

# The Internal Dynamics of Migration Networks in Developing Countries

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*While in general, there exists a labour market (more or less structured, depending on the country) where supply and demand for labour meet, there hardly exists a "migration market", except in a very marginal way. The decision to migrate, especially for the pioneers and even more for residents of a developing country, is often made without very precise knowledge of the living conditions and employment prospects in the destination area (whether it is a large city in the same country or a foreign country). For Christophe GUILMOTO and Frédéric SANDRON, at the point at which the decision to migrate or not migrate is made, the key aspect is the desire to minimise risks. Further, the choice must take into consideration a set of conventions, rules, norms and value systems that are specific to each society and constitute the "institutional" context of the migration process. In particular, it is the analysis of this institutional context that allows one to understand the establishment of networks and channels within which individual migration often takes place.*

Individual characteristics or macroeconomic constraints have long been the favoured approaches for the study of migration in developing countries. At the global scale, migration stems from the structural disequilibrium between productive systems that come into contact by the historical extension of exchanges; at the micro scale, migration is supposed to be an individual response to salary differences between regions or between economic sectors<sup>(1)</sup>. These levels of analysis do not, however, permit one to grasp the role of intermediate entities in the decision-making of migrants. The new development economics and the institutional approach

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This paper is the product of a work programme based on empirical research conducted by the authors in a number of developing countries, and seeking to integrate different approaches (economic, demographic, sociological) to the phenomenon of migration in the context of a common theoretical framework grounded in economic theories of institutions (Guilmoto and Sandron, 1997). We thank the editor and the referees for their suggestions.

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<sup>(1)</sup> For recent summaries of these quite different approaches, see for example Castles and Miller (1993) and Ghatak *et al.* (1996).

provide in this regard new tools for the analysis of migration, which can be reformulated in terms better corresponding to the great diversity of local situations that are encountered. This conceptual framework is more realistic for economists, sociologists, or demographers who observe population mobility in detail. This is most notably because of the overlapping nature of different scales (individual, family, community) and of the dynamics of the networks, phenomena which characterise migration mechanisms in developing countries.

The purpose of this article is to present a synthesis of this new approach, then to propose a general analytical framework in which migration is considered as an institution. The paradigm is not completely unknown in economic research; however, there is not a systematic application of the institutional approach to the area of migration<sup>(2)</sup>. This new perspective has a twin contribution. First, it seems to us to be more rigorous in its grasp of local migration dynamics, and it lends itself better to predictions than traditional analyses. Further, thanks to a well-developed theoretical framework and an important number of empirical studies, it is possible to infer from it a certain number of propositions, having the status of working hypotheses, which offer some new perspectives for the study of mobility in the developing world.

The beginning of this article examines the relationship between theories of development and their application to migration. We wish to emphasise briefly the nature of innovations in institutional economic theory and their consequences for a global vision of migration in the developing countries. In the second part, we will examine the implications of different analytical principles derived from the institutional approach. More concretely, we wish to shed light on migration as an institution, including its establishment, its rules and its organisation. We will thus examine the preponderant place occupied by migration networks in mobility mechanisms. At the end of the article, we reflect on the exogenous and endogenous evolutionary dynamics of migration that stem from our perspective.

## I. The risk and the utopia of the migration market

Let us first lay out the new development economics and its institutional extensions to highlight its potential contributions to the study of migration. Our presentation will be brief, and we ask our economist readers to pardon us<sup>(3)</sup>. There exist, moreover, good presentations of these new

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<sup>(2)</sup> For an institutional approach to fertility, see for example the sociological approach of McNicoll (1994).

<sup>(3)</sup> We are cognisant of the existence of different alternatives in the diversity of analyses; here, we give priority to the micro scale at which sociologists and demographers can observe the establishment and the concrete functioning of migration. For an expanded discussion of the implications of new economic theories, see Guilmoto and Sandron (1999).

theories, to which we send the interested reader for more explanation<sup>(4)</sup>. To clearly situate our theoretical options, we can lay out some general considerations on the context specific to developing countries. These considerations will serve as the point of departure for our analysis.

