monetary and nonmonetary remittances are often channeled for various development related activities. There is little or no involvement of the government other than for the granting of necessary tax exemption on the importation of charitable goods. At present, many of these organizations are nonfunctional and members only unite for crisis management as is the case of Guyana Relief Council, which has offices in Guyana and in the USA. However, the church/religious institutions continue to play an important role in provision of social services, distribution of items remitted by the diaspora and as a source of information. Recognizing the potentials of diaspora institutions in strategic areas such as health and education, Corbin (2012) stresses the need for better organization if they are to make a significant impact on poverty reduction.

Other than family households, churches and NGOs, schools are major beneficiaries of nonmonetary remittances from the Guyanese diaspora. The study shows that the majority of diaspora organizations in Canada contribute towards education. Members of the diaspora also provide training for locals in strategic areas such as Mathematics, Science and Information Technology is critical for formation of human capital and technological innovation, which could impact significantly on economic growth on the long run through human capital formation. This is certainly crucial for Guyana in the light of the current brain drain of teachers, scientists, health professionals and engineers. In 2007, Minister of Education, S. Baksh, confirmed, and reconfirmed in 2010, that international

migration has be severely impacting the educational system and thus, Guyana may be incapable of achieving the goals of the Dakar Framework on education. If, however, professionals and or educators who participated in training programmes for human capital do migrate without ensuring a multiplier effect by further training others, then the objectives of such collaboration in education and human capital from Guyanese in the diaspora would be constrained.

6 CONCLUSIONS, RECOMMENDATIONS AND IMPLICATIONS FOR FURTHER RESEARCH

6.1 Final conclusions

While dimensions of migrations such as brain-drain were and still are sometimes perceived a hindrance to development, this study confirms that migration could impact positively on the Guyanese economy if appropriate policy instruments are elaborated into a comprehensive development framework. The absence of a national migration policy could be a major impediment if Guyana were to become serious about harnessing remittances for development of its economy.

Losing over 56% of its most productive population and entrepreneurs is threatening to Guyana's economy. With a fertility rate of 2.2 children per couple, an increase in the purchasing power (consumption) from population growth could be restricted as the Keynesian economists have maintained the view that if population growth slows, then aggregate demand could decrease in the case of Guyana.

With women being the major recipients of remittances whether they are household heads or not signals that issue of gender equality must be at the center of policies on migration and remittances for development. This is of great significance to Guyana given the fact that 65.5% of women of the working age (15 years and over) are outside the labour force and an additional 15.1% of women in the female labour force unemployed. With households and women being the major beneficiaries of remittances, a significant focus on them has been important in revealing the manner in which disposable income at the household level is diversified and allocated among competition choices for consumption, savings and investment. A lack of policy arrangements in the financial sector to allow recipients to use remittances as income source to secure loans for micro investment certainly limits households' investment portfolio. Households benefit directly from flows to their households and indirectly from collective remittances transferred institutions such as to schools, churches, universities and hospitals. The study shows that collective remittances remitted by individuals or diaspora organizations to institutions such as community groups, religious organizations, youth groups and

farmers' associations could contribute significantly for local development at the NDC/community level. If this path is to be taken then the greater transparency and political and ethnic harmony are necessary. Even if the process is to be guided by the local government body, beneficiaries must be allowed to participate at the planning, implementation and monitoring phases of all projects for community development. Planning for local development must not be in isolation from planning for national and regional development. Therefore, a comprehensive planning framework for integrating migration and remittances across sectors of the economy and at the national, regional and local (community) levels are critical if Guyana were to become serious about using migrants' remittances as an alternative source of overseas financing for socioeconomic development. Given the state of dependency by recipients of remittances, policies, plans and projects for harnessing migration and remittances for development may bring new challenges to the Guyanese economy. From an economic perspective, a significant dependence on remittances may render the Guyanese economy highly vulnerable to the shocks of the economies in OECD countries. From a cultural perspective, an over dependence on monetary and the various typed of nonmonetary remittances could cause local communities in Guyana to become dependent on a foreign cultural system (alien cultural systems) that could be reflected by changes in its technical knowledge, customs, beliefs, mental values, symbols, behavior and, socio-political and even economic systems, as occurred in other parts of the world. Therefore, migration and remittance policies must be carefully elaborated and implemented to avoid the pitfall of stripping locals of their identity, where their ability to self-determination could become restricted and their future values, meanings, aspirations and projects shaped by migrants and policy makers, who may feel that these local people are powerless to self-development as traditional cultures are seen as stagnant and fossilized, and as obstacles to Guyanese economy and development.

