

The Migration and Development Nexus:

A Case Study of Jordan since the 1950s

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Introduction

A country either receives migrants or it sends them, or so goes the conventional wisdom. Not so in Jordan, and in a number of similar countries, where both emigration *and* immigration have long shaped a complex socio-economic reality. Since Jordan's independence in May 1946, several waves of migration have altered the societal fabric of the small Middle Eastern Kingdom. Not only has Jordan admitted refugees from Palestine, Iraq, Libya and Syria since its foundation, it has also accepted large numbers of foreign workers, especially since the 1970s. These economic migrants come from all over the world, but primarily from South and Southeast Asia, as well as neighboring Arab countries like Egypt. Concurrent with this influx, but beginning in the 1950s, well-educated Jordanian professionals have emigrated to seek employment in Western countries and the Gulf States. The phenomenon of simultaneous immigration and emigration is difficult to explain, but it appears closely tied to the level of economic development in the country and the structure of its economy.

Jordan is considered an emerging market economy and was classified as an upper middle-income country by the World Bank in 2011, with a GDP of \$28.84 Billion.¹ The Human Development Index (HDI)² places Jordan 95th among the 187 countries for which data was available, slightly above the regional Middle Eastern average, but at a medium level of economic

I would like to thank the UNC Office of Undergraduate Research for a Summer Undergraduate Research Fellowship (SURF) for the Summer of 2012 and the SIT Study Abroad Office in Amman for their support with the interviews I was able to conduct during the Fall of 2011 and the Summer of 2012 in Jordan.

¹ World Bank, "Jordan | Data," 2012, <http://data.worldbank.org/country/jordan>.

² The HDI indicator is a composite measure that embraces a broad definition of human development as based in factors of health, education and income.

development.³ The Jordanian economy experienced two decades of robust growth in the 1970s and 1980s, a period of contraction in the 1990s, and again a seemingly robust growth rate in the current day.⁴ The role of migration in Jordan's economic development has been significant since the 1950s and 1960s, when Jordanians first began seeking employment in the Gulf States en masse and entire families, primarily of Palestinian origin, settled in Kuwait, the United Arab Emirates and Saudi Arabia. The economic growth of the 1970s and 1980s was partly based in emigrant's remittances, the money they sent back to Jordan, as well as gradual improvements in the domestic economy.⁵ In the late 1980s and early 1990s, partially due to the Gulf crisis, Jordanian migrant workers started returning. As a result the unemployment rate of the Kingdom peaked at 25 percent in 1991 and remittances fell drastically to 10 percent of GDP by 1993.⁶ Emigration picked up again in the mid-1990s and by the 2000s Jordanians once more migrated in large numbers, driving remittances up to 24 percent of GDP in 2001.⁷

Remittances have played a large role in driving economic growth in Jordan since the 1970s. They fueled investments that lead to the development of industries, which then attracted foreign migrants to the country, thus contributing further to Jordan's unique migration dynamics. As of 2010, Remittances make up 20.4 percent of the Jordanian GDP, and have funded projects in services, construction, agriculture and light manufacturing, sectors that largely create jobs for

³ UNDP, "Jordan Country Profile: Human Development Indicators," *International Human Development Indicators*, 2011, <http://hdrstats.undp.org/en/countries/profiles/JOR.html>.

⁴ Beverley Milton-Edwards and Peter Hinchcliffe, *Jordan: A Hashemite Legacy*, 2nd ed., Contemporary Middle East Series 7 (London, New York: Routledge, 2009).

⁵ Gaston Gelos, *Investment Efficiency, Human Capital and Migration: A Productivity Analysis of the Jordanian Economy*, Discussion Paper Series: Middle East and North Africa 14 (Washington DC: World Bank, 1995).

⁶ Geraldine Chatelard, *Jordan: A Refugee Haven* (Washington DC: Migration Policy Institute, August 2010), <http://www.migrationinformation.org/Profiles/display.cfm?ID=794>.

⁷ Ibid.

foreign workers.⁸ The phenomena of migration and economic growth seem to be intrinsically linked in the Jordanian case.

The link between migration and development has intrigued policy makers and academics alike. In recent years, scholars have begun to reevaluate what is often called the migration-development nexus, seeking to contextualize and renegotiate the relationship between migration and development. Renewed interest led to the discovery that remittances represent the single largest source of foreign capital in much of the developing world today, greater than flows of foreign direct investment or foreign aid.⁹ Optimistic researchers in the policy field have thus begun emphasizing the importance of incorporating migration as a factor in development policies.¹⁰ These new approaches stand in stark contrast with the interpretation of previous scholarship, which had placed great emphasis on the potentially counterproductive and exploitative aspects of international migration.¹¹ Previous research has also emphasized the negative consequences of the emigration of skilled workers. Termed *brain drain*, high-skilled emigration is an oft-cited phenomenon that has been shown to afflict developing countries.¹² In current studies, however, the focus has been shifting away from the understanding that migrants

⁸ M.I.T. El-Sakka, “Migrant Workers’ Remittances and Macroeconomic Policy in Jordan” (2005); Jihad A. Abu Al-Sondos and Suleiman S. Abu-Kharmeh, “The Jordanian Workers’ Remittances Impact on the Main Macroeconomic Variables,” *International Research Journal of Finance and Economics* no. 41 (2010).

⁹ Stephen Castles and Mark J Miller, *The Age of Migration: International Population Movements in the Modern World*, 4th ed. (Houndsmills, Basingstoke, Hampshire; New York, NY: Palgrave Macmillan, 2009); Migration and Remittances Team, Development Prospects Group, *Remittance Trends 2006* (Washington, DC: World Bank, 2007).

¹⁰ See Kristof Tamas and Joakim Palme, eds., *How Migration Can Benefit Development: Bridging the Research and Policy Gap* (Sweden: Institute for Futures Studies 2006); Thomas Faist, Margit Fauser and Peter Kivisto, eds., *The Migration-Development Nexus: A Transnational Perspective* (Basingstoke and New York: Palgrave Macmillan, 2011).

¹¹ See Alejandro Portes and John Walton, *Labor, Class, and the International System* (New York: Academic Press, 1981).

¹² Irena Omelaniuk, ed., *World Migration 2005: Costs and Benefits of International Migration*, vol. 3, IOM World Migration Report Series (Geneva, Switzerland: International Organization Migration, 2005).

represent either cheap, disposable labor or talent whose emigration drains the economy. Remittances are now perceived as one important factor by which migration can contribute to development. The concept of brain drain has been re-expressed in terms of *brain gain*, or *brain circulation*, and many scholars today embrace the notion that migrants and migrant communities are often driving forces for societal well-being.¹³ Though general optimism is rampant, the question in which ways migration benefits or constrains development, or if the connection between the two phenomena is more complicated, merits more thorough investigation.

The aim of this thesis is to examine the relationship between migration and development and its historical evolution in the Jordanian case, and to explore the ways in which migration can be conducive or detrimental to a country's development, including which economic, social and political factors influence the migration-development nexus in the long-term. To answer the question how migration can impact development, respective to changing historical conditions, in the first chapter I will study the evolution of the highly interdisciplinary migration-development debate with the aim of developing a multi-perspective theoretical and methodological framework for my analysis. In the second and third chapter my thesis will explore the evolution of the migration-development nexus with a focus on the case of Jordan since the 1950s. Three main questions will guide the study: *First*, how has the migration-development nexus been discussed and explained in scholarship of different disciplines, what have been the fundamental theoretical approaches in the changing scholarly explanations of the nexus, and which theoretical and methodological framework can help us best to understand the migration-development nexus?

¹³ See Hein De Haas, "Engaging Diasporas: How Governments and Development Agencies Can Support Diaspora Involvement in the Development of Foreign Countries" (Oxford: International Migration Institute 2006); Allan Findlay, "From Brain Exchange to Brain Gain: Policy Implications for the UK of Recent Trends in Skilled Migration from Developing Countries" (Geneva: International Labour Office: 2002).

Second, how have migration and development intersected in Jordan since the 1950s, and what historical factors have influenced changes in the dynamic? And *third*, how do migration and development relate in Jordan in the current day, in which ways have historical factors informed the present situation, and what are the sociopolitical and economic implications of the relationship? Within this line of questioning, I generate a *multi-perspective relational approach* to the analysis of the migration-development nexus in Jordan, which leads to a historically embedded and contextualized understanding of the subject: this thesis argues that the migration-development relationship is decidedly non-linear, as demonstrated by the heterogeneous development outcomes – both positive and negative – of migration in the Jordanian case. Furthermore, these diverse migration impacts are heavily dependent on historical, political, cultural and social factors unique to individual societies and time periods, thus showing that the migration-development nexus cannot be evaluated outside of historical and social context. These results arise from an approach that accounts for historical complexity and avoids one-sided mono-disciplinary interpretations. Consequently, they allow for a more realistic and constructive set policy recommendations to maximize positive development outcomes of migration, which are put forth in the conclusion of this study.

The Jordanian case serves as my analytical lens to investigate the migration-development nexus, not because it is a simple case that can clearly demonstrate a strong positive or negative link between migration and development, but rather because it shows a highly complicated migration dynamics to call into question reductionist theories about migration and development. Not only did migration play a large role in Jordan's development, it can also be said to be symptomatic of a number of structural and paradoxical economic problems that are shared by Jordan and other states in the region. On the one hand, Jordan suffers from high youth

unemployment, which was estimated at 32 percent in 2005.¹⁴ In 2011, more than 40 percent of unemployed were between the ages of 15 and 24.¹⁵ The lack of suitable job opportunities for young Jordanians has been a contributing factor to their emigration. On the other hand, certain sectors in the Jordanian economy employ almost exclusively foreign labor. Clearly, the wage-depressed jobs of these sectors, which need labor, bear little attractiveness for the more highly educated, average young Jordanian. With a net increase of 26,000 people per year, foreign immigrants coming in now outnumber Jordanians leaving the country.¹⁶ These astounding figures highlight the importance of studying the evolution of the Migration-Development relationship in Jordan in more detail, especially because the current situation is leading to political dissatisfaction in the Jordanian population, chiefly among the younger generation. The Jordanian government risks losing political support if it does not sufficiently address their concerns.

Such phenomena as witnessed in Jordanian's past and present are certainly not unique to that country, and so the Migration-Development Nexus has attained new academic and political prominence in the twenty-first century. In September 2006, the sixty-first session of the United Nations (UN) General Assembly marked the opening of the high-level Dialogue on International Migration and Development. The dialogue demonstrated a renewed interest in the topic and the desire of the international community to better understand the relationship between migration and development. The General Assembly passed resolutions 59/241 and 60/227, which emphasized the importance of migration as a medium to support co-development, a concept

¹⁴ Gérard Mayen et al., *Unemployment in Jordan* (Torino: European Training Foundation, 2005).

¹⁵ Yasser Abdih, "Closing the Jobs Gap," *Finance and Development* 48, no. 2 (June 2011), <http://www.imf.org/external/pubs/ft/fandd/2011/06/abdh.htm>.

¹⁶ Staff, Directorate of Migrant Workers, interview by Mattis Hennings, trans. Basheer Ryalat, November 24, 2011.

introduced by the French political philosopher and specialist on migration movements Sami Nair.¹⁷ It refers to an approach of integrating migration and development policy so that migration may benefit both countries of origin and of destination.¹⁸

In 2006, the high-level dialogue at the UN revealed the desire of many governments to increase cooperation in managing migration, but it did not establish an efficient means of doing so on the international level.¹⁹ A number of organizations, such as the Global Commission on International Migration (GCIM) and the Global Migration Group (GMG), have been formed in an attempt to remedy the perceived lack of cooperation both in research and in the formulation of policy.²⁰ Most, if not all, studies of the migration-development nexus also call for more research on the topic, as there seems to be a critical lack of data to help solve unanswered questions, draw preliminary conclusions about the interplay of migration and development and develop constructive policies.²¹

The Middle East and North Africa (MENA) is one of the regions where migration and development are closely connected and play an important role, but very few in-depth explorations of the phenomenon have been made. Heba Nassar, a professor of Economics at the University of Cairo, therefore called for more research on the region, arguing that it “can contribute to the question of whether the Arab countries will be able to make the most of the

¹⁷ United Nations, *International Migration and Development: Report of the Secretary-General* (New York, NY: United Nations, May 18, 2006).

¹⁸ Pau Vidal and Sara Martinez, *An Approach to Codevelopment: The Transnational Migrating Community: Protagonist of Codevelopment* (Barcelona: Observatorio Del Tercer Sector, December 2008).

¹⁹ Kristof Tamas and Joakim Palme, eds., *How Migration Can Benefit Development: Bridging the Research and Policy Gap*, Research Report Series 5 (Sweden: Institute for Futures Studies, 2006).

²⁰ Global Commission on International Migration, *Migration in an Interconnected World: New Directions for Action* (Global Commission on International Migration, October 5, 2005), <http://www.unhcr.org/refworld/docid/435f81814.html>.

²¹ See Faist et al, 2011.

emerging demographic dividend and achieve higher economic growth, thus containing international migration and making the option to remain in one's country viable for all."²² Through an investigation of the migration-development nexus in the Jordanian context, I hope to contribute to the urgently needed scholarship on this topic by answering the call for region and case-specific research. Additionally, in focusing on the relationship's historical evolution in Jordan, my study will enhance existing research by producing a historically contextualized review of the Jordanian migration-development nexus. By utilizing a multi-perspective relational approach, which unifies different disciplines and accounts for economic, political and social factors, this thesis will arrive at a much more complex and holistic understanding of the current situation, elucidate problems and possibilities, and allow for a case-specific set of policy recommendations.

My study will draw on approaches from economics, development studies, history, migration studies and political science and critically engage the established suppositions of the ongoing debate between scholars in these different disciplines. Next to the co-development approach outlined by Sami Nair, the work of the Dutch migration researcher Hein de Haas is of special importance for my own theoretical and methodological assumptions. His research focuses on the linkages between migration and broader processes of human development and globalization, primarily from the perspective of migrant-sending societies. It leads to an understanding of migration and development as inextricably linked phenomena and processes, but lacks the historical perspective that this thesis provides by looking at long-term development patterns since 1950 and focusing on a country that at one is sending and receiving migrants.²³

²² Quote in: Tamas and Palme, *How Migration Can Benefit Development*, p. 17.

²³Hein De Haas, "Development Leads to More Migration," May 28, 2011, <http://heindehaas.blogspot.com/2011/05/development-leads-to-more-migration.html>.

Based on this scholarship, I am defining *development* as sustained improvements in the quality of life, measured through the inequality-adjusted HDI, as well as other indicators such as GDP and Gini Coefficient. I will use the term *migration* to refer to economic migration, as opposed to migration of refugees, displaced or uprooted persons, and follow the understanding of the International Organization of Migration (IOM), which defines migration as the voluntary or free movement of people across an international border or within a state for “reasons of ‘personal convenience’ and without intervention of an external compelling factor.” Such reasons may include seeking to “better material or social conditions and to improve the prospect for themselves or their family.”²⁴ The term *migration-development nexus* will refer to the connection between the processes of migration and development and serve as an umbrella term for their complex interrelations.

The interdisciplinary approach of the thesis is based on the analysis of a combination of secondary and primary sources. Secondary source material serves to explore the past and current state of scholarship on the migration-development nexus and to contextualize primary sources and case-specific data, so as to analyze and interpret them within a clear theoretical framework. The most common types of secondary sources used in this thesis include scholarly articles, edited volumes, legal texts and conference papers, often drawn from the publications of several organizations dedicated to the study of migration or the enhancement of research on the subject. For my research, among the most helpful of these were the International Organization for Migration (IOM: Geneva), the Migration Policy Institute (MPI: Washington, DC), the Global Commission on International Migration (GCIM: Geneva), the Institute for Futures Studies (Copenhagen), and the Consortium for Applied Research on International Migration at the

²⁴ International Organization for Migration, “Migration,” *Glossary on Migration*, International Migration Law (Geneva: International Organization for Migration, 2004).

European University Institute (CARIM: Florence). Further secondary literature included newspaper articles, as well as government and IGO/NGO reports, published either online or acquired directly from issuing organizations.

Primary sources included quantitative data from government and IGO/NGO sources, speeches, as well as archived, recorded or self-conducted interviews. The quantitative data in this study, such as data on employment figures, migration, economic growth, labor code enforcement, and work permits, was obtained from government and IGO/NGO websites, or in person from members of those organizations. Data used were taken from the Jordanian government, International Labor Organization (ILO), IOM, UN, GCIM, World Bank, International Monetary Fund (IMF), and Organization for Economic Cooperation and Development (OECD) and are dated from 1950 to 2012. Speech transcripts and archived, recorded interviews of Jordanian officials were drawn from the CARIM migration profile on Jordan.

During the fall of 2011 and summer of 2012, I additionally conducted nine original expert interviews in Jordan with officials from Jordanian government, including the Ministry of Labor and Ministry of Industry and Trade, and representatives of Jordanian businesses, non-profit organizations, labor unions and policy institutes. The interviews were held in English, or Arabic with the help of a translator, and organized to be semi-structured and open-ended, with a list of prepared questions.²⁵ Interviewees were selected based on specific fields of expertise related to development and migrant labor. The combination of secondary and primary sources used will allow for me to arrive at a contextualized understanding of the migration-development nexus in Jordan.

²⁵ For more developed methodological reflections see, Alexander Bogner, Beate Littig and Wolfgang Menz, eds., *Interviewing Experts* (Basingstoke and New York: Palgrave Macmillan, 2009).

The thesis is divided into three chapters, based on the three main questions that guide this study. In order to understand the ways that migration can be conducive or detrimental to a country's development, the first chapter of the thesis will investigate how the migration-development nexus has been discussed in scholarship over time with the aim of developing a theoretical and methodological framework for my study. Following this general introduction to the topic, chapter two will evaluate the intersection of migration and development in Jordan from a historical perspective, since the 1950s. Following this historical review of migration and development in Jordan, the third chapter will explore the migration-development nexus in Jordan today. In the Conclusion I will discuss the lessons the Jordanian case offers to enhance our understanding of the migration-development nexus more generally and suggest some possible policy measures.

1. The Migration-Development Nexus

The idea that migration might be linked to economic development is certainly not a new one. The topic has experienced a resurgence in the twenty-first century, especially after the sixty-first session of the UN General Assembly in September 2006, which opened the high-level Dialogue on International Migration and Development. Even prior to the dialogue, the Global Commission for International Migration called for further research into the Migration-Development Nexus. Current theories about the subject stem from both largely optimistic policy approaches, as well as more critical and nuanced examinations in migration and development

studies. The current scholarship differs significantly from that of the second half of the twentieth century, which, in the context of the Cold War, was more informed by political interests and ideological thinking. Neither neo-classical, functionalist policy makers nor neo-Marxists scholars discussed the migration-development relationship in a balanced way, due to their overt optimism or extreme criticism, respectively, of existing development paradigms.