Proposition 1:

*First and foremost, the developing world is characterised by incomplete, deficient, or non-existent markets, in an environment marked by uncertainty and high costs of information. Prevention against risks, rather than maximisation of their income, is the central principle that directs the strategy of actors.*

We thus choose to emphasise one of the distinctive traits of developing countries, namely the weak development and imperfection of markets (absence, incompleteness, etc.) in the regulation of exchanges. Let us take two examples. The labour market is socially very segmented, such that employers and potential employees rarely encounter one another in an optimal manner; their relationships are more often based on customary linkages (ethnic ties, servitude, mutual aid within the family, etc.) than on standardised labour contracts, as takes place in industrialised countries<sup>(5)</sup>. Another example is given by the shortcomings of the credit market, a result of the weaknesses of the modern banking sector. In response to this, a very varied set of local and more traditional devices (tontines, intra-family loans, usury, etc.) has emerged to meet the need for credit.

Further, exchanges are subject to multiple risks, linked as much to these deficient markets as to the productive environment or to climatic and health hazards; information, as a resource for exchanges, is scarce, incomplete and costly to obtain outside of a given local area. Risk and lack of information lead individuals or households to give priority to diversification of their strategies, rather than intensification or specialisation which may prove to be too dangerous in case of a brusque return of some form of crisis (climatic, economic, political, etc. crises). We thus consider prevention against risks as one of the primary objectives of economic arrangements in the developing world, and this substantially tempers the role given in neo-classical theories to the principle of maximisation of utility in purely monetary terms.

If we accept the idea that migration is a means of diversifying risks at the level of the family, we can set forth a second proposition that flows from these remarks.

Proposition 2:

*Labour migration in developing countries is a complex intertemporal transaction. It cannot be seen simply as a spatial or sectoral reallocation*

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<sup>(4)</sup> On the new development economics, see for example Stiglitz (1986), Rosenzweig *et al.* (1988), Nabli and Nugent (1989), etc. For a presentation in French, see He (1994).

<sup>(5)</sup> For a study of the labour market in India, see for example Harriss *et al.* (1990).

*of labour, limited only by geographic constraints (distance) or political constraints (borders).*

To comment on this proposition, it is necessary to make a detour by the model of the migration market. For a long time migration was conceived of as a simple adjustment to different endowments between regions or productive sectors. If the context of the exchanges was different, and notably freed from elevated transaction and information costs, migration would undoubtedly respond more faithfully to the rules of an interregional, intersectoral and individual labour market. The literature from industrialised countries sets forth models which treat labour migration as a phenomenon characterised by rational and informed economic agents, redistributing themselves among different places of work as a function of salary disequilibria or of specific desirable attributes of localities. According to this simplified model, migration represents an adjustment to structural differences, taking account of the negative effects of distance or of national borders. In more canonical language, one would say that the migrant opts for an optimal location, maximising his utility net of the global costs of migration, and over a given time horizon<sup>(6)</sup>.

While not being entirely plausible, this simplification possesses heuristic virtues that cannot be denied, in putting on the table certain structural dimensions of the phenomenon of migration (such as the role of salary differences or the variable cost of migration) that will always be taken into account in the migration decision. However, it is ill-suited to clarify concrete situations in developing countries, notably because it treats migration as a static phenomenon principally responding only to current disequilibria in the market, where these disequilibria are seen as being determined by structural and exogenous factors. But in developing countries, migration is far from being such a mechanical phenomenon, as a consequence of its eminently collective character: the migration cycle of a region (or of a social group, of a village, etc.) is an historical phenomenon that depends, at each step, as much on the structural changes in the environment as on the preceding steps. The response to imbalances between supply and demand for labour is slow, often incomplete, and only partially corresponds to the full set of migration behaviour that is observed.

We will now proceed to examine a set of propositions drawn from institutional theories, and the applicability of these propositions to the study of migration. For reasons of simplicity, we have chosen to present six additional propositions specific to neo-institutional economics. The remainder of this article will be devoted to a detailed discussion of their implications for migration, emphasising both their theoretical dimensions and empirical analyses of migration.