In the light of the fact that within this policy framework, the following are recommended for mainstreaming and up-streaming migration and diaspora remittances into a comprehensive plan for national, regional and local (NDC/community) socioeconomic development and/or PRSPs:

• Restructuring the financial system to permit recipients to use remittances as income source for investment financing in-order to enhancing the developmental impacts of remittances. Particular attention should be placed on better engaging women who are the major recipients of diaspora remittances, into the formal economy, thereby increasing the productiveness of Guyana's working age population outside the labour force. Greater decentralization of banking services should be made available particularity in rural areas which account for over 71.6% of Guyana's population. Considering the possibilities of savings and investment for economic growth, then there should be national and international awareness programmes to encourage recipients of remittances to open savaging accounts and encourage remitters to channel remittances through commercial banks. This should be integrated into a wider

framework to reduce the transaction cost and delays to transact business at the commercial banks:

- Engaging diasporas for development with more than 56% of its highly qualified population residing principally in OECD countries, Guyana selling of diaspora bonds could be an alternative for cheap source of external financing for the development projects;
- Consolidating knowledge networks among Guyanese in the diaspora. The university and the
 ministry of education in general along with the respective Guyana's overseas missions could
 take a greater lead in fostering this linkage for transfers of knowledge, information regarding
 technological innovation and opportunities for investments in niche markets;
- Strengthening the links between temporary and/or permanent return migrants and their homeland by amplifying the benefits of the current re-migration policy. Such policies should seek to foster small, medium and/or large scale investments by return migrants or Guyanese abroad. These policies should ensure improvements in the country's economic climate, target infrastructure improvements, reduce red taping, guarantee transparency, stable regulations and guarantee political stability;
- Promoting circular migration especially of people from neighbouring countries. Given the institutional arrangements of the CSME, this should be fully implemented to unlock the development potentials where migrants should be welcomed as agents endowed with knowledge, information, entrepreneurial skills, investment capital and culture, which could contribute to investment and economic growth. The government could amplify and refocus the GuyExpo and other Trade Exhibitions to both developed and developing countries where Guyana diaspora is present. Greater use could be made of Guyanese Consulates in creating the enabling environment for entertaining fruitful dialogue with the diaspora. The government could embark on a number of pro-diaspora development policies to increase their diaspora participation in development in the housing, agriculture, tourism and other sectors,
- Sound bilateral and multilateral cooperation for ethical recruitment policies and enactment of well-defined migration policies, which treats migration and diaspora as accelerators rather than hindrances to development of both host and/or destination countries. Grater bilateral and multilateral cooperation is needed and better capacity building and public awareness programmers are necessary for to avoid the pitfalls of all forms of discrimination, thus ensuring a smoother assimilation among migrants while they maintain social bonds with their homeland. These policies and programmes should promote cultural diversity and multiculturalism should be seen and used a tool rather than a hindrance for development of host and origin countries. Theses should be at the heart of the agenda of regional institutions such as CARICOM, which until now has embarked on neither a regional migration policy nor

policies for migration and remittances for development of CARICOM countries, which, relative to GDP, are heavily dependent on remittances. A discriminatory-free regional migration and diaspora integration policy is therefore necessary if the region is to become more serious about regional integration and sustained socioeconomic development in the global economy.

6.2 Implications for further research

Given the international nature of migration and remittances, well-defined policies could only be informed by carefully conducted at different temporal and geographical levels. Studied at these levels are also necessary for knowledge advancements and theory building in response to the existent controversies regarding what should be considered remittances and how they impact on socioeconomic development of host counties. To achieve this objective further studies on migration and diaspora remittances are needed to:

- Better understand south-north and south-south flows of Guyanese migrants and the development impacts of monetary and nonmonetary remittances;
- To better understand the impacts of migration and diaspora remittances on consumption, savings and investments resulting from human capital formation, transfer of innovative technology, developments in education and improvements in human health along specific migration corridors and over specific time periods;
- Explore the potentials and challenges for institutional strengthening and participatory planning to unlock the development potentials of migrants' remittances;
- Explore the role of gender and culture in migration, and the relevance of region specific
 policies that consider multiculturalism and the promotion or circular/seasonal migration to
 better unlock the potentials of migration and diaspora remittances for accelerating
 development of host and origin countries;
- Comparative studies on the flows, uses and impacts of monetary and nonmonetary remittances across countries and regions;
- Studies to monitor the impacts of remittances once the necessary institutional arrangements are instituted.

In-order to be more useful to the academic community for knowledge advancements, and to policy makers for formulating well-defined policies at the global, regional, national and local levels,

these studies could be conducted by researches that have an interest in comparative research, thereby offering analyses of greater depths on the various dimensional of migration, remittances and development.

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