The understanding about the migration-development nexus has shifted significantly since the first studies on the subject. At the core of the scholarly debate is the question of the developmental role of migration; the answers, provided by researchers and policymakers, have vacillated between pessimistic and optimistic positions. In retrospect, four distinct phases of the evolution of the debate on the migration-development nexus can be identified. During the first period of scholarship that started in the 1950s and ended in the early 1970s, it was the accepted view among developmentalist scholars and policy makers that emigration and brain drain were “partly or wholly compensated for by a reverse flow of money, ideas and knowledge.”²⁶ This first phase had a decidedly optimistic outlook on the positive impact of temporary labor migration and remittances in the developing world. The historical economist Charles P. Kindleberger, in his 1967 study *Europe's Postwar Growth: The Role of Labor Supply*,²⁷ much like other scholars at the time, propagated ideas linking development to migrants' return to their home countries, and lauded capital and knowledge transfers that would initiate development take-off.²⁸

²⁶ Faist, Fauser, and Kivisto, *The Migration-Development Nexus*; Hein De Haas, “Migration and Development: A Theoretical Perspective,” *International Migration Review* 44, no. 1 (2010).

²⁷ Charles P. Kindleberger, *Europe's Postwar Growth: The Role of Labor Supply* (Cambridge, MA: Harvard University Press, 1967).

²⁸ De Haas, “Migration and Development: A Theoretical Perspective.”

In the 1970s and 1980s, a second phase of scholarship, influenced by world systems theory, challenged these initial assumptions and rejected the idea that migration could benefit development. Influenced by thinkers like sociologist and historical social scientist Immanuel Wallerstein,²⁹ most of the neo-Marxist scholars who dominated the research of this period were concerned with ideas of brain drain and dependency, often positing the inverse relationship: that migration arose from a condition of underdevelopment.³⁰

In the 1990s, sociologists like Douglas Massey and other migration scholars began highlighting serious shortcomings in the theoretical understanding and methodological approaches behind previous studies on migration and development.³¹ The resulting research from this period took more subtle positions on the migration-development relationship, as a consequence of more empirical studies and transnational approaches. Yet, as in the previous decades, the policy field remained skeptical of a positive migration-development relationship and largely neglected the issue, which was accompanied by a tightening of migration policy.³²

By 2001 however, a fourth phase started, once again turning the skepticism of policy makers into vigorous optimism. Since then, remittances have become a focal point of a new wave in research, as have ideas of *brain gain*, the agency of migrants and diaspora involvement. Leading migration researchers of the present like Hein De Haas, the Co-Director of the International Migration Institute (IMI) of the Department of International Development at the University of Oxford, Thomas Faist, Professor for Transnational, Development & Migration Studies at the University of Bielefeld, and Kathleen Newland, co-founder of the Migration

²⁹ See for example, Immanuel Wallerstein, *The Capitalist World-Economy* (Cambridge: Cambridge University Press, 1979).

³⁰ De Haas, "Migration and Development: A Theoretical Perspective."

³¹ J.E. Taylor et al., "International Migration and Community Development," *Population Index* 62, no. 3 (1996): 397–418.

³² De Haas, "Migration and Development: A Theoretical Perspective."

Policy Institute in Washington D.C., note growing interest in the subject of the migration-development nexus and a rapid shift not only in the field itself, but also in the approach of the policy community.³³

As noted by Thomas Faist and Margit Fauser in their introduction “The Migration-Development Nexus: Toward a Transnational Perspective” to a 2011 volume with the same title, these four phases of scholarship unsurprisingly mirror the changing development paradigms of the last sixty years.³⁴ Similarly, migration researcher Hein De Haas emphasized in his 2010 study “Migration and Development: A Theoretical Perspective” that each phase of the scholarship coincides with larger shifts in social and development theory.³⁵ Naturally, as the notion of development remains contested today, so do the particularities of the current phase of migration-development research. For example, the sanguine attitudes toward remittances have been put into question. Structuralist scholars such as anthropologist Leigh Binford have argued that remittances are unlikely to lead to more sustainable growth or development.³⁶

A common thread in all three earlier phases of research has been the attempt to normatively establish the migration-development relationship in either positive or negative terms. This study will not take such an approach. Rather, it will build upon a conceptual framework developed by Hein De Haas in his article “Migration and Development: A Theoretical Perspective” published in 2010 in the journal *International Migration Review*. Here

³³ K Newland, *A New Surge of Interest in Migration and Development*, Migration Information Source (Washington DC: Migration Policy Institute, June 2003), <http://www.migrationinformation.org/Feature/display.cfm?ID=136>; Faist, Fauser, and Kivisto, *The Migration-Development Nexus*; Hein De Haas, *Engaging Diasporas: How Governments and Development Agencies Can Support Diaspora Involvement in the Development of Foreign Countries* (Oxford: International Migration Institute, June 2006).

³⁴ Faist, Fauser, and Kivisto, *The Migration-Development Nexus*.

³⁵ De Haas, “Migration and Development: A Theoretical Perspective.”

³⁶ Leigh Binford, “Migrant Remittances and (Under)Development in Mexico,” *Critique of Anthropology* 23 (September 2003): 305–336.

he describes the migration-development relationship as reciprocal, recognizing the heterogeneity of both positive and negative migration impacts. Migration transition theory, as De Haas outlines it, elaborates the idea that human development leads to “generally increased levels of migration and that as societies develop they go through migration transitions.”³⁷ According to the theory, varying migration dynamics occur at different stages of development, highlighting the importance of a historical analysis. Geographer Wilbur Zelinsky first offered a temporal breakdown of migration patterns in his mobility transition theory in 1971, upon much of which the work of Hein De Haas and later theorists is built.³⁸ In 1997, geographer Ronald Skeldon, who was influenced by the work of Zelinsky, proposed a spatial migration model that outlines five “development tiers,” groupings of countries that were part of a global regionalization of migratory movements.³⁹ Combining these spatio-temporal migration models, De Haas’ migration transition theory opens the way for a deeply contextualized understanding of the migration-development relationship. Since De Haas’ approach was influenced by the earlier debates, and because the evolution of thought had a tangible impact on the policy field, it is crucial to understand the phases of thought in some detail. Therefore, this chapter will first delineate the four phases of scholarship and accepted paradigms of the past 60 years, and then outline the conceptual framework and associated conclusions that will guide this study.

³⁷ Ibid.

³⁸ Wilbur Zelinsky, “The Hypothesis of the Mobility Transition,” *Geographical Review* 61, no. 2 (n.d.): 219–249.

³⁹ Ronald Skeldon, *Migration and Development: A Global Perspective* (Essex: Longman, 1997).

1.1 Temporary Labor, Remittances and Development: Approaches to Migration in the 1950s and 1960s

After the end of the Second World War, Western European countries relied heavily on migrant labor to fuel the post-war economic boom. In the 1950s and 1960s, policies were created to encourage temporary labor migration to satisfy industrial demands for cheap labor in Europe. In 1960s Germany, for example, guest workers, or *Gastarbeiter*, from Italy, Greece, Spain, Turkey, and the Balkans, played a significant role in the unfolding of the country's rapid economic growth.⁴⁰ Clearly beneficial to the receiving country, where labor was scarce, guest worker programs were believed to have development potential for sending countries as well. Not only did guest workers earn money to send home as remittances, they also developed work-related knowledge, particularly industrial skills that would benefit them upon their return home. The remittances and savings of returnees would then theoretically provide the basis of a developmental take-off in sending countries. These early conceptions of migration-development optimism would lead to policies in the developed world that were heavily structured around temporariness and return.

The debates at the time were informed by scholars such as the economic historian Charles P. Kindleberger, who noted in his 1967 book *Europe's Postwar Growth* the clear evidence that temporary migrants boosted developed economies, while earning money to send home as remittances, and acquiring skills and knowledge they could utilize upon their return home.⁴¹ These evaluations fell within the framework of neo-classical and developmentalist theory perspectives. As early as 1954, the economic theorist Arthur Lewis had postulated that

⁴⁰ D Ellerman, "Labour Migration: A Developmental Path or a Low-level Trap?," *Development in Practice* 15, no. 5 (August 2005).

⁴¹ C.P. Kindleberger, *Europe's Postwar Growth: The Role of Labor Supply* (Cambridge, MA: Harvard University Press, 1967); Faist, Fauser, and Kivisto, *The Migration-Development Nexus*.

emigration of surplus labor from the global south, in the form of temporary labor programs for example, would result in labor scarcities in the sending countries.⁴² According to his theory, these labor scarcities would result in a new balance between capital and labor, which could attract an inflow of capital, leading to economic growth.⁴³ Lewis articulates ideas consistent with the process of factor price equalization, also known as the Heckscher-Ohlin model, which predicts that “migration ceases once wage levels at the origin and destination converge.”⁴⁴ This was the conclusion drawn about the migration-development relationship in a world structured by neo-classical economics. However, as pointed out by economist Slobodan Djajic in his 1986 article “International Migration, Remittances and Welfare in a Dependent Economy” these early theories did not account for possible gains made by non-migrants in sending countries. Djajic argues that neo-classical models, in their reliance on factor price equalization, which focuses solely on the migrant as a utility maximizing agent, do not explain the role of remittances as a source of capital or in leading to poverty reduction.⁴⁵ Thus, scholarship, and consequently the policies of the time were informed by theories that only allowed an incomplete understanding of migration and migrant motivations.⁴⁶

The strong emphasis on return is another indication of an oversimplified theoretical framework at the time. In their basic nature, guest worker programs were intended to allow for a short stay and an eventual return home. According to political and economic philosopher David Ellerman, however, migrating to work was more than a short-term situation, as many saw

⁴² A.W. Lewis, *Theory of Economic Growth* (London: Unwin, 1954).

⁴³ Ibid.; B Hamilton and J Whaley, “Efficiency and Distributional Implications of Global Restrictions on Labour Mobility,” *Journal of Development Economics* 14, no. 1 (1984): 61–75.

⁴⁴ De Haas, “Migration and Development: A Theoretical Perspective.”

⁴⁵ Slobodan Djajic, “International Migration, Remittances and Welfare in a Dependent Economy,” *Journal of Development Economics* 21 (1986): 229–234.

⁴⁶ For an in-depth evaluation see Massey et al, 1998.

“temporary” labor migration as a way of life. The theory and policies at the time failed to account for the self-perception of many migrant workers as such, that migrating for work was a career choice.⁴⁷ Given that large numbers of migrant workers may not return home until later stages in their life, the emphasis on skills and knowledge transfers in this early phase of scholarship was overblown. But even then, the emphasis on remittances was justified: as early as the 1960s, they proved to be the largest source of foreign exchange in some origin countries.⁴⁸

Developmentalist modernization theory and neo-classical economics guided approaches to migration and development in the 1950s and 1960s. Scholars embraced temporary labor programs, touting the benefits of return in skills and knowledge transfers. They also viewed remittances in an optimistic fashion – though the economic theory at the time only provided limited explanations of migration-development phenomena. In the 1970s and 1980s, scholars first began offering critiques of the established developmentalist theory, and eventually expanded these into the field of migration studies, where they had lasting influences.

1.2 Migration due to Underdevelopment: The Scholarship in the 1970s and 1980s

The initial optimism about the role of migration in development was quickly dismissed as scholars began approaching the notion of development from a more critical perspective in the 1970s and 1980s. Starting in the 1960s, scholars like Immanuel Wallerstein and the economic historian and sociologist Andre Gunder Frank would provide the intellectual foundation for a more critical engagement with the migration-development nexus through their promotion of dependency- and world-systems theory. Their work was based on independent findings by

⁴⁷ Ellerman, “Labour Migration.” 618.

⁴⁸ De Haas, “Migration and Development: A Theoretical Perspective.”

economists Hans Singer and Raul Prebisch in the 1950s, who observed deteriorating terms of trade for underdeveloped countries in relation to developed countries. The Prebisch-Singer hypothesis would later form the basis of dependency theory, as the disadvantageous terms of trade were seen to reflect the structurally entrenched status of periphery nations dominated by the industrialized, Western core.⁴⁹ Later, Wallerstein's world systems theory, developed in his 1974 book *The Politics of the World Economy* would expand on the ideas of dependency and further define a world system in which the peripheral states of the global south could never reach core status.⁵⁰ The theoretical foundation set by Wallerstein and others was dominated by state centric approaches, but new modes of thinking about existing paradigms extended into the fields of migration studies.

In 1981, sociologists Alejandro Portes and John Walton used the notion of underdevelopment, or underdeveloped status as the flip side of development, as an explanation for the phenomenon of migration. This was a reverse conceptualization of the migration-development relationship as it had been understood in earlier decades. The basic argument was that underdevelopment and the resulting lack of opportunities caused individuals, especially the well-educated, to migrate from the periphery countries to the developed core. Specifically, it was poverty in the periphery that depressed salaries in medium and high wage occupations, leading qualified professionals to migrate.⁵¹ Contrary to scholarship from previous decades, the phenomenon of migrant return was regarded as rare. Few migrants were expected to return to invest in their nations. According to Faist and Fauser, many dependency theorists saw early

⁴⁹ John Toye and Richard Toye, "The Origins and Interpretation of the Prebisch-Singer Thesis," *History of Political Economy* 35, no. 3 (Fall 2003): 437–67.

⁵⁰ Immanuel Wallerstein, *The Politics of the World Economy: The States, The Movements, and the Civilizations* (Cambridge: Cambridge University Press, 1974).

⁵¹ Alejandro Portes and John Walton, *Labor, Class, and the International System*, Studies in Social Discontinuity, Probability and Mathematical Statistics (New York: Academic Press, 1981).

migration as leading to increasing migrant flows because more and more benefits and resources accumulated in the developed world.⁵²

These notions of professional migration and an unfair distribution of gains were among the first conceptualizations of *brain drain*: the argument that emigration placed a strain on sending countries' economies. As well-educated professionals emigrate, it follows that they drain their country's human capital, and prevent the state from gaining a return on its investment in them and their education. Thus, brain drain perpetuates the state of underdevelopment. Today, the negative effects of professional emigration are well acknowledged and have become a part of the discussion on framing policy. In 2005, the International Organization for Migration reiterated that "loss of qualified personnel can lead to economic stagnation, waste of public funds invested in higher education and depletion of tax income," all of which are a drain on already scarce human resources in developing countries.⁵³ Yet, it is important to note that brain drain is an extremely context specific phenomenon – and that some countries, such as the Philippines and even Jordan, have made the training and export of professionals an economic strategy. Though initial findings on the brain drain phenomenon were overwhelmingly negative, newer thought has begun to conceptualize more nuanced ideas of *brain gain* and *brain circulation*.

The concept of brain drain was among the most significant issues raised by scholars in the 1970s and 1980s, and it remains relevant in current discussions. The criticism of this era did much to inform later debates about the migration-development nexus. As paradigms about development shifted, so did conceptualizations of migration and understandings of its origins. However, the scholarship of the 1970s and 1980s was still characterized by the relatively rigid explanations laid out by world systems theory – which does not well account for the individual

⁵² Faist, Fauser, and Kivisto, *The Migration-Development Nexus*.

⁵³ Omelaniuk, *World Migration 2005*.

agency of migrants and the ability of their communities to affect change. In 1998, the book *Worlds in Motion* by sociologist Douglas Massey highlighted the shortcomings in the migration-development theories and methodological approaches of the day, ushering in a third phase of migration-development scholarship.⁵⁴

1.3 Interlinking Migration and Development: The Discussion since the 1990s

Since the 1990s, scholars and policy makers have begun displaying a more careful optimism about the migration-development nexus. This phase has been centered around a more transnational perspective on the interlinking of migration and development. Notably, it also highlights the importance of migrants and their communities as actors in the development process. As noted by Faist, and Fauser, these ideas can best be summarized by what is called *co-développement* in French policy circles, a notion which casts the migrant “as the development agent par excellence.”⁵⁵ After Douglas Massey criticized the incomplete analysis provided by previous approaches in the late 1990s, scholarly discussion of the migration-development nexus began to take a more nuanced form and has since resurfaced as a major area of academic interest.⁵⁶

Much of the renewed interest in the topic stems from recent findings on remittances and their development impacts. A 2006 estimate of the volume of migrant transfers through official channels places it at \$199 billion, a figure that has grown over 107 percent since 2001.⁵⁷ The same study suggests that unrecorded flows of remittances may add 50 percent or more to the

⁵⁴ Taylor et al., “International Migration and Community Development.”

⁵⁵ Faist, Fauser, and Kivisto, *The Migration-Development Nexus*.

⁵⁶ Taylor et al., “International Migration and Community Development.”

⁵⁷ Migration and Remittances Team, Development Prospects Group, *Remittance Trends 2006*.

current volume of transfers. This suggests that remittances, as Castles and Miller indicate in the *Age of Migration*, are indeed the “largest source of external financing in many developing countries.”⁵⁸ Given such overwhelming figures, sanguine opinions again abound on the effectiveness of these transfers in reducing poverty and benefiting development. More generally, optimism about temporary labor migration, even skills and knowledge transfers has grown pervasive.⁵⁹ These themes were common to previous phases of scholarship, but they are now evaluated in a transnational context, which gives weight to migrants and their communities in furthering development objectives.

Seeing migrants as central to the development process is at the core of the theory of *co-développement*, introduced in the 1990s by the French scholar of migration Sami Nair.⁶⁰ This framework highlights the circular transactions of established migrant groups and diasporic communities, and demonstrates their direct impact on the development of home communities.⁶¹ The emphasis on the transnational impact of migration is coupled with a de-linking of development with return. Thus, migrants can have a considerable development impact, through the investment of remittances by their families in education, job creation etc., without necessarily having to return home regularly.⁶² This conceptual de-linking creates the possibility of *brain gain*, or the potential for migration of skilled persons to bring economic returns.⁶³

With optimism abundant in the academic literature and the policy field, concepts like remittances, brain gain, skills and knowledge transfer and temporary migration are idealized by a

⁵⁸ Ibid.; Castles and Miller, *The Age of Migration*, 59.

⁵⁹ Faist, Fauser, and Kivisto, *The Migration-Development Nexus*; De Haas, “Migration and Development: A Theoretical Perspective.”

⁶⁰ Vidal and Martinez, *An Approach to Codevelopment*.

⁶¹ Ibid.; De Haas, *Engaging Diasporas: How Governments and Development Agencies Can Support Diaspora Involvement in the Development of Foreign Countries*.

⁶² De Haas, “Migration and Development: A Theoretical Perspective.”

