Fordham University **Summer 2012**

Migration, Microfinance and Poverty: theory and practice

Syllabus SOCI/ECON 5808 see also class Calendar

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Course description: This inter-disciplinary course introduces students to contemporary theories and research on international migration, development and poverty and the role of remittance and microfinance as new forms of capital alleviating poverty in Latin America and the new Global South (specifically in nations with increasing rates of immigration and micro-enterprising by women (Mexico, Dominican Republic, Peru, Bangladesh, Kenya, Nigeria and South Africa.). The main objective of this course is to investigate how migration, remittance and microfinance reduces poverty and promotes development. Does access to remittance or loans help alleviate poverty or enhance the probability of immigration or employment particularly the socio economic mobility of women and their children in both sending and receiving, host societies? What role does the United Nations as well as the World Bank and other 'mediating' institutions (such as NGOs and MFIs) play in the globalization of migration and labor, or in the feminization of 'credit' among the poor? Are women agents of social change or unwittingly serve the needs of global capitalists in this new form of 'bottom-up' economics? How is remittance and micro financing new forms of development and what government or private interventions must take place to increase the banking or formalization of poor people's capital? Through lectures and active class discussions, including presentations by invited development and poverty experts, students will further explore how families in poor and developing nations can benefit from remittance and micro-enterprising as well as investments. Interdisciplinary case studies from Mexico, the DR, the US, India and Africa will illustrate how migration, employment and micro-financing can affect employment as well as the ability of women and their families to engage in self-entrepreneurship and development and at once elicit greater government and state involvement and accountability.

Guest speakers: To encourage relevant research projects, a number of international and local experts on migration, microfinance and development will be invited as guest lecturers. In addition, students will be introduced to ongoing research projects at the Center for International policy studies (CIPS), an interdisciplinary research which has sponsored three international conferences on comparative immigration, remittances and crisis recovery, as well as site visits by/to other local and international agencies, such as the Office of International Migration and and *Bethex Federal Credit Union*, including possible site visits to and a number of local merchants and small entrepreneurs in the Bronx . Students are expected to participate in class discussions and prepare a final research presentation. **Class presentation:** Students will prepare a 3-6 page case study of a migration or microfinance program applying theory to practice. During the last day of class students will conduct a brief, 20 minutes presentation summarizing a case study of research interest The paper should have 1-2 pages summarizing the NGO, government or multilateral program in addition to 1-2 pages relating this activity to course readings. The final 1-2 pages should include a small proposal of further observations for a larger research project. Students should prepare a power point which includes clear sources and references (citations) for all tables, figures, as well as links to key arguments based on overall theme of the course, including a list of references as the last slide, in standard author (date) title, publisher format (not just urls). **Course Requirements:** Students should participate in class discussions, answer weekly discussion questions; and prepare short paper and class presentations relevant to immigration, remittances or microfinance (financial access). Reading and discussion questions will be posted on the course calendar after each lecture (due Tuesday, typed 1-2 pages single spaced).

Primary texts: (*recommended and required readings from these books in addition to selected articles below)***:**

Armendáriz, Beatriz and Jonathan Morduch (2010) *The Economics of Microfinance, 2nd Ed. MIT Press, Boston, look inside. May 2010 (PAPER) ISBN-10:0-262-51398-6 (<$26 for paper new or used)*

Collins, D. et al. (2009). Portfolios of the poor: how the world's poor live on $2 day, Princeton, Princeton University Press. Gates Foundation photos-slides $10 Kindle ISBN 0691141480

Hondagneu-Sotelo (editor) 2003. *Gender and US Immigration: Contemporary Trends.* University of California Press. ISBN 0-520-23739-0 (<$10 used)

Morrison, Andrew, Maurice Schiff, and Mirja Sjöblom (2008) The International Migration of Women, Palgrave, World Bank, Overview *ISBN 0821372270 (kindle $17.50)

Roy, Ananya (2010) Poverty Capital: Microfinance and the Making of Development (paper) Routledge, New York ($7-13 kindle) 0415876737 ($20 used) especially chapter 1 and chapter 3.