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<sup>(6)</sup> See in particular Jayet (1996) for a review of the literature and the ideas of Borjas discussed by Massey (1993, p. 434).

## II. Transaction costs of migration

From a methodological point of view, neo-institutional analysis is distinguished by its interest in forms of exchange, and notably transaction costs. Since Adam Smith, classical economics has considered exchanges as free or "frictionless". But since the 1980s<sup>(7)</sup> economists have been interested in the costs specific to exchanges, costs which are added to the costs of transformation in the determination of prices. This concerns, on the one hand, information costs on the product being traded, and on the other hand, contractual costs specific to the exchange (Williamson, 1985). In developing countries, the absence or incompleteness of markets results in transaction and coordination costs that are very high, and this impedes exchanges.

Proposition 3:

*The developing world is distinguished by the type of transactions that characterise exchanges, rather than by the nature of production.*

Migration<sup>(8)</sup> has for a long time been understood as an exchange between regions or countries. It is a transfer of labour from one region to another, either temporary or permanent. The fiction of the market of migration consists in assuming that migrants circulate freely among regions as a consequence of regional imbalances in capital or in labour.

In reality, migration cannot take place without prior investment; it cannot occur in the absence of information. We can establish a (non-exhaustive) list of multiple hindrances to migration: information about the destination, investment in terms of the cost of the voyage and establishing oneself in the new location, possibilities for staying, difficulties of finding employment, possibilities of maintaining links (family, economic, etc.) with the region of origin. In developing countries, these requisite investments and types of information are very costly and beyond the means of the individual prospective migrant. For example, due to deficiencies in the housing and labour markets of many cities in the developing world, a newly arrived migrant will surely pay dearly for his lodging and employment. He will be obliged to borrow money at very high interest rates in order to finance his voyage, settling in, and securing employment in the city. With respect to information, he has little chance of being individually informed about the conditions prevailing in the diverse regions of potential immigration; in the same way, his potential employer has a high risk of being poorly informed about the competence of an unskilled migrant<sup>(9)</sup>. Consequently, even if it is possible, individual migration seems to be much too costly and random to be realised spontaneously. The different markets on

<sup>(7)</sup> The article by Coase (1960) is central to this discussion. See also North (1990, pp. 27-35).

<sup>(8)</sup> In this article, we most often limit ourselves to illustrations referring to migration of labour in developing countries. Typically this is rural-urban migration.

<sup>(9)</sup> The existence of recognised diplomas is a first step in the organisation of an anonymous labour market.

which migration relies (housing, employment, credit, etc.) are inadequately developed to allow rural residents to risk migrating to the city.

It goes without saying that these especially adverse conditions do not correspond to all of the situations observed in developing countries, notably because of the strong degree of organisation of migration, which will be discussed later. However, these conditions are prevalent practically everywhere, and this explains why a great deal of potential migration does not take place. In effect, the diversity of migration that is observed is somewhat misleading: on the contrary, what should be more striking is how limited are the choices offered to migrants. One can observe quite unique concentrations of certain migrants in certain places, associated with specific migration streams; these link rural regions and specific sub-populations to specific destinations (and within these, specific urban neighbourhoods and economic sub-sectors). A migration stream is thus most often particular to certain migrant social groups and to certain sectors of activity in the destination, with the effect being a partitioning of migration flows. No classical economic theory of migration can account for this compartmentalisation, because social mechanisms seem foremost in explaining these peculiarities.

In order for this migration to take place, it will have been necessary to have an initial flow of migrants who go to unknown destinations. This flow consists of migrants ready to bear the costs and the shocks of innovation. Two types of cases may exist: either the migrants themselves bear the costs of the investment, or these costs are covered by a third party<sup>(10)</sup>. In the first case, the initial migration will be that of individuals for whom the cost of the migration is very low or, in what amounts to the same thing, for whom the cost of staying in their place of origin is very high. On the one hand, this may be a case of individuals subject to a ban (fleeing, being expelled) or with no family responsibility; on the other hand, it may represent individuals with a substantial amount of transferable individual capital (human or monetary capital, etc.). Before this stage of migration can result in establishment of more important migratory flows, it necessarily will be of relatively weak volume and, as a consequence, is not well-documented in the literature. Different phenomena, however, attest to its existence. Hence, in all societies, migration was an individual solution (as well as a collective one) for members who were excommunicated, persecuted, or simply marginalised in ordinary social relations. In West Africa, migration may correspond as well to a flight or expulsion of deviant members as to an act of personal emancipation<sup>(11)</sup>.