⁶³ Tamas and Palme, *How Migration Can Benefit Development*, 19.

number of scholars and policy makers. Though newer approaches are far more nuanced than their historical antecedents in the 1950s and 1960s, many myths about the migration-development nexus abound. A principal underlying assumption of the current generation of scholarship is that the migration-development relationship is linear and positive, i.e. that migration necessarily contributes positively to development, for example by way of remittances. However, according to a number of scholars including Hein De Haas, this is not the case. Instead, the relationship must be understood as reciprocal, with the potential for negative and positive migration impacts at various, fluctuating stages of development.

1.4 Toward a Comprehensive Framework: From the Migration Transition Theory to a Multi-Perspective Relational Approach

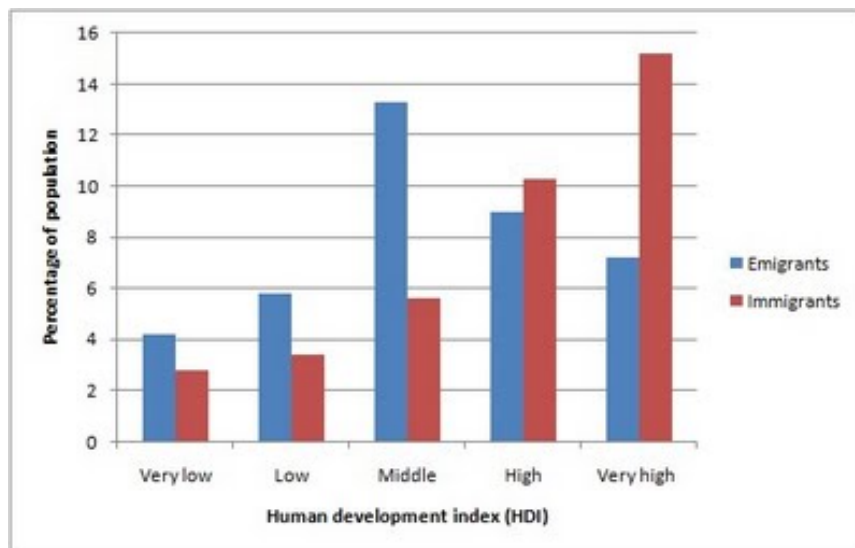
The evolution of thought over the second half of the twentieth century, as well as the disagreements over the interrelation of migration and development point to the need for a larger theoretical framework that allows for an entangled, open analysis of the issues at stake. In order for research to shed light on the particularities of the ongoing debate, it must be both region and context specific. Just as the points of debate have evolved over the years, so has the shape and scope of the migration development-nexus. Yet, understandings of the relationship have been explained in linear terms, as either positive or negative, and have conflicted over the years. Regardless of whether we understand underdevelopment as a factor leading to migration or migration as a factor that leads to development, we are still negotiating the relationship in limiting terms.

Previous approaches in scholarship have attempted to explain the relationship thus, relying on conventional models to explain international migration. These models are either based in neo-classical and functionalist schools of thought, or the heritage of neo-Marxist world

systems theory. Based on the theoretical assumptions inherent to these two approaches, a common conclusion has been that economic development in origin countries will lead to a reduction in international migration. However, as research by migration scholar Hein De Haas has shown, this is a false assessment arising from a flawed understanding of the migration-development relationship.

Using the Human Development Index (HDI)—a rough indicator of quality of life and living standards—as a proxy measure for levels of development around the world, De Haas grouped the countries of the world into five equally sized groups, ranked from very low to high levels of human development. These five groupings were matched with the according numbers of immigrants and emigrants as a percentage of the population, arriving at a startling picture of the migration-development nexus (Figure 1):

Figure 1: Countries by Human Development Index and Migrants as Percent of Population, 2011⁶⁴



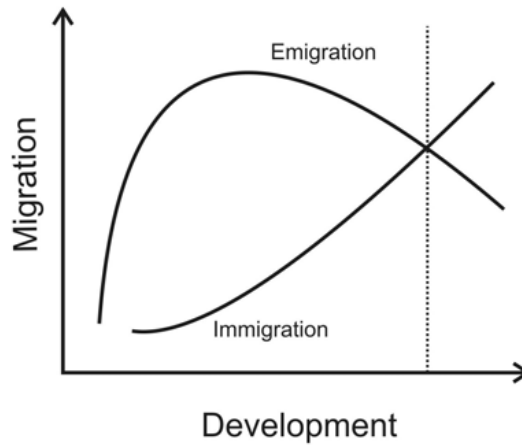
⁶⁴ De Haas, “Development Leads to More Migration.”

By contrasting numbers of emigrants and immigrants in each grouping of countries, De Haas reveals first, that immigration increases steadily with higher levels of development. This reflects the fact that developed societies are more attractive migration targets, but also that they are *inevitably* high immigration countries. Secondly, the graph shows that emigration initially increases with higher levels of development, but decreases once countries move into high development categories. This indicates, contrary to assumptions of world systems based scholarship, that abject poverty is not a principal determinant of migration. Rather, a certain level of development is needed for migration to occur.⁶⁵

Here, De Haas proposes a theoretical framework that he calls *migration transition theory*, which posits that “higher levels of economic and human development are associated to higher overall levels of migration,” the theory also argues that higher levels of development have a “U-curve effect on emigration,” which signifies the fact that emigration tends to decrease as levels of human development rise (see Figure 2).⁶⁶

⁶⁵ Hein De Haas, “Migration Transitions: A Theoretical and Empirical Inquiry into the Developmental Drivers of International Migration” (2010).

⁶⁶ Ibid.

Figure 2: The Migration Transition Theory⁶⁷

De Haas embeds his theory of migration into a more general social and development theory, seeking to account for “(1) why development is generally associated with *higher* overall levels of migration and mobility, (2) why the relation between migration and broader development processes is fundamentally *non-linear*, and (3) why societies tend to go through a sequence of migration transitions.”⁶⁸ De Haas’ approach builds on Zelinsky’s mobility transition theory by introducing the concepts of stagnation and reversibility into the fold. Expanding the framework to include these concepts allows us to evaluate the impacts of declining levels of human development on migration, as well as larger insight into a variety of positive and negative migration effects.

De Haas also relies on the capabilities approach suggested by the philosopher and economist Amartya Sen, which was originally applied in the field of welfare economics. This approach focuses on what individuals are able to do—their functional capability—rather than their utility or access to resources. This means an approach that goes beyond “conventional income-focused concepts of development,” and gives prominence to migration as a “response to

⁶⁷ Ibid.

⁶⁸ Ibid, 3.

generic opportunity.” In simpler terms, De Haas views development in the broader sense of human development, and migration as a related “function of people’s capabilities and aspirations.”⁶⁹

Based on such inclusive definitions of migration and development and a number of rigorous empirical studies done on the subject, De Haas concludes that take-off development in least developed countries is likely to lead to take-off emigration. This characterization is antithetical to previous explanations of migration and development. Neither does migration cease when countries reach higher levels of development, nor does migration stem from poverty or underdevelopment. Rather, migration must be conceptualized as an “integral part of broader processes of development and social and economic change,” as opposed to a problem to be solved.⁷⁰

Given the conceptualization of migration as a “constituent part of development processes”, as well as an “independent factor affecting development in migrant sending and receiving societies,”⁷¹ scholarship today has arrived at an understanding of the migration-development nexus that differs vastly from previous approaches. As the survey of literature has shown, the research on migration and development has gone through three prior phases. Initial optimism about the positive impact of temporary labor programs and remittances faded into a cynical deconstruction of the previously thought-up migration-development relationship. Influenced by world systems theory and dependency theory, many scholars found that migration could be framed as a symptom of underdevelopment. In the latest phase of scholarship, there has been a renewed sense of optimism. Transnational approaches, emphasis on migrants and their

⁶⁹ De Haas, “Migration Transitions: A Theoretical and Empirical Inquiry into the Developmental Drivers of International Migration.”

⁷⁰ Ibid.

⁷¹ Ibid.

communities (*co-développement*), as well as sanguine attitudes toward remittances and temporary migration have dominated the discourse since the 1990s. This evolution of thought has mirrored the dominant development paradigms of each era, and the close proximity of academic and policy fields in the area of migration and development studies has complicated attempts to arrive at nuanced theoretical understandings.

But many open questions remain and central basic assumptions about the migration-development relationship have not been sufficiently scrutinized until today, both systematically and empirically. Hein De Haas therefore suggests a theory of migration transitions, which emphasizes the *capabilities* and *aspirations* of migrants and utilizes a broad definition of human development. Combined with interdisciplinary approaches and a closer focus on historical context, De Haas' theory allows for a contextualized, spatiotemporal analysis to explain three fundamental observations about the migration-development nexus: (1) development is generally associated with *higher* overall levels of migration and mobility, (2) the relation between migration and broader development processes is fundamentally *non-linear*, and (3) societies tend to go through a sequence of migration transitions.⁷² The observations directly challenge many of the old assumptions in migration-development research.

The notion that development is generally associated with *higher* overall levels of migration and mobility contrasts strongly with previous beliefs that poverty and misery are the root causes of labor migration. Though migration does stem from individuals' aspirations to improve their livelihood, it is rarely the poorest who migrate,⁷³ owing to the fact that they often lack the capability to do so. Many residents of least developed countries simply do not have the resources to migrate over long distances, but as levels of development increase, so do the

⁷² Ibid.

⁷³ Skeldon, *Migration and Development: A Global Perspective*.

opportunities to relocate. Migration must be understood as a risky, costly process—one that is highly dependent on migrant knowledge, education, and social networks. As societies undergo development-take off, they experience rising incomes, educational levels and access to information, all of which are also initially associated with *increasing* migration. Thus, certain levels of human development, *in combination with* a relative deprivation of opportunities seem to be the principal determinants of migration.

Building upon the idea that an initial level of development is required for migration to occur, varying stages of development have been associated with differing migration dynamics. De Haas' empirical studies on migration transitions have also shown that the relation between migration and broader development processes is fundamentally *non-linear*, this observation too challenges previous scholarship. While immigration increases steadily with higher levels of development, emigration initially increases but begins to decrease once countries move into high development categories. Thus, migration is a constituent part of development processes. However, migration also remains an independent factor that can impact development in migrant sending and receiving societies in a variety of ways. For example, brain drain, the emigration of skilled professionals, has been said to lead to clear negative development outcomes. The reality is more nuanced, a 2003 study by economist Richard M Adams concludes that international migration does not take a very high proportion of the best educated. In 22 of 33 large labor-exporting countries surveyed, Adams found that less than 10 percent of the best-educated population had migrated. Yet, brain drain has the potential to be truly harmful, albeit in a limited number of countries. Historical examples of the phenomenon include Guyana, Jamaica, Haiti, Trinidad & Tobago, and Fiji. Recent OECD data suggest that around two-thirds of all highly skilled workers from these countries have left them. Here the sheer volume of emigration has

proven so detrimental that it could not outweigh the potential positive effects.⁷⁴ Of course, for all the potential negative effects of migration, there is also a wealth of evidence supporting the inverse. The counterflow of remittances, investments, trade relations and new knowledge is termed *brain gain*, and the sheer volume of these flows has led to rampant optimism in some scholars and policy circles. On the *brain drain/brain gain* debate, and the larger issue of heterogenous migration impacts, it is difficult to generalize – hence the need for country specific studies.

Such studies can also provide better insight into the phenomenon of migration transitions, which many countries undergo with changing levels of human development. Migration transitions occur in the long run, with sustained growth and an eventual convergence of income gaps of receiving and sending countries. At advanced stages of human development, countries typically transform from net labor exporters to importers (see Figure 2). This happened in Southern European countries, such as Spain, Italy and Portugal, but also in Malaysia, South Korea and Taiwan.⁷⁵ What may be seen as a reversal of brain drain, or repackaged as *brain circulation*, actually seems to be an inevitable part of the development process. With emigration steeply increasing in initial phases of development, and later gradually decreasing, we are witnessing what economists Philip Martin and J. Edward Taylor called the “migration hump.”⁷⁶

In truth, this hump is only one of the major migration transitions that developing countries will

⁷⁴ Dhananjayan Sriskandarajah, “Reassessing the Impact of Brain Drain on Developing Countries,” (Washington DC: Institute for Public Policy Research, 2005), accessed March 19, 2013, <http://www.migrationinformation.org/feature/display.cfm?ID=324>.; also Richard M Adams, “Economic Growth, Inequality and Poverty. Findings from a New Data Set,” The World Bank, Poverty Reduction Group, Washington D.C., February 2013.

⁷⁵ D Zweig, “Learning to Compete: China’s Efforts to Encourage a ‘Reverse Brain Drain’,” in *Competing for Global Talent*, ed. C Kuptsch and P Eng Fong (Geneva: International Labour Organization, 2006).

⁷⁶ P. Martin and J. Edwards Taylor, “The Anatomy of a Migration Hump,” in J. Edward Taylor (ed.), *Development Strategy, Employment and Migration: Insights from Models* (Paris, OECD Development Center, 1996): 43-62.

undergo.⁷⁷ Because we are talking about a non-linear relationship, however, there is also the potential for *decreasing* development levels to transform net immigration countries into net emigration countries, as was the case in Argentina after the economic crisis from 1999 to 2002. Thus, migration transitions are another example of the non-linearity inherent to the migration-development relationship.

What all these approaches dominated by political and social scientists, even the *Migration Transition Theory*, too often ignore, is the importance of the historical dimension and with it the specific political and cultural context of individual countries. To integrate the historical perspective into the disciplinary mix of migration studies, not only in respect of Europe or the United States, where the history of migration is a well-developed part of migration studies,⁷⁸ but also other regions such as the Middle East, can greatly contribute to a more complex understanding of the migration-development nexus. Societal and political changes and innumerable cultural historical factors influence the current unfolding of the migration-development relationship, regardless of region. Surprisingly, the historical dimension is even lacking in De Haas' complex approach to the study of the relation of migration and development. Though many scholars seek to provide heavily contextualized analysis, a historical view of migration dynamics is often sacrificed in the interest of brevity. With this thesis, I hope to demonstrate how a *Multi-Perspective Relational Approach* that includes a more historically embedded analysis of the migration-development nexus can enhance our understanding.

⁷⁷ De Haas, "Migration Transitions: A Theoretical and Empirical Inquiry into the Developmental Drivers of International Migration."

⁷⁸ See for example, Klaus J. Bade, *Migration in European History* (Malden, MA: Blackwell Pub., 2003); or Isabel Wilkerson, *The Warmth of Other Suns: The Epic Story of America's Great Migration* (New York: Random House, 2010).

As this chapter on the development of the theoretical debate of the migration-development nexus has clearly shown, different stages of growth, varied histories and socio-political environments can all account for mixed migration dynamics. The subject thus needs detailed context-specific evaluation at the national and transnational level that applies *a multi-perspective relational approach* with a strong historical focus. This thesis will therefore directly engage with the theme by focusing on the interplay of migration and development in post-1945 Jordan. The central focus of the study will be the role and impact of temporary labor migration in Jordan's early development, the consequences of remittances and the more recent phenomenon of Jordan as a receiving *and* sending country of migration.

2. Migration and Development in Jordan since the 1950s

Since the establishment of the Hashemite Kingdom of Jordan in 1946, one can observe a reciprocal relationship of migration flows and human development. Jordan, like many other developing countries, was a labor exporter for much of its history. Jordanians migrated within the Arab region, especially to neighboring Saudi Arabia and the Gulf States. With the development of its own economy, Jordan increasingly also attracted foreign workers, at first predominantly Egyptians and other Arabs. Migration has played a profound role in shaping the country, having lasting structural and economic impacts. Through the second half of the twentieth century, Jordan's economic development was tied closely not only to foreign aid

revenues and the carbon-based economies of the region, but also migration. One of migration's direct impacts is the flow of remittances, which became an established part of Jordan's external revenues. Yet the relationship of migration and development is not unidirectional, and underdevelopment and structural weaknesses in the Jordanian economy had lasting impacts on migration flows as well, as the following analysis of the intersection of migration and development in Jordan since the 1950s will demonstrate. In the following pages, I will undertake a chronological study of the three major periods of migration in Jordan – the nation's development until the mid-1950s, the emigration of the 1950s to 1970s, and the mixed migration impacts of the 1980s and 1990s. To conclude, I will look at the relation between migration trends and remittances, and important changes in these trends in the last decades.

2.1 The Jordanian State and Economy in the 1950s

As a modern nation-state, the Kingdom of Jordan came into being in the mid-twentieth century. Though the British mandate, a form of colonial protectorate that had been imposed after the fall of the Ottoman Empire, was set to expire in 1948, Jordan officially became an independent and sovereign state on May 22, 1946. In January of that year, the British foreign secretary Ernest Bevin had given a speech at the General Assembly of the United Nations, announcing Great Britain's intentions of relinquishing suzerainty. The new state was named the Hashemite Kingdom of Trans-Jordan, and the ruling Emir Abdullah officially became King Abdullah I of Jordan. From the days of Jordan's founding, Abdullah had to contend with tremendous regional challenges, among them the 1948 creation of the State of Israel, which would have major political and economic consequences for the fledgling Jordanian state.⁷⁹

⁷⁹ Kamal Salibi, *The Modern History of Jordan* (London; New York: I.B. Tauris & Co, 1993).

Due to the Jordanian annexation of the West Bank and East Jerusalem after the first Arab-Israeli War from May 1948 to March 1949, the population of Jordan grew by one million. Of this number, half a million were refugees living in camps, 400,000 in the West Bank and 100,000 in Trans-Jordan.⁸⁰ The economy in the 1950s was strained due to the influx of displaced Palestinians, as these refugees placed tremendous pressure on agricultural production, unemployment and the economy's productive capacity. In these early years, Jordan was not yet an industrialized society. With few natural resources to speak of, outside of its urban centers Jordan was primarily a pastoral and agricultural society. The 1950s first saw the gradual incorporation of Jordan's nomads and villagers into the money economy.⁸¹ Prior to this, Jordan's nomads and farmers were largely self-sufficient – there was little use for paper currency, as they depended on a barter economy in which money did not play a large role. However, during the 1950s, the Jordanian Dinar (JD), backed by the centralizing authority of the monarchy, increased drastically in volume of circulation, from 9,109,181,500 JDs in 1952 to 15,931,032,000 JDs in 1958. This increase indicated two things: the internal integration of the Jordanian economy, and its incorporation into the world economic and financial system, as economic activity increased sharply. Much of the growth in volume was due to large-scale government expenditures, enabled by grants from Britain and the United States.⁸²

Between 1921 and 1957, the Transjordanian state under the British Mandate and later the sovereign Kingdom of Jordan, were almost entirely economically dependent on Great Britain.⁸³ In 1950, four years after independence, Jordan received almost 5 million Jordanian Dinars

⁸⁰ Chatelard, *Jordan: A Refugee Haven*.