Secondary texts/references:

Armendáriz, Beatriz and Marc Labie (2011) *The Microfinance Handbook. World Scientific, Singapore look inside. May 2011 (PAPER) ISBN-* 9814295655

Banerjee A. and E Duflo (2011) Poor Economics, a radical rethinking of the way to fight global poverty, Public Affairs, New York.

Brown, Irene (editor) 1999. *Latinas and African American Women at Work: Race, Gender and Economic Inequality.* New York: Russell Sage. 0-87154-142-4 (<$10 used) Public Affairs, New York.

Chang, Leslie (2009) *Factory girls:* (0385520182) Spiegel & Grau, NY ($7 used $11 new) Chapter 1 and 11 plus WSJ series with pictures.

Eisenstein, Hester (2009) *Feminism Seduced: How Global Elites Use Women's Labor and Ideas to Exploit the World.* London: Paradigm Publisher.

Karlan, Dean and Jacob Appel (2011) *More Than Good Intentions: How a New Economics Is Helping to Solve Global Poverty, Dutton Adult, .*ISBN 0525951896,* Plume 452297567 ($11 paper)

Roodman, David (2012) *Due Diligence, An important inquiry*, open book, now in print and $8 Kindle format, Center for Global Development, Washington DC.

Stark, Oded (1991) The Migration of Labor, Basel Blackwell, ltd, Oxford, UK.

UNDP (2009) Human Development Report 2009 Overcoming barriers: Human mobility and development, United Nations, UNDP New York (free online)

UNDP (2010) Human Development Report 2010, The Real Wealth of Nations: Pathways to Human Development

World Bank (2012) Remittances Factbook 2011

Lecture Topics/readings

Part I: Migration, Development and Gender

1. Introduction and Overview: current controversies in Migration and Microfinance

Videos: PBS Now Documentary 2007 *Whose making money from Microcredit" *(video or in words as a debate)*:*

NY Episode 4 Intro (2 mins) NY immigration (10 mins) Full Episode (large file)

Heal Chapter 8, "Getting rich by selling to the poor" pp. 176-91.

Ananya Roy Chapter 3: "Dissent at the Margins: Development and the Bangladesh Paradox

Banerjee and Duflo (2011) A billion barefoot entrepreneurs?

Further reading: Banerjee and Duflo, 2007 Economic Lives of the Poor, Journal of economic Perspectives (JEP) and (2011) Savings and Self control pp. 191-97from Poor Economics.

2. Classic and Contemporary Theories of Immigration (discussion questions see course calendar)

Norma Fuentes (2011) NACCs Presentation, April 1st, Pasadena California.

UNDP (2009) Human Development Report 2009 Overcoming barriers: Human mobility and development, United Nations, UNDP New York (*pages to be assigned*) Taylor, Edward (1999) "The new economics of labor migration and the role of remittances in the migration process," *International Migration* 37(1): 63-88. Massey, Douglas,et.al. (1993) "Theories of International Migration: A Review and Appraisal," Population and Development Review, 19, September, 431-66. Oded Stark and Robert E. B. Lucas (1988) "Migration, Remittances, and the Family* *Economic Development and Cultural Change* . Hondagneu-Sotelo (editor) "Gender and Immigration: A Retrospective Introduction" *in Gender and US Immigration,* (pgs.#20-42).

Further reading: Saska Sassen, (introduction and chapters 1 and 2 in, *The Mobility of Labor and Capital).* Briere, Benedicte, Elisabeth Sadoulet Alain de Janvry and Sylvie Lambert (2002) "The roles of destination, gender, and household composition in explaining remittances: an analysis for the Dominican Sierra" *Journal of Development Economics* 68,309-28. and Valentina Mazzucato (2009) Simultaneity and Networks in Transnational Migration: Lessons Learned from an SMS Methodology, Chapter 5, University of Amsterdam

