

lingua business

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Immigration Inc.

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If someone came up to you and asked you which is the most powerful business that exists on planet Earth, what would you say? Telecommunications? Manufacturing? Maybe auto manufacture? None of the above. The answer will definitely surprise you.

William Kole, an Associated Press journalist, came across a startling statistic: in just 2006 alone, the amount of cash remittances - cash that is sent by immigrants to their countries of origin - totalled nearly \$276 billion according to the World Bank. This is nearly double the amount in the year 2000.

Why is this fresh news? The reason is simple. Ever since September 11th, public authorities have been tracking even small movements of capital or cash very closely for security purposes.

To give you an idea of how much money this represents, Kole compares this to the companies on the Fortune 500 list. If all of these guest workers banded together and decided to form their own company, the amount of revenue they generate would rank them #3 in the Fortune 500 list of most wealthy multinationals.

An economist at the World Bank, Dilip Ratha estimates that remittances even surpass the total amount of money directly invested in Mexico, tea exports in Sri Lanka, tourism revenue in Morocco, and revenue from the Suez Canal in Egypt.

Ironically, these money transfers are more prevalent during economic downturns, political crisis, natural disasters and wars. In such circumstances, immigrants tend to send money back home to satisfy the needs of relatives or family members that are in financial need.

If we take a look at the geographical circulation of capital, the winners and losers are clear. The US lost \$41.1 billion in 2005, while Switzerland lost \$13.2 billion. In the meantime, Poland and the Philippines are at the top of the list of winners, helping to keep their national economies functioning smoothly.

The world leader in remittances is India, taking in 23.7 billion dollars in 2005 and an estimated 26.9 billion just last year. In the last six years, the amount of financial transactions to India has grown by almost 90 percent. Many families rely on money sent from abroad back home to cover their basic needs.

Surprisingly enough, even with the amount of remittances reaching all-time highs, experts say that many immigrants still see their future back in their country of origin. For example, in Albania one of every three transactions that takes place involve expatriates buying back land. Other countries have also experienced a staggering exodus: take Moldavia for instance. This former Soviet Union Republic lost 400,000 of its 6 million inhabitants to work abroad. However, the amount of money that flowed back into the country was over \$920 million in 2006 - that's more than the total national budget!

Regardless of the location of immigrants, the fact remains the same: these countries' citizens would not survive if it weren't for the remittances from their relatives. Globalisation also has its positive effects.