⁸¹ Majduddin Omar Khairy, *Jordan and the World System : Development in the Middle East* (Frankfurt am Main; New York: Peter Lang, 1984).

⁸² Ibid.

⁸³ Ibid.

British aid , while earning very little in exports. This dynamic changed only gradually, for two years later Jordan was earning 1,800 million JDs in exports, while still reliant on 7,314 million JDs in foreign aid. This pattern remained consistent during the 1950s, with growth in exports corresponding to growth in foreign aid (see Table 1). In 1955, 19.3 percent of Jordanian imported goods came from Britain, further reflecting that economic relations are necessarily dependent on political alliances. This idea remains relevant in Jordan today.

**Table 1: Exports Earnings and Foreign Aid during British Alliance, 1920 – 1956
(In Millions of Jordanian Dinars)⁸⁴**

	1950	1952	1954	1955
Domestic Export Earnings	—	1,800	2,433.9	2,619.4
British Grants-in Aid	4,898	7,314	8,250.0	8,700.0

Jordan's alignment with Britain ended abruptly in February 1955, when British regional concerns led to the Baghdad Pact, an effort to contain the Soviet Union by uniting Iran, Iraq, Pakistan, Turkey and the United Kingdom in an organization modeled on NATO. Britain offered 3,350,000 pounds in aid and interest free loans for Jordan to join this organization. However, widely embraced principles of Arab nationalism made it difficult for King Abdullah to accede to British pressures. Egypt, Syria and Saudi Arabia offered aid proposals to replace Britain as a source of aid, thus Jordan began to consider rejecting the pact and exiting from its status of dependency on Great Britain. After the Suez Crisis in 1956, Jordan terminated the Anglo-Jordanian Treaty, and as Syria and Egypt did not deliver the promised aid, Jordan was forced to

⁸⁴ Ibid.

accept it from the United States. This marked a realignment of Jordan with the US and the beginning of significant American influence in the country.⁸⁵

2.2 Labor Migration from the 1950s to the 1970s

Given Jordan's early dependence on foreign aid and the tripling of its population that resulted from regional instability, difficulties were ahead for the young country. The large refugee population placed great demands on the economy, agricultural production in particular, pressures that were exacerbated with the Third Arab-Israeli War, the so-called Six-Day-War, that was fought between June 5 and 10, 1967, between Israel and the neighboring states of Egypt, Jordan, and Syria. As a result of the war, Jordan lost the West Bank to Israel, which drastically reduced available farmland. Faced with this new situation, the government of Jordan actively began exporting manpower to the oil-producing countries in the Persian Gulf and Arabian Peninsula. Encouraging migration was politically supported by pan-Arabism and perceived as a contribution to greater Arab unity and regional economic integration.⁸⁶

By 1961, approximately 62,862 Jordanians were living abroad, with 32,765 officially working, according to the General Census of Population and Housing of the Jordanian government. Of this number, 79.8 percent lived in Arab countries, accounting for 25,901 workers or 79.1 percent of all Jordanian emigrant labor. Since the 1950s, the vast majority of Jordanian expatriates migrated to Gulf States and countries in the Arabian Peninsula, which in 1981 would become members of the Gulf Cooperation Council (GCC). Outside of the future GCC States, the

⁸⁵ Ibid.

⁸⁶ Chatelard, *Jordan: A Refugee Haven*.

remaining Jordanian expatriates settled in Asia and Africa (0.32 percent), Europe (5.1 percent), the Americas (15 percent) or other countries (0.5 percent).⁸⁷

Labor migration to the Gulf States had a long tradition, which by some accounts began as early as the 1930s, with the discovery of oil in the region.⁸⁸ However, the migration of the 1950s and 1960s was of a different scale, and the new wave of migrants was instrumental in the establishment of professionally administered state systems in the emerging gulf economies of the time, especially by aiding in setting up and staffing ministries, educational and medical facilities and other public services.⁸⁹ Large numbers of Palestinians in Jordanian refugee camps had significant levels of education and vocational training due to the efforts of the United Nations Relief and Works Agency for Palestinian Refugees in the Near East (UNRWA), which was created in December 1949 as a response to the plight of the approximately 652,000 Arab refugees from Palestine. This professional background and training made them desirable migrants in the GCC States. In fact, most emigrants to the gulf until the 1970s were Palestinians, though of Jordanian citizenship. Entire families settled in Kuwait, the United Arab Emirates, and Saudi Arabia, among other countries. The emigrants often had only loose connections to Jordan, forming new identities in the places they settled.⁹⁰

In October 1973 the price of oil spiked drastically due to the Oil embargo by the Organization of Arab Petroleum Exporting Countries (OAPEC), which included the Arab members of OPEC, plus Egypt, Syria and Tunisia. The revenue increases in Gulf States that

⁸⁷ Abdel Baset Athamneh, *General Overview of Migration Into, From and Through Jordan*, CARIM Analytic and Synthetic Notes, Mediterranean and Sub-Saharan Migration (San Domenico di Fiesole: European University Institute, 2012). (from Jordan Department of Statistics, 1964)

⁸⁸ Onn Winckler, "Labor Migration to the GCC States: Patterns, Scale and Policies," in *Migration and the Gulf*, Viewpoints (Washington DC: The Middle East Institute, 2010).

⁸⁹ Chatelard, *Jordan: A Refugee Haven*.

⁹⁰ Ibid.

accompanied the price hike helped initiate a second phase of migration to oil-producing countries.⁹¹ This time, it was not the public sector, but massive growth in the private sector that attracted migrants. The GCC countries faced labor shortages, as national workforces were too small and lacking the required skills to execute the large-scale infrastructure and development projects they wished to initiate.⁹² The short-term solution for these shortages was to recruit migrant labor. This labor was always deemed to be temporary, as governments in the Gulf never considered the possibility of naturalization of foreign labor. The fear was that naturalization would destroy the socio-political nature of these states, which was rooted in a kinship and tribal system.⁹³ Thus, Gulf States encouraged temporary migration, though in reality they witnessed near permanent settlement of mostly Jordanian-Palestinian families.

Three years before the oil embargo, in 1970, there were 103,000 Jordanian emigrant workers in the Persian Gulf and Arabian Peninsula. By 1980 the number had nearly tripled to 305,400, growing even further to 339,000 by 1987.⁹⁴ In the 1970s and 1980s the number of Jordanian workers going abroad thus increased steadily, with an average annual growth rate of 7.2 percent.⁹⁵ In these years, over 50 percent of Jordanian expatriates were working in Saudi Arabia, with much of the remainder being employed in Kuwait and the smaller Gulf States.⁹⁶

From the mid-1970s to mid-1980s, an average of 42 percent of the Jordanian work force was expatriated. It seems that the Jordanian government did not view the movement of Jordan's professionals as brain drain. In fact, the government made the education of Jordanians for export

⁹¹ Nora Ann Colton, "The International Political Economy of Gulf Migration," in *Migration and the Gulf, Viewpoints* (Washington DC: The Middle East Institute, 2010).

⁹² Winckler, "Labor Migration to the GCC States: Patterns, Scale and Policies."

⁹³ Ibid.

⁹⁴ Issa Ibrahim, *Studying the Fact and the Future of the Jordanian Labor Market*, The Jordanian Labor Force Database (Amman: Royal Scientific Society, 1989).

⁹⁵ Athamneh, *General Overview of Migration Into, From and Through Jordan*.

⁹⁶ Chatelard, *Jordan: A Refugee Haven*.

a national development objective in the 1970s, drastically expanding and systematizing training efforts.⁹⁷ It is likely that policy makers saw the potential gains to be had from emigration, and began encouraging it as a national strategy. Partly as a result of these efforts, there were about 350,000 Jordanians working abroad in 1987, of which 96 percent were employed in the Gulf. These expatriates were predominantly male, 30 percent were university graduates and another 40 percent were skilled professionals. Like migrants of previous generations, they were often accompanied by their families.⁹⁸ The high skill levels of Jordanian migrants to the GCC countries in the 1970s and 1980s were related primarily to changes in the broader demographic make-up of GCC labor forces. Prior to 1973, at least 80 percent of the GCC foreign laborers were Arab nationals, but in the following decades Arab workers began facing competition from South and Southeast Asian migrant workers.⁹⁹ This trend would slowly force skill levels among Arab migrants upward, which also explains the perceived need on the part of the Jordanian government to provide worker training.¹⁰⁰

Determinants of Jordanian Emigration

Four main factors stand out in explaining the significant outmigration that Jordan experienced from the 1950s to 1980s, but especially the period from 1970 onwards in which emigration grew by 7.2 percent annually. First, the large external demand for workers in the countries of the Persian Gulf and Arabian Peninsula created substantial differences in real wage rates between Jordan and the receiving GCC countries. The indigenous labor shortages of Gulf States, especially during periods of economic boom, made it very profitable for Jordanians to

⁹⁷ Ibid.

⁹⁸ Ibid.

⁹⁹ Anisur Rahman, "Migration and Human Rights in the Gulf," in *Migration and the Gulf*, Viewpoints (Washington DC: The Middle East Institute, 2010).

¹⁰⁰ Chatelard, *Jordan: A Refugee Haven*.

seek employment abroad. In the 1980s, for example, the real wage rate in Saudi Arabia was more than triple that of Jordan.¹⁰¹ Yet, Jordanian migrants did not earn wages comparable to Saudi nationals. In 1981, the average monthly wage for a Jordanian in Saudi Arabia was 130 JDs, as compared to 305 JDs earned by the average Saudi.¹⁰² Wage discrepancies persist in the Gulf States, yet the opportunity to earn significantly more than at home remains a motivation for migrants.¹⁰³

Second, Jordan's open-door policy and training efforts in the 1970s made migration possible for vast numbers of skilled and unskilled Jordanian workers. The Jordanian government encouraged outmigration as a solution to unemployment, and a source of investment in the form of remittances. The government undertook no efforts to regulate or prevent the migration of workers and expertise from Jordan to other countries, and was thus seemingly unconcerned with brain drain.¹⁰⁴ Indeed, it was argued that emigration had a positive impact on the balance of payments due to the contribution of remittances from Jordanian expatriates, as well as the gains accumulated through the difference in real wage rates between Jordan and receiving countries. In 1980, the net inflow of remittances was 190.6 million JDs, a figure that grew at a rate of 8.7 percent annually, reaching 1,946.7 million JDs in 2008. The share of expatriate remittances in GDP peaked in 1984 at 27.4 percent, settling at 18.0 percent in 2008.¹⁰⁵ The astounding growth rate of remittances was evident to Jordanian policy makers, leading to the establishment of training and recruitment efforts and undoubtedly contributing to further growth in emigration.

¹⁰¹ Ministry of Labor (1987) via Athamneh, *General Overview of Migration Into, From and Through Jordan*.

¹⁰² Hussain Talafha, "Supply of Educated Labor in Jordan" (Unpublished Ph. D. Dissertation, Syracuse University, 1983).

¹⁰³ Athamneh, *General Overview of Migration Into, From and Through Jordan*.

¹⁰⁴ Chatelard, *Jordan: A Refugee Haven*.

¹⁰⁵ Athamneh, *General Overview of Migration Into, From and Through Jordan*.

Third, Jordanian emigrant labor was distinguished by high levels of education compared to other workforces in the region. The high skill levels among Jordanian emigrants, as well as their Arabic language background, made them very desirable migrant workers in the GCC countries. Taking the example of Kuwait, in 1975 approximately eighty percent of Jordanian emigrants in the country were professionals, technicians and skilled workers.¹⁰⁶ Within the next decade, larger numbers of university graduates began migrating as well – by 1987, migration researcher Abdel Baset Athamneh, estimates, that between 24 and 30 percent of Jordanian emigrants held graduate certificates.¹⁰⁷

Fourth, migration was driven by the high rate of growth in the labor force in Jordan since 1970. Though the average annual population growth was approximately 3.0 percent, it was accompanied with high growth in the labor force at 4.36 percent in the same period. In his article *The Jordanian Labor Force Emigration*, Munther al-Share argues that the high growth rate of the labor force was not associated with a parallel growth of jobs in the Jordanian economy, which motivated new entrants in the labor market to seek employment abroad.¹⁰⁸ The disjointed growth in population and labor force meant that Jordan experienced growth in the labor supply at unsustainable levels for its economy.

Several factors influenced the large outflow of Jordanian labor to the GCC countries in this initial period of Jordanian labor migration. The large demand for qualified professionals in the GCC, as indicative of large differences in real wage rates, coupled with high education levels of potential Jordanian migrants and an active government policy in support of emigration, as

¹⁰⁶ J.S. Birks and C.A. Sinclair, *International Migration and Development in the Arab Region* (Geneva: International Labour Office, 1980).

¹⁰⁷ Athamneh, *General Overview of Migration Into, From and Through Jordan*.

¹⁰⁸ Munther Share, “The Jordanian Labor Force Emigration,” in *The Jordanian Labor Market, Its Development, Characteristics, Policies and Future Prospects*, ed. Abu Jaber Kamel (Amman: Jordanian Foundation for Middle Eastern Studies and the Dar al-Bashir, 1991).

well as an unsustainably growing Jordanian labor force, all factor into growing opportunities for Jordanians to migrate. Thus, in line with Hein De Haas' theoretical framework, early migrants responded to available *opportunity* by acting on their *aspirations* to improve their livelihood. Migration represented the best option for many professionals, as finding suitable employment in Jordan was often difficult. Correspondingly, the government recognized the potential of migration in relieving unemployment and contributing to development.

Impacts of Early Labor Migration in Jordan

Migration seemed to offer a simple solution to many political and economic problems besetting the country, and Jordanian policymakers were seemingly optimistic about harnessing the potential of migrants as agents in development. The early impacts of labor migration from Jordan were quite positive in many respects. After several decades, however, the outmigration would lead to significant demographic changes in the country, and be indicative of structural economic problems. At the outset, migration of Jordanians to the Gulf and elsewhere brought down unemployment in Jordan and reduced pressures on the Jordanian labor market. The outmigration of Palestinians also served to defuse political tensions that had been simmering and came to a head in the Jordanian Civil War of 1970-1971, when Palestinian activist groups set up alternative state structures in parts of Jordan and seriously challenged King Hussein's hegemony. After the events of the Civil War, which was also known as the Black September, the Palestine Liberation Organization was expelled from Jordan, and many Palestinians may have considered migration a safe means of evading scrutiny by the regime.

Emigration also importantly allowed Jordan to tap into the remittance market, and secure a new and continuous source of financial revenue. The growing role of remittances sent from oil-producing countries led some to describe Jordan as the world's "only oil economy with no

oil.”¹⁰⁹ In reality, the growing importance of remittances as an alternative source of revenue was inevitable in a state otherwise highly dependent on foreign aid, including from oil producers and former colonial powers. Remittances increased steadily from 1973 onwards and became established as a major part of the Jordanian economy. Between the years of 1974 and 1991, Jordan was the world’s fourth most dependent country on migrant earnings. Illustrative of this fact, remittances amounted 475 million JDs in 1984, a fourth of GDP at the time.¹¹⁰

Figure 3: External Income and its Composition in Jordan between 1979 and 2009 (In Percent of GDP)¹¹¹

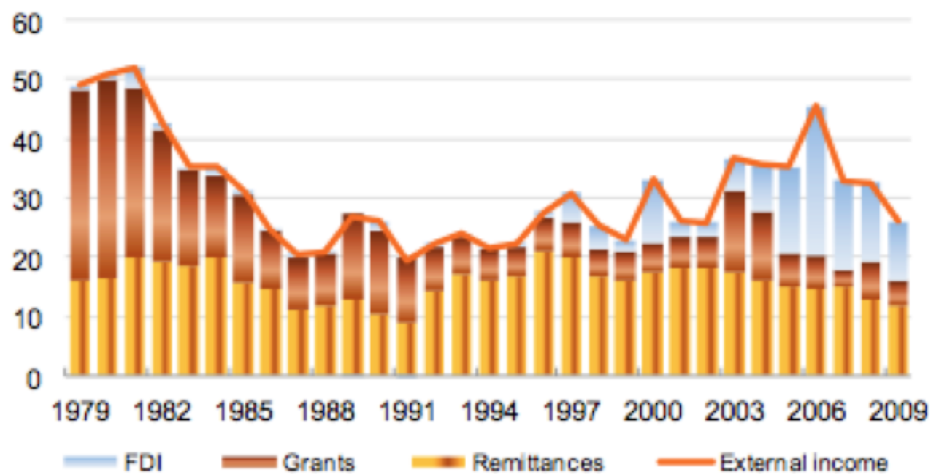


Figure 3 shows the shifting ratio of Jordan’s external income from 1979 to the present day. At the outset, foreign grants were the largest source of external revenue in the Jordanian economy. Jordan was a recipient of large amounts of aid from Great Britain and later the United States. These flows were tied to the close political relationships Jordan maintained with these

¹⁰⁹ Milton-Edwards and Hinchcliffe, *Jordan*.

¹¹⁰ Beverley Milton-Edwards and Peter Hinchcliffe, *Jordan: A Hashemite Legacy*, 2nd ed., Contemporary Middle East Series 7 (London; New York: Routledge, 2009); and Central Bank of Jordan via Athamneh, *General Overview of Migration Into, From and Through Jordan*.

¹¹¹ Moataz El-Said, Yasser Abdih, and Annette Kyobe, *Jordan: Selected Issues*, IMF Country Report (International Monetary Fund, May 2012).

countries, yet they were a constraint on Jordanian foreign and domestic policy.¹¹² The share of remittances in GDP has fluctuated around 20 percent, and as of the late 1990s foreign direct investment had largely replaced the large grants-in aid of the 1950s to early 1980s.

The continued reliance of the Jordanian economy on remittances from oil-producing countries has closely tied together the fates of the Jordanian and GCC economies. Fluctuations in Jordan's economic development have closely followed ups and downs of the oil market. Due to its reliance on remittance flows, the Jordanian economy is thus tremendously vulnerable to external political and economic changes.¹¹³ The continued reliance on remittances is one of the clearest early developmental impacts of migration on the Jordanian economy.

Though not always reliable as a continued and sustainable source of income, remittances had an immediate positive effect on the Jordanian economy. The remittance flows served to maintain links between expatriates and their relatives, as well as members of extended families, remaining in Jordan. The money sent back was largely invested in consumption activities, especially in residential properties, and imported goods. This had positive multiplier effects on the Jordanian economy and contributed greatly to aggregate demand. It can be argued that investment in individual consumption activities is less beneficial than other forms of investment that could lead directly to more job growth. For instance, a large development program might contribute more effectively to job creation. However, remittances, as a direct method of income redistribution that does not require costly bureaucracy, have proved to be a positive "bottom-up" way of redistribution and welfare enhancement. The money is received and invested directly by

¹¹² Ibid, 69-80.; Khairy, *Jordan and the World System*.