3. Migration, Remittances and Poverty Reduction: institutional and family perspectives : Orozco, M. (2011) "Remittance and Development Program: Future Trends in Remittances in Latin America and the Caribbean." The Inter-American Dialogue. http://www.thedialogue.org/page.cfm?pageID=80. Petrozziello, A. J. (2011) "Feminized Financial Flows: how gender affects remittances in Honduran-UStransnational families *Gender and Development* Special Issue on Migation, Vol. 19, Issue 1, March 2011*Remittances and Development: Lessons from Latin America,* The World Bank Latin

American Development series, 978-0-8213-6870-1 Arjan de Haan (DFID) and Shahin Yaqub (UNICEF). Sylvia Lopez-Ekra, Christine Aghazarm, Henriette Kötter & Blandine Mollard (2011): The impact of remittances on gender roles and opportunities for children in recipient families: research from the International Organization for Migration, Gender & Development, 19:1, 69-80 Migration And Poverty: Linkages, Knowledge Gaps And Policy Implications UNRISD/IOM/IFS *Social Policy and Migration* 12 May 2008. ***Further reading:*** World Bank (2006) Global Economics Prospects video presentation *Overview pp. vii- see also chapters 2,3 & 5. Migration and Development: the case of Mexico (ILO) Fajnzylber, Pablo and J. Humberto López eds. (2008) Chand and Clemens (2008) Skilled Emigration and Skill Creation: a quasi-experiment, CGD WP 152.

4. **Globalization, Migration and the Growing Role of Women:** Interdisciplinary perspectives on the role of women's migration and the transfer of cultural and material remittances Andrew R. Morrison, Maurice Schiff, and Mirja Sjöblom (2008) The International Migration of Women**,** Palgrave. Hondaganeu-Sotelo (editor), Saskia Sassen's "Instantiations of Gendering in the Global Economy" (pages 43-63); in same book, Cecilia Menjivar's, "The Intersection of Work and Gender: Central American Immigrant Women and Employment in California, (pages 101-127)." M.P. Chang, Leslie T (2008) *Factory Girls: From Village to City in a Changing China*,, "Going Out" (pp 3-17); "To Die Poor is a Sin," (pp 44-72); and "The Talent Market" "Factory Girls" (pp 98-120) WSJ story (photos) Min's return to the village. *Suggested Readings*: World Bank, Overview and Chapter 2 Gender In Economic Research On International Migration and Its Impacts: A Critical Review Lisa Pfeiffer, Susan Richter, Peri Fletcher, And J. Edward Taylor UNFPA State of world population 2006: A passage to hope, Migration policy: from control to governance, Open Democracy, 2006. ***Further reading:*** Saskia Sassen, (introduction and chapters 1 and 2 in, *The Mobility of Labor and Capital** Fernandez-Kelly (2003), in Hondagneu-Sotelo (editor), "I am Here, but I am There?: The Meanings of Latina Transnational Motherhood," (pages 317-341); and, Patricia Fernandez-Kelly, "For we are sold, I and my people: Women and industrialization in Mexico's frontier, in M. Romero, *Challenging Frontera*, (# 215-228) Eisenstein, Hester, "Globalization and Women's Labor," in, *Feminism Seduced: How Global Elites Use Women's Labor and Ideas to Exploit the World*. (pages 1-39).

5. Immigration, Integration and Inequality: The Integration of Latinos and West Africans in the US and Western Europe: Perspectives on Assimilation, Integration and Exclusion of old and new Immigrants in Europe and Europe: Fuentes, N. (2011) "Comparative Perspectives on the Integration of Immigrants: Europe and US (OIM, Budapest Presentation); and, Fuentes, N. (2011) "Sorting Brown and Black Latino service workers in gentrifying New York neighborhoods" *Latino Studies*. Vol. 9:1, 106. Gans, Herbert, 1992, "Second-Generation Decline: Scenarios for the economics of the post-1965 American Immigrants," *Ethnic and Racial Studies* 15. Thomson and Crul, "The Second Generation in Europe and the United States: How is the Transatlantic Debate Relevant for Further Research on the European Second Generation?" *Journal of Ethnic and Migration Studies*. 33: 7, 1025-1041. ***Further reading****:* Mollenkopf and Hochschild (2010) "Immigrant Political Incorporation: Comparing Success in the United States and Western Europe," *Ethnic and Racial Studies*, 33:1, 2010. Smith, Robert, "Mexican Migration to and Settlement in New York," in Mexican New York: Transnational Lives of New Immigrants.19-38 & "In Ticuani, He Goes Crazy" in *The Second Generation Renegotiates Gender*,123-147.