¹¹³ H Beblawi, "The Rentier State in the Arab World," in *The Arab State*, ed. G Luciani (London: Routledge, 1990).

people who are able to use it to make tangible improvements to their livelihood.¹¹⁴ Next to consumption spending, remittances were also directed into productive investments, like agricultural technology, which helped sustain growth in that sector. Investments in agriculture in the Jordan valley led to increased availability of jobs and revenue gains from agricultural production.¹¹⁵

The Jordanian government realized the potential impact of migrant remittances. In an effort to increase state revenue from this source, the government established control mechanisms on international money transfers and heavily taxed imported goods. Though these measures should perhaps have had a negative impact on migrant transfers, they did not dissuade expatriates from sending money home, as remitters had limited options to invest their savings in GCC countries to begin with. This lack of investment opportunities, coupled with insecure long-term prospects of migrants in these countries made remittances the most favorable means of investment for Jordanian migrants.¹¹⁶ The government was able to turn remittances into a semi-reliable revenue stream and was able to then invest further in public sector growth and infrastructure.¹¹⁷

Thus, remittances not only improved the standard of living of migrants' extended families and helped sustain growth in sectors like agriculture, they also enabled the government to tap into a new revenue stream from taxation, which was used to improve the balance of payments, invest in infrastructure development and create jobs in the public sector.¹¹⁸ Next to agriculture, several sectors of the Jordanian economy benefitted either directly or indirectly from

¹¹⁴ Hein De Haas, "International Migration, Remittances and Development: Myths and Facts," *Third World Quarterly* 26, no. 8 (2005): 1269–1284.

¹¹⁵ Chatelard, *Jordan: A Refugee Haven*.

¹¹⁶ Ibid.

¹¹⁷ Ibid.

¹¹⁸ Ibid.

migrant remittances, and growth was especially marked also in construction and services, particularly in hotels. These sectors experienced a sudden increase in demand for unskilled labor, but the young age structure of the Jordanian population and the relative absence of women in the labor force did not allow for indigenous labor to meet this demand.¹¹⁹ Thus, by the late 1970s, the government took steps to allow for large-scale immigration of unskilled and semiskilled labor to Jordan. The country began receiving large numbers of foreign laborers, all while also exporting its skilled professionals to neighboring countries.

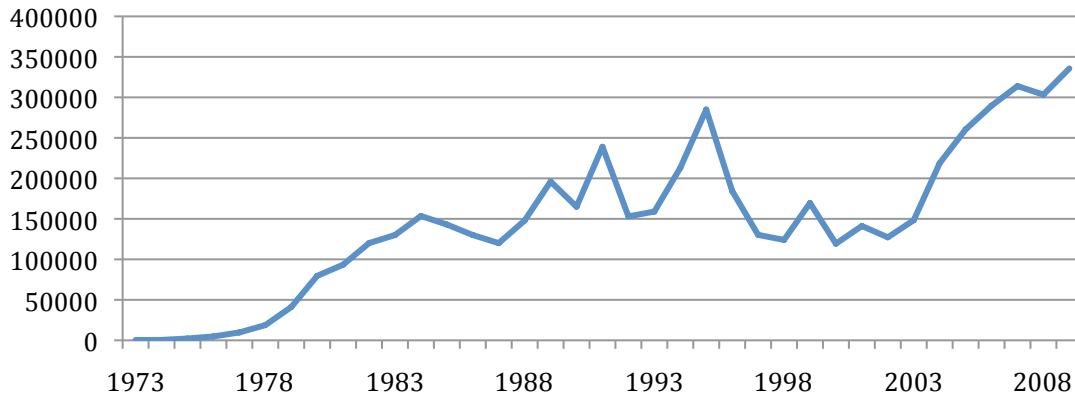
Labor Migration to Jordan

The imbalance in the Jordanian labor force and the great need for unskilled and semiskilled professionals in the burgeoning sectors of the economy led to a dependency on migrant labor that remains characteristic of Jordan today. The number of registered foreign workers in Jordan increased from just 376 workers in 1973 to 79,566 in 1980.¹²⁰ Immigrants to Jordan were largely men from neighboring Arab states, like Egypt and Syria, as well as female workers from South and Southeast Asia. In 1984, 80 percent of the 153,519 registered foreign workers came from Egypt, and 13 percent from Southeast Asia.¹²¹ The only statistics available report on registered foreign workers (see Figure 4), but unregistered or undocumented workers were equally, if not more, prevalent.

¹¹⁹ Ibid.

¹²⁰ Athamneh, *General Overview of Migration Into, From and Through Jordan*.

¹²¹ Chatelard, *Jordan: A Refugee Haven*.

Figure 4: Foreign Population in Jordan Holding Work Permits, 1973 – 2009¹²²

Source: Jordanian Ministry of Labor

After the initial invitation of unskilled laborers to Jordan, the government attempted to further regulate the labor market. A series of policy interventions, especially the development of labor laws, led to a highly segmented labor market, in which Jordanians belonged to one sector and foreign workers to another. Jordanians, in both the public and private sector, enjoyed high wages and employment stability, but these guarantees were dependent on state revenues from foreign aid and remittances. On the other hand, the sector reserved for foreign workers was characterized by low wages, high turnover and virtually no legal protections for workers.¹²³

Due to the segregation of the country's labor force into two distinct sectors, labor migration to Jordan was never a direct replacement migration. There was no risk of foreign migrants competing with Jordanians for high skill jobs, as foreign migrants were inherently relegated to the subordinate sector of the labor market. However, foreign migrants did begin taking the place of unskilled Jordanians, particularly in agriculture. The agricultural labor force composed 50 percent of the total Jordanian labor force in the early 1960s, but decreased to only

¹²² Athamneh, *General Overview of Migration Into, From and Through Jordan*.

¹²³ Chatelard, *Jordan: A Refugee Haven*.

14 percent in 1975.¹²⁴ This change was the result of economic diversification and the growth of the industrial and service sectors, which increased the urbanization and professional upward mobility of many rural Jordanians, who found better employment opportunities in the larger cities and contributed to the growth of these urban centers.¹²⁵ By 1986, the agricultural sector in the Jordan Valley employed 87 percent Egyptians.¹²⁶

These developments were not worrisome to the Jordanian government. In fact, guided by pan-Arabist ideology, there was at first an open-door policy for neighboring Arab States. The government did not require work permits for Syrians, Egyptians, and other Arabs until 1984. Afterwards, it remained politically unthinkable to expel Arabs that had illegally entered the labor market.¹²⁷ Thus, there was always cheap labor available for Jordanian business elites. The number of undocumented non-Arab foreign workers has always been relatively low due to strict visa regulations and a sponsorship scheme called the *kafala* system, which pairs foreign workers with employers and makes these legally responsible for their employees. The workers' stay in Jordan is conditional on a nominal work contract with specific employers, preventing any form of professional mobility or social integration. The *kafala* system, which can also be found in the Gulf States and Saudi Arabia, allows for abuse and exploitation of migrant workers, since they are not allowed to switch employers. Those most at risk have been female domestic workers from such countries as Sri Lanka, the Philippines, Malaysia and Indonesia. Their employers may retain passports and withhold salaries, while preventing migrants from seeking legal recourse.¹²⁸

A number of studies have devoted considerable attention to migrant worker exploitation in

¹²⁴ Khairy, *Jordan and the World System*, 89.

¹²⁵ Ibid.

¹²⁶ Chatelard, *Jordan: A Refugee Haven*.

¹²⁷ Ibid.

¹²⁸ Ibid.

Jordan and the GCC, and a deeper evaluation of the phenomenon is not within the scope of this study. However, it is important to highlight that the entrenched, segmented status of migrant labor in Jordan facilitates abuse and exploitation, while largely benefitting wealthy business elites.

Labor migration to Jordan arguably brought economic benefits to a select class of Jordanians, and helped in the development of the agricultural and manufacturing sectors. As elsewhere, migrant workers serve as an expendable, cheap addition to the labor force and were willing to be employed in a manner of sectors that did not appeal to the average Jordanian. However, the continued reliance on migrant workers also meant that many jobs that could potentially be filled by Jordanians would be essentially reserved to migrants, due to poor labor conditions and wages. The phenomenon of foreign labor in Jordan would be central to discussions about the Jordanian labor market in the twenty-first century, and will be explored further in the following chapter.

2.3 The Development in the 1980s and 1990s

A second spike in oil prices in 1979 drastically shifted migration patterns to the Gulf Countries. The governments of GCC countries launched more ambitious development plans, sharply increasing the number of foreign workers.¹²⁹ However, their policies began to favor South Asian workers, who were considered politically safer than Arabs. The share of Arab workers in the Gulf decreased from 43 percent in 1975 to 37 percent in 1980. There was a significant drop in demand for unskilled Arab labor, but the demand for skilled workers did not

¹²⁹ Rahman, “Migration and Human Rights in the Gulf.”

abate. As a result, unskilled Arab migrants were increasingly replaced with more skilled Arab professionals.¹³⁰

Between 1980 and 1981, GDP growth slowed in Jordan, from a 17.6 increase in 1980 to a 9.8 increase in the following year. In 1982, growth was at 5.6 percent and then at 2.5 in 1983, finally falling to 0.8 percent in 1984. A flattening of oil prices and a slow-down of economic activity in the gulf accompanied this decline in GDP.¹³¹ The economic downturn of these years led to a marked decline in workers' remittances, as well as foreign aid flows to Jordan from oil-producing countries. The decline being tied to decreasing oil-prices, again demonstrated the close connection between the Jordanian and oil-producing economies.

The 1980s saw an increase in Jordan's external debt, which in turn led to IMF intervention and a structural adjustment plan that required a reduction in public spending in Jordan. Public sector salaries were frozen, social benefits were cut, and subsidies on basic goods were lifted. Since the public sector employed 50 percent of the labor force, the reforms had an impoverishing impact, especially on the middle class.¹³² The structural adjustment reforms did not lead to recessions in the sectors of the economy that employed foreign labor, as happened in other countries after such reforms. The continued employment of cheap foreign labor, at little social cost, enabled the Jordanian government to save in social infrastructure. There was little investment in child or elderly care, as these services were performed by underpaid Asian maids in the home. Due to the work of migrants, the Jordanian elite was able to maintain a similar standard of living as in previous decades.¹³³

¹³⁰ Ibid.

¹³¹ Milton-Edwards and Hinchcliffe, *Jordan*.

¹³² Chatelard, *Jordan: A Refugee Haven*; Milton-Edwards and Hinchcliffe, *Jordan*.

¹³³ Ibid.

The turmoils of the 1980s were further complicated by alarming developments in Iraq, as tensions between Kuwait and Iraq escalated into the Persian Gulf War from August 1990 to February 1991. Due to the close relationship between Jordan and Iraq, the wide-spread perception was that Jordanians and Palestinians, bearing Jordanian passports, were siding with Iraq in the conflict. Indeed, Jordan did not join the military alliance against Saddam Hussein's regime, despite close American-Jordanian ties. The notion that Jordanian-Palestinian migrant communities, as well as those of Yemeni and Egyptian origin, held pro-Iraqi sentiments had harsh consequences for the migrant in Kuwait. Amnesty International noted scores of human rights abuses against these communities immediately following the Iraqi invasion of Kuwait. Palestinians and Jordanians, who made up some of the largest groups of migrants in the country, and had a presence there since early outmigration of Palestinians and Jordanians in the 1950s faced a challenging situation.¹³⁴

In the wake of the war over 1.5 million migrant workers and their families were expelled from Saudi Arabia and Kuwait. One million Yemeni laborers and their families were expelled from Saudi Arabia, and as many as 200,000 Jordanians, 150,000 Palestinians and 158,000 Egyptians were forced to leave Kuwait. This outmigration upset the home labor markets of these migrants, and Jordan was unable to accommodate the rapid increase in the labor force, leading to a massive spike in unemployment. The job vacancies created in the Gulf States by the migration were rapidly filled by further waves of South Asian labor¹³⁵.

In Jordan, the influx of over 300,000 workers from the Gulf meant a ten percent increase in the population and heavy pressure on infrastructure, public services and housing. Many of the

¹³⁴ Colton, "The International Political Economy of Gulf Migration"; A Al-Moosa and K McLachlan, *Immigrant Labour in Kuwait* (London: Croom Helm, 1985).

¹³⁵ Rahman, "Migration and Human Rights in the Gulf."

so-called returnees had been second- or third-generation residents of the Gulf States, and only had loose connections with Jordan. Yet their return placed tremendous pressures on the Jordanian welfare state and had an immediate impact in the labor market, with unemployment rate peaking at 25 percent in 1991. Due to the uncharacteristically large number of returnees, remittances dropped to 10 percent as a share of GDP in 1993.¹³⁶

However, the 1994 peace treaty of Jordan and Israel reestablished a degree of regional stability and allowed for new avenues of Jordanian migration both to Gulf States and industrialized countries like the United States, Canada and Germany.¹³⁷ After the shocks of the early 1990s, migration dropped again from 275,000 in 1995 to 260,000 in 2001. But by 2009, the number had risen again to 350,000 Jordanians working abroad, with remittances amounting to \$4 billion, or 20 percent of GDP.¹³⁸ Labor migration of Jordanians continues to be a fundamental aspect of Jordan's economy, and remittances have been a constant source of external revenue for the country.

2.4 Migration Trends and the Role of Remittances in a Long-term Perspective

Upon a historical review of Jordan's migration dynamics, two significant trends emerge. First, labor migration to and from Jordan, though it has fluctuated, has been growing dramatically since the 1950s. This is consistent with De Haas' migration transition theory, which backs the notion that emigration will occur at increasing levels of development. This trend is expected to continue, as Jordan further develops as a growing knowledge economy. As Jordan's

¹³⁶ Chatelard, *Jordan: A Refugee Haven*.

¹³⁷ Ibid.

¹³⁸ Athamneh, *General Overview of Migration Into, From and Through Jordan*; Chatelard, *Jordan: A Refugee Haven*.

economy expanded, it also attracted significant immigration from Arab neighbors and South and Southeast Asia. This is indicative of increasing levels of wealth in the country, making it a more desirable migration target.

Second, one can observe the marked impact of remittances on the Jordanian economy, though its full extent is difficult to measure. Remittances play a significantly larger role in the Jordanian economy than they do in other countries. By the end of the twentieth century, Jordan was ranked 11th in terms of total remittance flows among developing countries, after remittance heavy-weights like India and the Philippines, as well as regional neighbors like Turkey and Egypt. What is truly remarkable about the Jordanian case, however, is the consistently high volume of remittances in relation to GDP, which was already at 21.2 percent in 1999. Top ranked countries in terms of total flows – India (1st at 11,097 million US\$) and the Philippines (2nd at 7,016 million US\$) – evidenced a much lower ratio of remittances to GDP at 2.6 and 8.9 percent respectively. In fact, in 1999, only Yemen surpassed Jordan with remittances as a factor in GDP at 24.5 percent (see Table 2). Thus, the importance of remittances to the Jordanian economy remained a constant factor since early outmigration.

Table 2: Top 20 Developing Countries in the World in Remittances, 1999¹³⁹

Country	Remittances (in million US\$)	Percentage to gross Domestic Product	Rank
India	11,097	2.6	1
Philippines	7,016	8.9	2
Mexico	6,649	1.7	3
Turkey	4,529	2.5	4
Egypt	3,196	4.0	5

¹³⁹ Rajan S Irudaya, “Dynamics of International Migration from India: Its Economic and Social Implications” (presented at the Ad Hoc Expert Group Meeting on Migration and Development, Bangkok, August 27, 2003).

Morocco	1,918	5.5	6
Bangladesh	1,803	4.1	7
Pakistan	1,707	2.7	8
Dominican Republic	1,613	11.9	9
Thailand	1,460	1.1	10
Jordan	1,460	21.2	11
El Salvador	1,379	12.3	12
Nigeria	1,292	3.5	13
Yemen	1,202	24.5	14
Brazil	1,192	0.2	15
Indonesia	1,109	0.8	16
Ecuador	1,084	5.8	17
Sri Lanka	1,056	6.9	18
Tunisia	761	4.0	19
Peru	712	1.2	20

The full extent of remittances' impact on the Jordanian economy is difficult to measure, since tracking the investment of remittances is a more recent phenomenon. Though it is clear that remittances of Jordanian emigrants since the 1970s have been significant, it also hard to estimate the full extent of their impact on development, as this process cannot be easily dissected. One must be careful not to overstate the impact of remittances as a development tool. Though significant, remittances have not been the principal engine of Jordan's economic growth. And while it is true that remittances are often a more reliable source of income than other capital

flows, such as foreign direct investment and development aid, they cannot be heralded as a miracle cure to heal the ails of developing countries.¹⁴⁰

This second chapter identified the major historical trends linking migration and development in Jordan since the 1950s. The first identifiable pattern was the early outmigration of Jordanians, primarily to the oil-producing countries of the GCC, where migrants, predominantly of Palestinian descent, contributed to the development of the state sector. This migration of the 1950s and 1960s expanded significantly after the 1973 oil boom, when massive state revenues in GCC countries dramatically increased the demand for skilled and unskilled labor in those countries. Large numbers of Jordanians emigrated, and their remittances began to have a significant share in the country's GDP – peaking at 27.4 percent in 1984.¹⁴¹ Due to Jordan's low natural resource endowment and early dependency on foreign aid, the revenues from remittances proved to be an attractive development strategy for the Jordanian government. The country thus began to develop a characteristic dependence on remittance flows, which were closely tied to GCC economies, and were thus liable to fluctuate significantly. Remittances did play a large role in the country's economic development, as they were invested not only in consumption, but also in the development of agriculture and other sectors. The government was able to channel its remittance revenues, derived from regulating international financial transfers and taxing imported goods, into developing the public sector and infrastructure, which had multiplier effects on the Jordanian economy. The pursuit of an open-door policy and lax

¹⁴⁰ De Haas, "International Migration, Remittances and Development: Myths and Facts."

¹⁴¹ Athamneh, *General Overview of Migration Into, From and Through Jordan*.

regulations on Arab migrants, tied with the economic expansion that was partly enabled by outmigration, further led to significant immigration to Jordan. Because of this past development migrants play a large role in the current Jordanian economy and will do so in the future. This leads to the necessity of a careful examination of the migration-development nexus in Jordan today.

3. The Migration-Development Nexus in Jordan Today

As a sending and receiving country of migration, present-day Jordan exhibits migration dynamics that evade traditional definition. This chapter will attempt to establish a profile of the current day emigration and immigration patterns of the monarchy, and their implications for the Jordanian state, economy and society. Migration is closely tied to the current problems of the Jordanian labor market, especially the increasing structural problems of unemployment, as well as government efforts to address these, namely economic development and job creation. One main reason for the current problems is the absence of mineral resources and renewable primary products, which leads to the current reliance on economic growth in the GCC states, as a factor in providing employment for many Jordanian migrants. Another reason is the dramatic growth of the population in the last decade, which has partly been the result of major political conflicts in the Middle East. According to the OECD and the World Bank, the population in Jordan increased from 3.17 million in 1990 to 5.91 million in 2008, a growth of 86 percent, compared to 39 percent in Lebanon, 56 percent in Israel, 67 percent in Syria. Of the 5.91 million, 1.95 (33

percent) were Palestinian refugees, a figure which does not include the large numbers of Jordanians of Palestinian descent. In addition, approximately one million refugees from Iraq currently reside in the kingdom, as well as half a million refugees from the Syrian Civil War.¹⁴²

To elucidate the economic problems of Jordanian economy, characterize the responding government policy and explore the state of the migration-development nexus in Jordan today, in this chapter I will first focus on the impact of emigration and immigration on the current Jordanian economy. Then I will explore the role of the Jordan's Qualified Industrial Zones, ostensibly a government effort at job creation for average Jordanians. The case of Jordan's QIZs casts light on the government's management of migration, as well as the role of migrants in Jordan's transition from a rentier state to a deregulated export-oriented economy. And finally I will place the Jordanian case in its present context, which will highlight the difficulties of resource-poor economies in adjusting to new roles in the international market – and the influential role that migration can play in such adjustments.

3.1 Emigration and its Impacts in Jordan Today

The impact of emigration is felt in many areas of Jordanian society today, from the development of certain sectors of the economy through the investment of remittances, as well as improvements in the quality of life of remittances recipients, to the government's establishment of an educational system, which is increasingly geared to produce export-ready, highly-skilled professionals. In 2009, of the approximately 6 million Jordanians 350,000 were working abroad, their remittances amounting to US\$4 billion. Jordanian arrivals in and departures from the

¹⁴² Nabih Bulos, "Jordan Feeling the Strain of Syrian Refugee Influx," *Los Angeles Times*, March 22, 2013, <http://articles.latimes.com/2013/mar/22/world/la-fg-syria-jordan-border-20130323>; also International Energy Agency (IEA), *Key World Energy Statistics*, November 16, 2010, p. 57.

country can serve as a proxy to establish net emigration flows. The data suggests that considerable net emigration persists, though it fluctuates heavily by year. (See Table 3)

Table 3: Jordanian Arrivals in and Departures from Jordan, Selected Years, 2000 – 2006 (In Thousands)¹⁴³

	2000	2003	2006
Arrivals	1599	1401	2671
Departures	1627	1533	2755
Net Departures	28	132	84

Source: Central Bank of Jordan Monthly Statistical Bulletin various issues

Some of these fluctuations can be accounted for by changing political or economic conditions in receiving countries, as was seen during the first Gulf War, which triggered massive return migration to Jordan in the 1990s. Consistent emigration flows are never guaranteed, and related remittance flows cannot be treated as a secure form of external revenue for this reason. Yet differences in real wage rates and lucrative employment opportunities for Jordanian professionals continue to draw large numbers abroad. Since 2000, the typical Jordanian labor emigrant residing in an OECD country¹⁴⁴ is likely to be male (52.4 percent), highly educated (41 percent having completed tertiary education and 37.8 percent a secondary or post-secondary degree) and employed in high skill jobs (69.3 percent, with 28.3 percent working as professionals, 13.4 percent as legislators, senior officials and managers and 11.3 percent as

¹⁴³ Riad Al-Khouri, “Aspects of Migration and Development in Jordan” (presented at the Migration and Refugee Movements in the Middle East and North Africa, The American University in Cairo, Egypt: The Forced Migration & Refugee Studies Program, 2007).

¹⁴⁴ The only data available to create a profile of the typical Jordanian labor emigrant comes from OECD countries

technicians and associate professionals).¹⁴⁵ A prominent group of Jordanian expatriates are engineers, with an estimated 12,000 out of the country's 68,000 engineers working in GCC countries, mainly in architecture and construction. Figures from the Jordan Engineers Association (JEA) suggest that currently more than 20,000 Jordanian engineers are employed abroad, of whom 80 percent continue to pay JEA fees.¹⁴⁶

Organizations such as the JEA serve to enhance links between Jordan and its expatriate communities. The JEA holds regular forums for engineers in the Arab world and Europe to provide assistance in case of any problems that may be encountered abroad. As part of its services, the organization has opened liaison offices, for example in Qatar, the United Arab Emirates, and Saudi Arabia, in order to keep association members updated on its services. Further linking of migrants is provided through the Jordanian Social Security system; a law was passed in 2001 that allows Jordanians working abroad to enroll in state social security. The Jordanian Social Security Corporation (SSC) makes continual efforts to enroll Jordanians working abroad. It too has opened a number of liaison offices in GCC countries.¹⁴⁷ In addition, the SSC has established a mobile social security office, which locates to several common destination countries in order to allow Jordanians working there to subscribe to the corporation's insurance system.¹⁴⁸ According to Shaiban Taqa of the International Organization for Migration

¹⁴⁵ Athamneh, *General Overview of Migration Into, From and Through Jordan*.

¹⁴⁶ Al-Khouri, "Aspects of Migration and Development in Jordan."

¹⁴⁷ Shaiban Taqa, Program Officer at the International Organization for Migration in Jordan, interview by Mattis Hennings, June 25, 2012.

¹⁴⁸ Riad Al-Khouri, "Aspects of Migration and Development in Jordan" (presented at the Migration and Refugee Movements in the Middle East and North Africa, The American University in Cairo, Egypt: The Forced Migration & Refugee Studies Program, 2007), 18.

in Amman, the Jordanian government also employs a number of labor attachés to handle emigrant concerns in its embassies in the major receiving countries of Jordanian emigration.¹⁴⁹

The linking of expatriates to Jordan has been a priority for the Jordanian government, a logic consequence of its active encouragement of migration as a development strategy. Though the government initially dismissed concerns of brain drain and systematically expanded training efforts in the 1970s,¹⁵⁰ the fact that most Jordanian expatriates are highly skilled laborers has been a cause for concern to scholars like Walid al-Khatib of the Amman-based Center for Strategic Studies.¹⁵¹ Though economic gains from migration, in the form of remittances for example, are easy to identify, it is harder to get a complete picture of the negative impacts of emigration. As discussed in the previous chapter, the Jordanian government invests heavily in the education of potential migrants,¹⁵² and the emigration of skilled laborers represents a theoretical loss of this government investment if we factor out the gains from remittances. In addition, there are a number of social costs that migration can impose on an emigrant, such as long-term separation from families and home cultures, which are difficult to quantify. However, it seems that in the Jordanian case the collective benefits of emigration tend to outweigh those of potential brain drain, where emigration is a deliberate government strategy that also serves as a means of relieving unemployment.

The problem of unemployment in Jordan has been pervasive for a number of years, and the lack of suitable job opportunities, especially for young Jordanians, is an underlying factor in current migration trends. The disjunction between a dramatic increase in the Jordanian labor

¹⁴⁹ Taqa, Program Officer at the International Organization for Migration in Jordan.

¹⁵⁰ Chatelard, *Jordan: A Refugee Haven*.

¹⁵¹ Walid Al-Khatib, Director, Center for Strategic Studies, Amman, interview by Mattis Hennings, June 20, 2012.

¹⁵² Chatelard, *Jordan: A Refugee Haven*.

force and lacking job growth results in structural unemployment problems, as discussed by Munther Al-Share, the former minister for political development in Amman.¹⁵³ Observing the unemployment rate over a period of more than twenty years between 1982 and 2006 reveals an unsteady fluctuation that remains in the double digits for most of the time. (See Table 4)

Table 4: Jordanian Unemployment Rate, Selected Years between 1982 and 2006 and Target for 2015 (In Percent)¹⁵⁴

Year	Unemployment Rate (Percent)
1982	6.5
1986	13.1
1995	15.3
1996	12.8
2000	13.7
2004	12.5
2005	14.8
2006	14.0
2015	6.8

Source: Jordan Department of Statistics; 2015 target from Jordan’s official “National Agenda of Political and Socio-economic Reform” 2005

As Table 4 shows the unemployment rate peaked in 1995, just four years after the first Gulf War had brought large numbers of Jordanian labor migrants back to Jordan and had weakened Jordan’s relationship with its GCC neighbors. As migration picked up again in the following years, the unemployment rate declined by 2.5 percent. The unemployment rates shown in the above table, however, do not tell the whole story of the Jordanian labor market. Not all groups of the labor force are equally affected. A truly chronic problem has been for some time

¹⁵³ Share, “The Jordanian Labor Force Emigration.”

¹⁵⁴ Al-Khouri, “Aspects of Migration and Development in Jordan.”

the massive unemployment of the younger, with a youth unemployment rate of 32 percent, and sixty percent of jobseekers being below the age of 25.¹⁵⁵

Table 5: Distribution of Unemployed People by Age in 2003 (In Percent)¹⁵⁶

Age	Male	Female	Total
15-19 Years	20.7	3.6	17.0
20-24 Years	37.6	54.6	41.2
25-39 Years	31.6	39.4	33.3
40-54 Years	8.7	2.3	7.3
55+	1.3	0.1	1.2
Total	100	100	100

Source: Jordan Department of Statistics

According to Gerard Mayen of the European Training Foundation (ETF), an EU agency that helps transition and developing countries to harness the potential of their human capital through the reform of education, training and labor market systems,¹⁵⁷ the root causes of youth unemployment include “lack of opportunities to find satisfying work following graduation; the difficulty for individuals of obtaining jobs compatible with their qualifications; the poor wages and working conditions offered by firms; the gap between the skills of graduates and the needs of employers” as well as “social and cultural obstacles for the full integration of women into the labor market.”¹⁵⁸ The reasons Mayen offers can be generally restated as a lack of suitable job opportunities for an overqualified work force, and the unwillingness to work in sectors where

¹⁵⁵ Mayen et al., *Unemployment in Jordan*.

¹⁵⁶ Ibid.

¹⁵⁷ See http://www.etf.europa.eu/web.nsf/pages/NEWS_8GCFVK_EN (retrieved March 23, 2013).

¹⁵⁸ Mayen et al., *Unemployment in Jordan*.

migrant labor has allowed for bad wages and working conditions. Migration for employment becomes a credible prospect for many recent graduates, simply because suitable jobs are not available for them in Jordan.

For some, the prospect of migration may even be an added incentive to attain an education. This suggests that the notion of brain drain does not adequately describe the phenomenon occurring in Jordan. According to Hein De Haas, there is increasing mass unemployment among the highly educated in many developing countries.¹⁵⁹ In Jordan specifically, the unemployment rate for those who attained a secondary education is at 12.1 percent, those who obtained an intermediate diploma experienced unemployment at 13.2 percent, and those with bachelor's degrees and above had an even higher unemployment rate of 14.7 percent. For women at this level of education, the rate is an astounding 24 percent, which indicates clearly gender discrimination.¹⁶⁰ In view of the low employment opportunities in Jordan with large differences in real wage rates and the high demand for skilled labor in the GCC and industrialized countries, migration seem to offer an apparent solution for many young Jordanians – one whose benefits far outweigh the social and economic costs.

As mentioned above, the outmigration has larger economic, social and cultural consequences than relieving unemployment. Among the numerous benefits of the counterflow resulting from emigration Hein De Haas lists “remittances, investments, trade relations, new knowledge, innovations, attitudes and information.”¹⁶¹ The impacts of these flows are, however, often unreliable and therefore difficult to plan, as the analysis of the earlier development in Jordan demonstrated. Remittances make up the largest quantifiable share of this counterflow, and

¹⁵⁹ De Haas, “International Migration, Remittances and Development: Myths and Facts.”

¹⁶⁰ Mayen et al., *Unemployment in Jordan*.

¹⁶¹ De Haas, “International Migration, Remittances and Development: Myths and Facts.”

despite the charge that they are often used for “non-productive investments” and consumption activities they have a measurable impact on major macroeconomic variables. Remittances can enable migrants and family members to invest in agriculture and private enterprises, boosting sectoral growth, as was the case in Jordan. Furthermore, consumption spending on housing, health care, education or food, though classified as non-productive, raises the well-being and human capital of the recipient families, enabling them to make greater contributions to societal welfare. Additionally, spending on housing improvements and construction, which many Jordanian remittance recipients engaged in, has demonstrated multiplier effects that boost local economic activity – in turn helping benefit non-migrant households.¹⁶² Table 6 shows clearly how the remittances that were sent home by Jordanians residing abroad contributed to the economy since the 1970s.

¹⁶² Hein De Haas, “International Migration, Remittances and Development: Myths and Facts,” *Third World Quarterly* 26, no. 8 (2005): 1269–1284.

Table 6: Remittances sent by Jordanians Residing Abroad: Their Contribution to Some Macroeconomic Variables, 1973 – 2008¹⁶³

Year	Remittances sent by Jordanians residing abroad (Million JDs)	Remittances sent by Jordanians residing abroad as a % of GDP	Remittances sent by Jordanians residing abroad as a % of private consumption	Remittances sent by Jordanians residing abroad as a % of Gross investment
1973	14.7	5.2	8.0	31.1
1974	24.1	6.9	12.1	38.1
1975	53.3	18.9	18.0	60.6
1976	129.6	25.5	30.0	72.3
1977	154.8	25.5	27.9	21.5
1978	159.4	22.4	24.5	60.3
1979	180.4	20.0	21.3	56.0
1980	236.7	22.4	25.4	56.6
1981	340.9	26.0	29.9	53.7
1982	381.9	25.3	26.2	60.9
1983	402.9	25.2	25.5	75.2
1984	475.0	27.4	28.8	90.2
1985	402.9	22.8	22.4	105.0
1986	414.5	21.4	24.1	101.2
1987	317.7	15.9	19.0	70.8
1988	335.7	16.3	20.6	65.4
1989	358.3	16.3	21.9	64.6
1990	331.8	13.5	16.8	47.8
1991	306.3	11.6	15.1	45.2
1992	573.1	18.3	21.6	54.6
1993	720.7	21.6	26.0	55.3
1994	763.7	20.7	27.0	54.9
1995	871.7	20.5	28.6	62.5
1996	1,094.8	26.4	31.7	75.8
1997	1,173.5	26.4	32.2	88.6
1998	1,093.8	23.2	26.6	92.1
1999	1,179.8	24.3	28.2	87.2
2000	1,177.3	22.9	24.3	92.9
2001	1,283.3	23.6	24.9	103.8
2002	1,362.3	23.7	24.5	105.9
2003	1,404.5	23.0	21.3	94.8
2004	1,459.6	20.3	22.1	72.8
2005	1,544.8	19.3	19.7	56.5
2006	1,782.7	19.5	20.3	59.9
2007	2,122.5	20.9	20.5	60.3
2008	2,242.0	18.0	-	-

Source: Central Bank of Jordan

¹⁶³ Athamneh, *General Overview of Migration Into, From and Through Jordan*.

This table reveals a few general trends about remittances in the Jordanian economy. First, the share of remittances sent to Jordan between 1973 and 2008 as a percentage of GDP is startlingly high, at 20.6 percent. In terms of percentage of private consumption, remittances have accounted for 23.3 percent between 1973 and 2007. As an average share of gross investment in the country, remittances have represented 68.4 percent in that same span of years. These numbers are remarkable, and they indicate that the grand total of 26,871 million JD that has been remitted to the country since 1973 has made a significant contribution to economic growth.¹⁶⁴

3.2 Immigration and its Impacts

Tracing the economic and social impact of immigration proves to be infinitely more difficult than that of emigration. In a country of today 6.5 million, which is intermittently inundated by large numbers of foreign refugees, it is difficult to empirically trace the impact of economic migrants. The profile of immigrants to Jordan discloses the picture of a vastly different social group than the country's emigrants – a group that poses far greater social and economic challenges for Jordanian society.

The General Census of Population and Housing in Jordan in 2004 reveals that 392,273 non-Jordanians resided in the country, composing 7.7 percent of the total resident population. Of this number, 160,933 or 41 percent were female. Immigrant laborers are spread across Jordan's 12 governorates in three regions, the north, central and south region (see Map 1), but the vast majority of non-Jordanians reside in urban areas throughout the country (87.1 percent), with only 12.9 percent of foreigners living in rural areas. 53.5 percent of the foreign population lives in

¹⁶⁴ Ibid.

Amman (no. 6 on the map) and 14.4 percent live in Zarqa (no. 7) in the central region, another 8 percent live in the northern university town of Irbid. The remaining non-Jordanians live in larger, economically active governorates such as Balqa (no. 5), Mafrqa (no. 4), Jerash (no. 3) and Aqaba (no. 12), with smaller proportions in districts like Madaba (no. 8), Ajloun (no. 2), Ma'an (no. 11), Tafilah (no. 10) and Al Karak (no. 9).¹⁶⁵ As the map shows this regional concentration of the non-Jordanians reflects the distribution of the Jordanian population. Most immigrants live in the densely populated urban areas, especially around the capital Amman.

Map 1: The Twelve Jordanian Governorates, 2008¹⁶⁶

	Governorate / Capital	Population	Urban	Rural
1	Irbid	1,041,300	76.2%	23.8%
2	Ajloun	134,500	76%	24%
3	Jerash	175,500	51%	49%
4	Mafrqa	275,000	39%	61%
	North Region	1,626,300	67.2%	32.8%
5	Balqa / Salt	391,900	71.8%	28.2%
6	Amman	2,265,100	94%	6%
7	Zarqa	871,600	94.5%	5.5%
8	Madaba	146,300	71.4%	28.6%
	Central Region	3,674,900	90.85%	9.15%
9	Karak / Al Karak	228,200	35%	65%
10	Tafilah	81,900	22%	78%
11	Ma'an	111,200	54.9%	45.1%
12	Aqaba	127,500	86%	14%
	South Region	548,800	60%	40%



¹⁶⁵ Ibid.

¹⁶⁶ Retrieved on March 23, 2013: http://en.wikipedia.org/wiki/Governorates_of_Jordan. Based on: The Hashemite Kingdom of Jordan Department of Statistics (DOS), 2008 Year Estimation of Population by Governorate and Sex.