Part II: Microfinance, remittances and poverty

6. How does access to finance help the poor? (Rajan and Zingales 2004) *Saving Capitalism from the Capitalists*, *Chapt 1 "Does Finance Benefit Only the Rich?" *Collins et al. (2009) *Portfolios of the Poor*, *Chapter 1. *Thorsten Beck and Asli Demirguc-Kunt (2008) *Access to Finance: An Unfinished Agenda, World Bank Economic Review Beck, et al. Finance and Opportunity, World Bank, WPS 4468, Washington DC Hernando De Soto, The Mystery of Capital, Chapter 1, Chapter 2 and Chapter 3 (Soto 2000) Beck, et al. Finance, Inequality and Poverty: Cross-Country Evidence (slideshow) Armendariz, Beatriz and Jonathan Morduch (2010) *The Economics of Microfinance*, 2nd Edition, Chaper 1: "Rethinking Banking" cited below as A&M, *Portfolios of the Poor*, Chapter 5. "The Price of Money" *Portfolios of the Poor*, Chapt 6. "Rethinking microfinance, the Grameen II diaries" Cull, R., Asli Demiguc-Kunt and Morduch**,** Microfinance meets the Market (2009) *Economic Perspectives* 23:1, 167-92. Collins et al. (2009) *Portfolios of the Poor*, Chapter 5. "The Price of Money"

7. ***Does Microfinance empower women?*** See Roodman Chapter 7; A&M 2010 Chapter 7; Naila Kabeer (2001) Conflicts over Credit: re-evaluating empowerment potential of loans to women" World Development, 29:1, 63-84, and *Niala Kabeer, Is Microfinance a Magic Bullet for Women's Empowerment? Economic and Political Weekly October 29, 2005.*

7. **Microfinance Evaluation & Poverty reduction:** Are RCTs the "gold standard"? (no says Angus Deaton, 2009)/ See Karlan and Goldberg, in A&L eds. Microfinance Handbook, Chapter 1. Roodman, Due Diligence, Chapter 6 plus blog update (CGAP). *A&M Chapter 7 and 11: Measuring Impacts and Managing microfinance. Microfinance and Gender *A&M Chapter 7: Gender WWB, Stemming the tide of Mission Drift, 2008, Women's World Bank. **Microfinance as group lending: A**&M Chapters 3-5: Roots of microfinance: ROSCAs and Credit Cooperatives Ana Marr "The problematic experience of Communal Banking in Peru" Giné, Xavier Pamela Jakiela, Dean Karlan, & Jonathan Morduch Microfinance Games November 2009, Financial Access Initiative New York.

8. **Remittances microfinance and poverty: case studies** William Jack and Tavneet Suri (2010) The Economics of M-PESA Georgetown University and MIT Sloan. **(Fuentes and McLeod 2011) -conclusion**
Chin, Aimee Léonie Karkoviata and Nathaniel Wilcox "Impact of Bank Accounts on Migrant Savings and Remittances: Evidence from a Field Experiment* April 2010 **New technologies, branchless banking: the promise of mobile banking** Case studies: Mixmarket has data for many countries/regions. UNDP Microfinance in Nigeria Bank of Uganda (2004) Microfinance in Uganda Microfinance in the EU

Resources for Immigration Research

Pew Hispanic Center Resource Page
International Migration Organization World Migration Report 2005: Costs and Benefits of Migration
Migration Policy Institute Zef discussion papers by Oded Stark
Institute for the study of International Migration
World Bank Migration and Remittances center