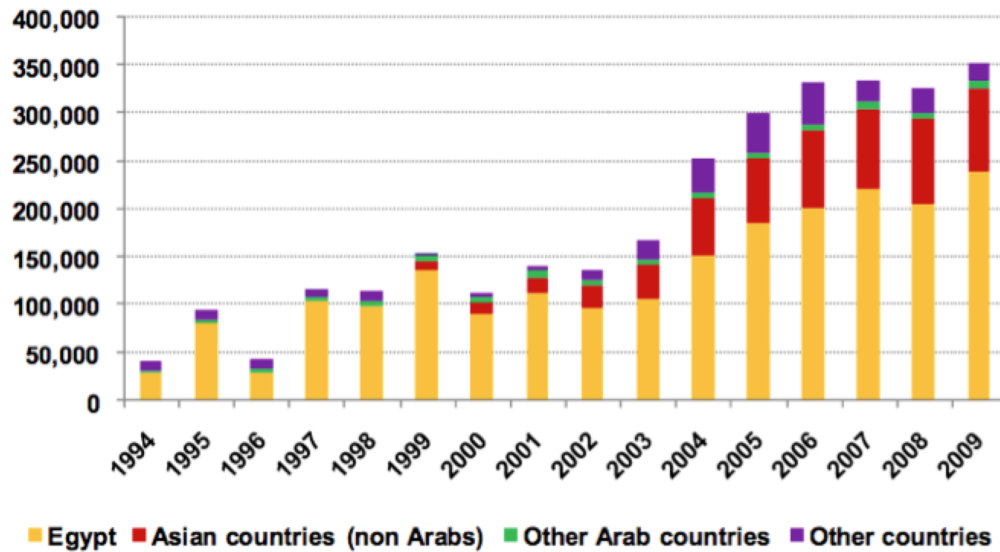
In terms of national origin, 82.5 percent of non-Jordanians came from other Arab countries. Of this figure 29.4 percent came from Palestine, 28.7 percent from Egypt, 10.2 percent from Iraq, 9.7 percent from Syria, and 1.3 percent from other Arab African countries.¹⁶⁷ Those originating in non-Arab Asian countries account only for 14.8 percent of the foreign labor force. The vast majority of the non-Arab immigrant population are women, representing 72.2 percent of the total share of female migrant labor. The CARIM Migration Profile of Jordan from 2010 reveals the steadily increasing significance of non-Arab migrant labor (see Figure 5). By comparing census data from 1994 and 2004, CARIM researchers found that the annual average growth rate of the non-Arab migrants amounted to 16.9 percent, whereas the total foreign population had a growth rate of 2.5 percent. According to this data, the non-Arab proportion of the total foreign population increased from 6.9 percent to 14.8 percent in the span of one decade.¹⁶⁸

The rising number of non-Arab immigrant labor can be explained by a number of factors, the most important of which seems to be the growth and development of the so-called Qualifying Industrial Zones, special free trade zones, and, by association, the Jordanian textile industry. A product of the Jordanian peace with Israel in 1994, these special economic zones, established since 1998, enabled duty free export to the United States under certain conditions.¹⁶⁹ The practical implication of these trade agreements was the establishment of a number of zones in Jordan that were designed to draw foreign companies and their workforces, allowing them

¹⁶⁷ Anna Di Bartolomeo, Tamirace Fakhoury, and Delphine Perrin, *CARIM Migration Profile Jordan* (European University Institute: Consortium for Applied Research on International Migration, November 2010).

¹⁶⁸ Ibid.

¹⁶⁹ More details on the economic and social impact of QIZs to follow later in this chapter

Figure 5: Foreign Population Holding Work Permits by Nationality, 1994 –2009¹⁷⁰

Source: CARIM Migration Profile Jordan

to manufacture products in a lax regulatory environment. The zones largely drew in foreign, particularly female labor due to poor working conditions and wages, even though they were ostensibly a project to create jobs for Jordanians. The example of QIZs speaks to the greater issue of a heavily segmented labor market in Jordan, one that is divided not only among ethnic and gender lines, but also in terms of citizenship. (See Table 7)

¹⁷⁰ Di Bartolomeo, Fakhoury, and Perrin, *CARIM Migration Profile Jordan*.

Table 7: Labor Distribution QIZs, according to Zone & Gender, 2007¹⁷¹

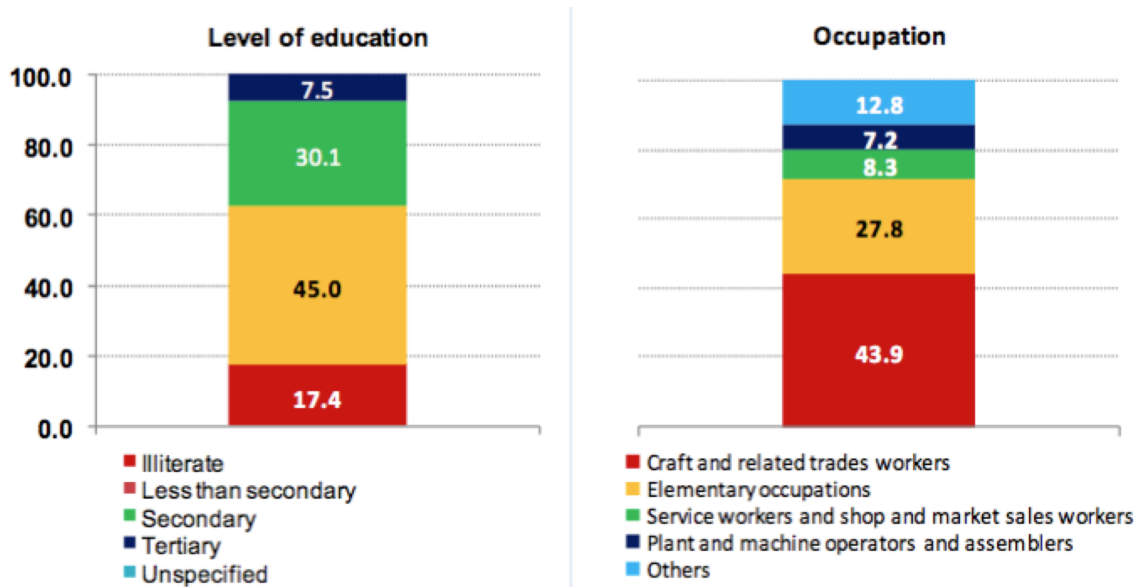
Zone	No. of Companies	Jordanians		Total No. of Jordanian Labor	Guest workers		Total No. of guest workers	Total
		male	female		male	female		
Sahab Industrial Zone	39	836	1487	2323	5624	4881	10505	12828
Al-Hassan Industrial City	38	2686	3930	6616	5755	7062	12817	19433
Karak	3	795	1068	1863	323	1894	2217	4080
Al-Dulayl	15	476	1280	1756	5527	5405	10932	12688
Al-Jeezah	1	11	4	15	2	0	2	17
Al-Rusaifa	1	301	367	668	184	150	334	1002
Total	97	5105	8136	13,241	17,415	19,392	36,807	50,048

The segmentation is evident upon an evaluation of the education attainment of migrants. The educational profile of immigrants to Jordan stands in stark contrast with the high levels of education achieved by Jordanian emigrants. As many as 60.3 percent of immigrants do not hold a degree higher than basic education, broken down further, 17.3 percent of immigrants are illiterate, 8.2 percent can only read and write, 11.7 percent have a primary- and 15.2 only a preparatory- and 8.0 a basic education. Female migrant workers have an even lower educational profile, with 63.7 percent not holding a degree higher than basic education. Unsurprisingly, only 1.1 percent of the foreign population in Jordan have received a tertiary education.¹⁷²

¹⁷¹ *A Jordanian For Each Job Opportunity - Qualified Industrial Zone Companies* (Directorate for Information and Studies, December 31, 2007).

¹⁷² Department of Statistics via Athamneh, *General Overview of Migration Into, From and Through Jordan*.

Figure 6: Foreign Resident Population by Level of Education and by Occupation, 2004¹⁷³



Source: Jordanian National Census, 2004

Education levels among immigrants to Jordan are helpful in understanding the types of employment and sectors that non-Jordanians occupy in the Jordanian economy. Beyond the segmentation of the labor market between non-Jordanians and Jordanians discussed in the previous chapter, the data also further reveals a marked gender segmentation of the labor force. This gender segmentation goes beyond traditional or cultural divisions of labor (see Table 7). For example, the services sector, which holds 38.2 percent of immigrants, employs as much as 56.6 percent of female foreigners. The mining, manufacturing, and water, gas and electricity supply industries provide employment for 27.6 percent of migrants, but only 0.1 percent of female migrants. Construction accounts for 22.5 percent of immigrant jobs, and 42.4 percent of female migrants’ jobs. Agriculture, hunting and forestry, once the predominant employer of foreign

¹⁷³ Di Bartolomeo, Fakhoury, and Perrin, *CARIM Migration Profile Jordan*.

workers, now provides 11.7 percent of the jobs for foreigners, but only 0.9 percent of female migrants' jobs.¹⁷⁴

Table 8: Foreign Nationals Residing in Jordan by Economic Activity Status and Gender, 2004¹⁷⁵

Economic Activity Status	Males		Females		Total	
	Number	%	Number	%	Number	%
Economically Active:	144,239		47,068		191,307	
a. Employed	135,728	94.1	42,908	91.2	178,636	93.4
b. Unemployed	8,511	5.9	4,160	8.8	12,671	6.6
Not Economically Active:	25,565		62,810		88,375	
a. Students	13,250	51.8	9,510	15.1	22,760	25.8
b. House Maker	616	2.4	48,717	77.6	49,333	55.8
c. With Means	2,275	8.9	862	1.4	3,137	3.5
d. Disabled	4,795	18.8	3,707	5.9	8,502	9.6
e. Other	4,325	16.9	0	0.0	4,325	4.9
f. Unspecified	304	1.2	14	0.0	318	0.4
Total	169,804		109,878		279,682	

Source: Jordanian National Census, 2004

Further segmentation is evident upon a deeper evaluation of the status of economic activity of migrants (see Table 8). The Population Census reveals that 68.4 percent of foreign nationals in Jordan were economically active in 2004,¹⁷⁶ this group composes 13.2 percent of the total active population in Jordan. In 2004, the vast majority of economically active non-Jordanians were employed (93.4 percent), and unemployment among foreigners was as low as 6.6 percent, though the rate differs for men (5.9 percent) and women (8.8 percent). The ca. 3 percent difference in unemployment rate between men and women is remarkable, but even more

¹⁷⁴ Athamneh, *General Overview of Migration Into, From and Through Jordan*.

¹⁷⁵ Ibid.

¹⁷⁶ In regards to the foreign population that was not economically active, 55.8 percent were house makers (overwhelmingly female) and 25.8 percent students (of which 58.2 percent were men).

significant is the large difference in unemployment rates between Jordanians and non-Jordanians. The 6.6 percent unemployment rate of migrants contrasts sharply with the high unemployment rates of Jordanians, which was at 12.5 percent at the time of the census.¹⁷⁷ What this profile of immigration reveals above all other things is a labor market that is heavily divided, where immigrants with low levels of education are working jobs that employ few Jordanians, where women and men are clearly divided by sector and industry, and where ethnicity and national origin are major determinants of the types of employment.

As the demographic profile indicates, the immigration of foreign labor has had a fundamental impact on the Jordanian labor market. In a country where unemployment is rampant, there is grave concern that migrant workers may be competing with Jordanians for job opportunities. The Jordanian government has been working to replace foreign workers with national workers in many sectors, but according to Fathalla Omrani of the Jordanian Textile Trade Union, this policy has had only limited success. Omrani charges that there exists “a continuous need in Jordan for foreign workers to work in some economic activities where nationals are reluctant to receive employment because of the combination of hard work and low wages.”¹⁷⁸ Though, according to Omrani “some unemployed Jordanians may wish to take up jobs typically undertaken by foreign workers,” not enough has been done to ensure that this become feasible.¹⁷⁹

The government has raised the minimum wage on a number of occasions, attempting to level the economic playing field for migrants and Jordanians. In 2009, the minimum wage was raised to 150 JD per month (212 US dollars). The main goal of this policy was to reduce

¹⁷⁷ Di Bartolomeo, Fakhoury, and Perrin, *CARIM Migration Profile Jordan*.

¹⁷⁸ Athamneh, *General Overview of Migration Into, From and Through Jordan*.

¹⁷⁹ Ibid.

competition of foreign workers with Jordanians by raising migrant wage levels closer to the Jordanian average. In practice, the increase was insufficient, both because the minimum wage remains below adequate for most Jordanian families and because several sectors, namely the migrant-employing textile and garment industries, were excluded from the minimum wage hike.¹⁸⁰ According to Fathalla Omrani, “this limit does not necessarily reflect the actual wage paid which is often much higher and this does not reflect well on the cost of living in Jordan.”¹⁸¹ The difference between migrant and Jordanian wage rates further reflects the fundamentally different character of migrant and Jordanian employment opportunities.

As wage rates and labor market segmentation suggest, migrants perform a vital function in the Jordanian economy – namely employment in jobs that are largely unsuited to more well-educated Jordanians. According to government officials, migrant workers account for the success of the Jordanian Qualified Industrial Zones and its burgeoning manufacturing sector. The reality is more nuanced, but it is undeniable that Jordan has fueled much of its recent economic growth through immigration. The previous chapter demonstrated that immigration accounted for growth in sectors such as agriculture, construction and services. Additionally, it has been argued that immigration of female Asian domestic workers has allowed for more Jordanian women to be engaged in the labor force, barring the absence of a state-provided child care system.¹⁸² Thus, immigration has not been without benefits for the average Jordanian. Yet, government attempts to maximize these gains for Jordanians have been lackluster. The case of Qualified Industrial

¹⁸⁰ Fathalla Omrani, President of the Textile Trade Union, interview by Mattis Hennings, trans. Basheer Ryalat, November 24, 2011.

¹⁸¹ Athamneh, *General Overview of Migration Into, From and Through Jordan*.

¹⁸² Adnan Rababa, Director of Workers Affairs and Inspection Directorate at the Ministry of Labor, interview by Mattis Hennings, November 28, 2011.

Zones stands out as an example of misdirected policy, and casts doubt about the sincerity of government attempts.

3.4 The Case of Jordan's Qualified Industrial Zones

Efforts to expand the manufacturing base of the country have led to the growth of a sizeable textile and garment industry, which until recently was limited mainly to the Qualified Industrial Zones. Since 1998, the Office of the United States Trade Representative (USTR) has authorized thirteen of these zones in Jordan (see Map 2). Ostensibly, they were set up to promote regional peace and economic integration by allowing for joint Israeli-Jordanian business ventures to ship duty-free exports to the United States.¹⁸³

Map 2: Major Regions of Jordan's Thirteen Qualified Industrial Zones, 2008¹⁸⁴



¹⁸³ Hassan Nsour, Head of QIZ, Garment Sector, Jordanian Ministry of Industry and Trade, interview by Mattis Hennings, November 22, 2011.

¹⁸⁴ Retrieved in March 23, 2013: http://en.wikipedia.org/wiki/Qualifying_Industrial_Zone.

The immediate economic benefits of the Qualified Industrial Zones, concentrated in the urban centers around Irbid, Zarqa, Amman, Al Karak and Aqaba (see Map 2) are plain and widely advertised. Jordanian exports to the United States increased from \$229 million in 2001 to around \$1 billion in the years following 2008.¹⁸⁵ In 2004, at the peak of growth in the manufacturing sector, the Qualified Industrial Zones accounted for approximately 31 percent of Jordanian exports.¹⁸⁶ As of 2007, investment in the QIZs had been \$85-100 million, with expectations of growth to \$180-200 million.¹⁸⁷

According to Hassan Nsour, the head of the QIZ directorate at the Jordanian Ministry of Industry and Trade, these zones have brought numerous multinational companies to Jordan and led to a flourishing of supporting services, such as shipping companies, in the country. The relatively low cost of manufacturing in the zones has boosted Jordanian exports and promoted the “Made in Jordan” label in the international market. Additionally, Nsour claims that the zones have provided employment to Jordanian labor, particularly females.¹⁸⁸ In accordance with Nsour’s optimistic assessment, the Jordanian government has placed much hope on the growth and development of these zones for the abovementioned reasons.

Though the government officially advertises that the zones can be a potential source of employment for Jordanians, the reality is different. The meager wages and substandard working conditions in the zones essentially bar most Jordanians from considering work in them. Increasingly, migrant workers have been replacing already low numbers of Jordanians employed

¹⁸⁵ “US-Jordan Trade Facts,” *Office of the United States Trade Representative*, accessed March 21, 2013, <http://www.ustr.gov/countries-regions/europe-middle-east/middle-east/north-africa/jordan>.

¹⁸⁶ Nsour, Head of QIZ, Garment Sector at the Ministry of Industry and Trade.

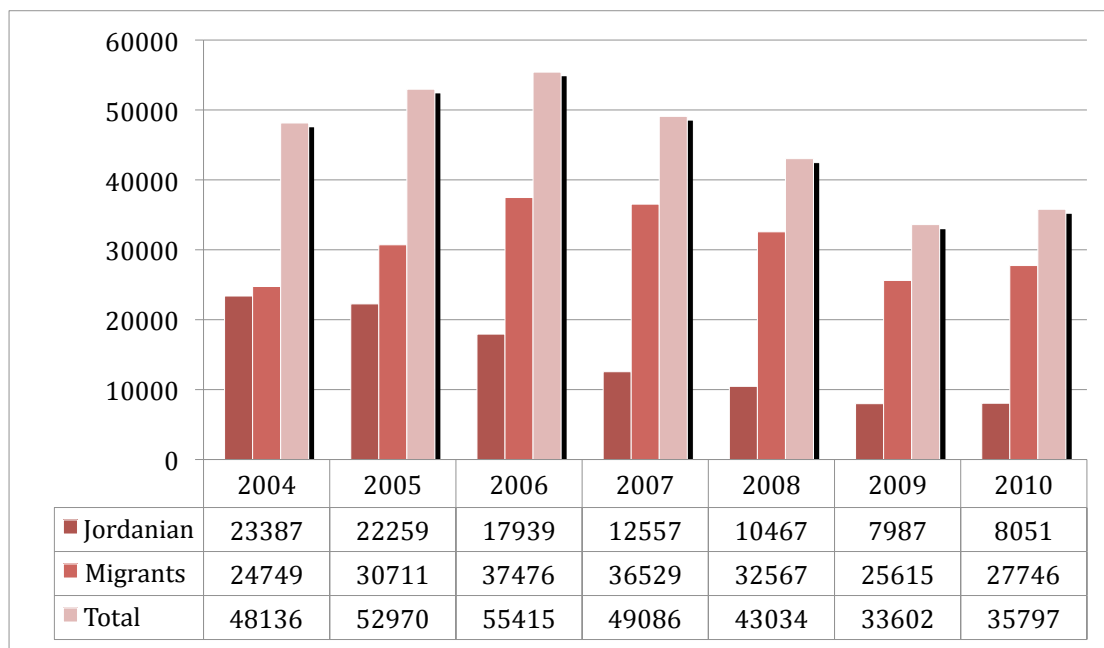
¹⁸⁷ “Q.I.Z – Qualifying Industrial Zones,” *Israel Ministry of Industry, Trade and Labor*, 2011, <http://www.tamas.gov.il/NR/exeres/2124E799-4876-40EF-831C-6410830D8F02.htm>.

¹⁸⁸ Hassan Nsour, Head of QIZ, Garment Sector, Jordanian Ministry of Industry and Trade, interview by Mattis Hennings, November 22, 2011.

in the zones. The government handling of QIZs is illustrative of its larger policy considerations regarding migrants in the Jordanian economy and labor market

In 2006, the number of workers in the QIZs reached 54,077, of which 17,928 (33 percent) were Jordanians and 36,149 (67 percent) were migrant workers, mostly of Asian origin.¹⁸⁹ Following a report by the National Labor Commission (NLC) regarding harsh, exploitative conditions in the QIZs, a number of factories in the zones were closed and the contingent of Jordanian labor decreased dramatically. As of December 2010, approximately 35,797 workers were employed in the QIZs, of which only 8,051 (22 percent) were Jordanians, while 27,746 (78

Figure 7: Trade Union Figures on Foreign versus Jordanian Employment (Magnitude and Nationality of the Labor for the Last Seven Years)



Source: Textile Trade Union Annual Report. Union of Workers in Textile, Garment and Clothing Industries, 2010.

¹⁸⁹ Ministry of Labour Report on Status of Migrant Workers in the Qualified Industrial Zones (Amman: Ministry of Labor, May 2006).

percent) were migrants.¹⁹⁰ Over just four years, the zones witnessed a marked decrease in Jordanian labor, though they were ostensibly a project to create jobs for Jordanians (see Figure 7 below).

These figures cast doubt upon the QIZs as a job-creating project for Jordanians. Substandard working conditions in the zones account for much of the disparity. Fathalla Omrani of the Jordanian Textile Trade Union opines, “these are dismal jobs, in terms of both wages and job security. Whether it be in the form of wages or taxes, the returns expected to benefit the Jordanian economy and population are very disappointing.”¹⁹¹ Further, Hassan Nsour disclosed that many Jordanians shun employment in the zones due to a stigma surrounding the textile and garment work dominant in the zones. Nsour argues that cultural barriers prevent Jordanian men from working in what is perceived as a “women’s sector.”¹⁹² These findings further reflect on the deep segmentation of the Jordanian labor market.

Some within the government view this segmentation, especially evident in the QIZs, in a different light. Dr. Loay Sehwal, the Director of Industrial Development at the Ministry of Industry and Trade, argues that migrant labor employed in the zones and elsewhere is simply part of the economic structure of Jordan. Migrant contribute to the economy through their purchasing power and expertise, helping improve quality in manufacturing and boosting exports, which reduces the trade deficit.¹⁹³ These arguments fit into a larger government rhetoric that tends to make light of the fact that QIZs do not actually lead to more jobs for Jordanians, and that the

¹⁹⁰ *Textile Trade Union Annual Report* (Union of Workers in Textile, Garment and Clothing Industries, 2010).

¹⁹¹ Omrani, President of the Textile Trade Union.

¹⁹² Nsour, Head of QIZ, Garment Sector at the Ministry of Industry and Trade, interview by Mattis Hennings, November 22, 2011.

¹⁹³ Loay Sehwal, Director of Industrial Development at the Ministry of Industry and Trade, interview by Mattis Hennings, November 22, 2011.

economic benefits do not necessarily accrue with the general population, but rather a small, privileged business elite. Adnan Rababa, Director of Workers Affairs and Inspection Directorate at the Ministry of Labor admits that there have been problems with the implementation of the QIZs: “I think there is something wrong, which happened, maybe in the implementation or the work condition, I don’t know, but we think there is something wrong which makes only the guest workers come to Jordan ... and not using Jordanian labor.”¹⁹⁴ The fault Rababa is referring to is the deep segmentation of the Jordanian labor market, which has become structurally entrenched in Jordan’s economy since the beginnings of immigration to the country.

The case of QIZ policy actually illustrates a larger pattern, observed by Francoise De Bel-Air, an associate Researcher at French Institute for the Near East (IFPO) in Amman. Bel-Air argues that the segmented labor market is symptomatic of Jordan’s economic transition from rentier state to deregulated export-oriented economy. Migrant workers perform a vital function in this transition by performing productive low-status jobs in the economy, serving for example as cheap laborers in the QIZs. These forms of employment do not meet the demands and expectations of young Jordanian professionals, who are left with the option to emigrate, until sufficient growth in high-tech manufacturing can provide better employment opportunities.¹⁹⁵

The study of the migration- development nexus in Jordan today conveys an ambivalent picture. Since the ascension of King Abdullah II in 1999, and largely due to the period of

¹⁹⁴ Rababa, Director of Workers Affairs and Inspection Directorate at the Ministry of Labor, interview by Mattis Hennings, November 28, 2011

¹⁹⁵ Francoise De Bel-Air, *Circular Migration to and from Jordan: An Issue of High Politics*, Analytic and Synthetic Notes, Circular Migration Series (Florence: CARIM Euro-Mediterranean Consortium for Applied Research on International Migration, 2008).

structural adjustment initiated by the late King Hussein, the economic development of Jordan has been among the main priorities of the Jordanian government. This renewed focus on economic matters is partly related to the existential urgency of economic diversification. Efforts have been made to expand manufacturing, where migrant labor plays a significant role, and there has also been emphasis on the continued development of the knowledge-based economy, which educates many Jordanians to work abroad. The emigration of Jordanians has been a consistent factor in the country's development since the initial movement of mostly Palestinian-Jordanians to the oil producing countries of the Gulf. This emigration has brought measurable economic benefits. Flows of remittances have been a constant factor in Jordan's economic growth and make a sizeable contribution to the country's GDP. Remittances account for sectoral growth in agriculture, construction and services, large amounts of consumption spending, and quality of life improvements for many Jordanian families.

Immigration too performs a vital function, playing a mediating role in Jordan's transition from a rentier state to a liberalized export-oriented economy. Immigration has brought tangible benefits, for example by enabling the entry of women to the labor force, and providing the basis for rapid growth in Jordan's export industry. However, the monetary gains of immigration have been concentrated mostly with Jordan's small business elite, who profit from the expendable source of labor that immigrants provide. The exploitation of immigrants is one of the greatest social costs of inward migration, and its harmful effects are compounded with the potential of immigrants to compete with Jordanians for low-status jobs.

The example of Qualified Industrial Zones illustrates many of the problems associated with immigration and the Jordanian economy. The government policy subordinates economic needs, such as the employment of Jordanians, to political concerns of managing a smooth

transition from a rentier state to a high value export-oriented economy. This elucidates the idea that without proper policy, migration does not automatically lead to more development. The extent of positive development outcomes depends on specific political, economic and social factors in sending and receiving countries.

The Jordanian case reveals divergent, heterogenous migration impacts – but also the strong potential for migration to benefit development under the right policy framework. Such a framework would need to assess the economic and social needs of migrants and Jordanians, and unify various approaches in dealing with migration as a factor in development processes. A multi-perspective relational approach, as undertaken by this study, leads to the understanding that historical, social, and cultural factors matter in contemporary politics, and that any policy framework must seek to account for these factors, in addition to the basic economic and political needs of the population.

Conclusion: The Case of Jordan – Academic and Political Implications

This study elucidated the migration-development relationship in Jordan since the 1950s and revealed that patterns of Jordanian migration transformed depending on the changing external and domestic political conditions and the economic social development of a period, and are further linked to specific and often ambiguous development outcomes with heterogenous impacts on Jordanian society. A historical review of the relationship yielded results generally consistent with Hein De Haas' migration transition theory, for they matched the observation that

emigration tends to intensify as levels of human development increase, and that immigration was likely to occur as a country became a wealthier, more desirable migration target. But it also demonstrates the importance of political and cultural factors, especially military conflicts, domestic policy, including education, social and labor policies, and cultural norms that inform the gendered, generational, ethnic and social division of labor and make jobs tolerable, desirable or unacceptable, as well as governmental policies and private economic investments and employment policies.

Jordanian emigration has been consistently increasing since initial movements in the 1950s and 1960s. After expanding in volume due to the spike in oil prices in the 1970s, emigration reached historic levels in response to growing opportunities in the GCC countries. The large outflow of skilled professionals served to relieve unemployment pressures, as well as political tensions in the aftermath of the Jordanian Civil War 1970-71, but it also enabled the growth of one of Jordan's most significant sources of foreign exchange: remittances. These monetary transfers by Jordanian expatriates have led to direct quality of life improvements for many Jordanians – the extended families of emigrants that are remittance recipients – who have been able to invest remittances in residential improvements, daily necessities and education, as well as productive investments that enabled sectoral growth in agriculture, services and construction. Remittances have played such a large role in the Jordanian economy that the country evidences a structural dependency on them, which ties the fate of the Jordanian economy closely to the economies that employ Jordanian migrants.

This phenomenon, which has led some to call Jordan the region's only "oil economy without oil," serves as an important reminder that despite the positive impacts of professional migration, we must be careful to proclaim a definite positive link between migration and

development. Since fluctuations in migration are liable to occur with exogenous shocks, such as the example of the First Gulf War – which returned thousands of Jordanians to their country, cutting of remittance flows in the process – migration has the potential for negative development outcomes. Events such as the Gulf War show the unreliability of emigration as a development strategy and the need for caution in policy approaches.

Further caution is warranted upon evaluating the impacts of immigration in Jordan. As levels of development and economic opportunity increased, Jordan attracted significant immigration, both from neighboring Arab countries and Asia. In fact, it was remittances from Jordanian emigrants that largely stimulated growth in the sectors that would attract migrant labor. The growth of these sectors led to a marked segmentation of the Jordanian labor market, leaving migrants to perform low status jobs, which became undesirable for the average Jordanian. The phenomenon of labor market segmentation has had larger implications, namely making it difficult for Jordanians to find employment in migrant dominated sectors. Yet, immigration has also brought some benefits to the average Jordanian. For example, the employment of domestic workers – in the absence of government provided childcare – has allowed more Jordanian women, especially from the middle and upper classes, to become active in the labor force. Additionally, immigrant labor has fueled the massive growth in exports that the country has experienced over recent years.

In general, immigration has had mixed impacts on Jordanian society. As this study demonstrates, though central to debates about migration and development since the 1960s, the question whether migration can benefit development is not a particularly useful one, for its phrasing begs an answer that relies on a linear conception of the migration-development nexus. Newer scholarship, especially the migration transition theory by Hein De Haas has rejected

previous linear assumptions. The inclusion of the historical dimension into this approach leads to a highly-contextualized understanding of the relationship of migration and development in Jordan. Building on De Haas' theory, the historically based *Multi-Perspective Relational Approach* of this thesis incorporates social and cultural factors into policy discussions ordinarily limited to economic and political concerns.

Understanding migration as a “constituent part of (long-term, MH) development processes,” as well as an “independent factor affecting development in migrant sending and receiving societies,” leads to a theoretical framework that can account for the three principal observations introduced in the first chapter. These are (1) development is generally associated with *higher* overall levels of migration and mobility, (2) the relation between migration and broader development processes is fundamentally *non-linear*, and (3) societies tend to go through a sequence of migration transitions. Evaluated through a historical lens, these observations hold in the Jordanian case.

Throughout Jordan's history, migration has had a fundamental role in shaping society – both as a part of the development process and as an independent factor with a significant sociopolitical impact. While Jordanian emigration has had many positive impacts, with remittances playing a large part in the Jordanian economy and sustaining much of the country's investment, emigration has also led to an economy that relies heavily on the insecure flows that remittances represent. The fact remains that remittances and migration flows are tied heavily to regional economic conditions, and that the Jordanian “model” of exporting much of its labor would be less desirable than having a functional, stable and diversified economy that could provide close to full employment for a growing, increasingly young and restless population.

The export model that Jordan has pursued has partially led to inflows of immigration. Though immigrants are a particularly vulnerable population, and they have been exposed to bad labor conditions and exploitation, it must be understood that foreigners in Jordan are fundamentally doing what Jordanians have done for many years: seeking employment abroad for a chance to improve their livelihoods. It is unfortunate that the Jordanian government has not done enough to protect its immigrant population, but one can envision a future where migrant labor can continue to play a role in Jordan – with better wages and working conditions on par with international labor standards. At the moment, however, the arrangement seems to benefit only one group clearly: the Jordanian business elite that stands to gain from a cheap, irregular migrant work force. The young and restless, those who consider migration as an option, are not among the beneficiaries of immigration to Jordan. For the job seeking, there are entire industries that are not attractive for them due to inadequate wages and labor standards. The costs and benefits of migration are thus not universal, but rather dependent on socioeconomic status and gender.

That the status quo is not working for everyone can be seen in the current political situation in Jordan. As the Arab spring has engulfed the countries of the region, the kingdom has remained relatively calm. Yet, 2012 saw increasing protests against the Jordanian government and for the first time in history, explicitly against the king.¹⁹⁶ It is young, often unemployed Jordanian men who are taking to the streets, dissatisfied not only with the progress of democratic reforms, but also with economic conditions in the country. These protests clearly indicate that the regime must enact necessary reforms or risk facing similar stability threats as its neighbors. Meaningful reform in Jordan will have to address the segmented labor market and provide and

¹⁹⁶ Ben Brumfield and Arwa Damon, “Jordanian Protesters Make Rare Move: Speak Out Against King Abdullah,” *CNN*, November 15, 2012, <http://www.cnn.com/2012/11/14/world/meast/jordan-gas-prices>.

guarantee good jobs across all levels of society, this much has been revealed by recent protests. This, coupled with a more open migration policy, is what must change in Jordan. In a modern era of human rights, it is simply unthinkable to repress the human right to migrate and to stem these flows that are so strongly interconnected with development. Therefore to prevent immigration is no solution. Further opening channels of migration to and from Jordan is important, as it will allow migration to further meet the demands of regional economies and transcend arbitrary national boundaries, bridging divides and leading to greater economic convergence. However, it is crucial that a further opening of migration channels is accompanied with serious and meaningful social and economic reforms. First and foremost, this means a greater dedication to enforcing the labor code, and upholding and expanding minimum wage guarantees, as well as enacting more serious job creation efforts for Jordanians.

Based on my analysis of the migration development-nexus in Jordan the following provisional list of short- and long-term initiatives and reforms could serve to maximize positive developmental impacts of migration and create a more equitable system of migration governance in Jordan and beyond:

Policy Recommendations

Remittances

Increasing Financial Literacy

Help remittance senders and recipients effectively participate in the banking system and obtain benefits such as access to credit, mortgages etc. and inform consumers of their rights in transfer transactions.

Reducing Remittance Costs

Ensure that transaction costs of remittances are lowered substantially through effective regulation of competition in the money transfer industry and by working at the transnational level to integrate policy approaches. Reducing costs and facilitating the

transfer of funds would also allow more migrants to transfer remittances through legal channels.

Increasing Sources of Credit

Create market-oriented local development funds and credit unions to offer remittance recipients better access to large-scale productive investments. Encouraging the investment of remittances in enterprise-related activity or job creation would create larger multiplier effects in the Jordanian economy.

Government Programs

Community Development

Sponsor matching funds initiatives to increase infrastructure development in recipient communities. The government should match each Dinar donated by emigrants with federal funds to go towards development projects in local communities.

Linking Migrants to Home Communities

Expand existing programs linking migrants to their home communities (such as social security enrollment), increase opportunities to invest and build stake in community development by supporting creation of above-mentioned development funds and credit unions.

Reform Governance of Immigrant Labor

Replace *Kafala* system with a better mode of supervision, placing migrant workers under government oversight, allow migrants legal recourse and fully enforce the existing labor law – ensuring it is equally applied to Arab and non-Arab labor, as well as across genders. The government must increase hiring and training of labor inspectors to ensure adequate enforcement.

Minimum Wage

Ensure that the minimum wage law applies across all sectors of the economy and that the wage is set at a level appropriate for the average Jordanian household.

Regional Initiatives

Increase cooperation efforts in managing migration regionally by creating a dialogue among Arab labor exporters to work on creating a unified framework setting adequate labor standards and migration policies for economic convergence and regional economic development.

The listed recommendations are not comprehensive, but they represent a sample grouping of policies that integrate migration and development, and have the potential to maximize the

benefits of migration by emphasizing the role of the migrant in the development process. What becomes clear is that a neoliberal approach to economic development is not helpful. Transnational cooperation, state initiatives, governmental and public control and a developed civil society with committed private actors are necessary to realize such a program. In order to make the most of its migration flows, the Jordanian government must develop a long-term political and economic perspective that empowers migrants to be greater developmental actors. As the country is increasingly attempting the shift towards a knowledge-based economy, it will be important to fully utilize the human capital of all residents of the country and to develop a policy framework that recognizes their potential.

In the end, even though the Jordanian case is unique – and thus similar to the case of any other country – it allows some generalizations to be drawn. Its typical complexity reveals that the migration-development nexus cannot, and should not be simplified and co-opted to promote certain vague development policy axioms. The debate in economic, political, and social sciences was in the past too often framed in terms of one-dimensional causal relationships. Similar to the results of this study, recent scholarship has shown that migration and development have a reciprocal, nuanced relationship. Countries of emigration are higher up on the development ladder than many others, and migration is a natural process stemming not from underdevelopment, but from the opportunity to improve one's livelihood abroad. Therefore, migration is not a historical phenomenon to be easily controlled and limited, but one that will occur inevitably despite all attempts to control and regulate it. Furthermore, migration has the potential to have positive development impacts, as well as negative. What is required to empower migrants as agents of development is good policy on the part of government of the receiving *and* the sending countries. The migration-development nexus is not a one-way street,

as many policy makers like to imagine. It is a complex phenomenon that must be understood in its historical and regional context, and along communal, cultural, and gender lines, and in a transnational, global perspective.

Appendices

Appendix 1: Acronyms and Abbreviations

BWJ:	Better Work Jordan
CARIM:	Consortium for Applied Research on International Migration
EPZ:	Export Processing Zones
FTA:	Free Trade Agreement
GFJTU:	General Federation of Jordanian Trade Unions
IfPO:	<i>Institut français du Proche-Orient</i>
ILO:	International Labor Organization
ISP:	Independent Study Project
JGATE:	The Jordan Garments, Accessories and Textiles Exporters' Association
JLTAP:	Joint Labor Assessment and Training Project
JTU:	Jordanian Textile Union
MIT:	Ministry of Industry and Trade
MOL:	Ministry of Labor
NLC:	National Labor Committee
QIZ:	Qualified Industrial Zone
USAID:	United States Agency for International Development
USTR:	United States Trade Representative

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