<sup>(10)</sup> One author distinguishes "contract migrants", for whom the probability of obtaining a job is high, from "speculative migrants", who come and try their chances with neither informational nor logistic support, and for whom the probability of finding employment is much weaker (Poot, 1996).

<sup>(11)</sup> See Bardem (1993), and Thumerelle (1986, p. 7), who writes: "spatial mobility also fulfils anthropological and mythical functions. It resolves family conflicts, conflicts between generations. It permits escape from the weight of the milieu of origin and facilitates self-affirmation ... Migration has an adventurous side to it that is not without seduction... for the majority of potential migrants who are young. One must never lose sight of the fact that the great majority of migration takes place between the end of adolescence and entry into maturity!"

In the second case, much better known, the migration is organised from the start and paid for directly or indirectly by the recruiting sector. Slavery is an extreme case of this, but numerous other forms of organised recruitment are known. Take, for example, the institution of *Indentured Labour*, then *Kangani*, by which several million Indian migrants went to work on plantations in different colonial areas (such as Sri Lanka, Fiji, the West Indies, Mauritius, etc.). The people who were hired were recruited in India; their voyage to the plantations and establishment there were all paid for. The debt to their recruiters contracted by these migrants was deducted in advance against their future salary (Guilmoto, 1991). In considering the nature of this transaction, this arrangement offered the advantage of taking care at the same time of all the initial expenses of the migrant and to guarantee the transaction (employment and housing were assured, salary was guaranteed, etc.). Colonial authorities, favourable to the interests of planters, put in place draconian legislation, akin to slavery, so that migrants would not flee the plantations before having reimbursed these advances.

Similar forms of hiring initially existed between enterprises in different industrialised countries (France, Germany, etc.) and countries that could provide labour (Morocco, Turkey, etc.). This system was also used within the socialist bloc, including notably labour transfers from Cuba or Vietnam to certain countries of Eastern Europe (Perez-Lopez and Daz-Briquets, 1990). These systems of organised recruitment for unskilled labour are quite complex and only exist when the "spontaneous" migration flows of the first type are not substantial enough.

### III. In the absence of a market, what institution(s)?

Our preceding remarks have made clear the difficulty of reducing migration to a mechanical exchange of labour between regions. A specific dimension was evoked that requires us to consider the economy: migration exchanges have their origin in an environment marked by uncertainty. The new institutional economics precisely emphasises a major characteristic of developing countries: the heavy exposure to risk and its sometimes dramatic adverse consequences. To better understand the situation of migrants and those close to them, recall that in rural areas the hazards of agricultural production can lead to years of inadequate income, whether due to drought or flooding, or to armed conflict or an attack of locusts. In urban places unskilled jobs and the absence of unemployment insurance likewise result in a very precarious situation. Migrants, often poorly integrated socially into their receiving countries, are especially sensitive to business cycle fluctuations. We should add to this that political instability often confers on immigrant communities an especially acute vulnerability, with very real risks of expulsion or persecution<sup>(12)</sup>.

<sup>(12)</sup> Some recent examples: persecution of Chinese in Indonesia, massacre and expulsion of Mauritians from Senegal and of Senegalese from Mauritania, expulsion of foreign workers from different African countries such as Libya and Nigeria, departure of immigrants during and after the Gulf War, etc.

In these conditions, the strategies of economic agents will consist more of minimising risks than of maximising profits, without being irrational (Rosenzweig, 1988). In the developing world, financial systems are still not well-developed, and establishment of an insurance market (social security, retirement, unemployment insurance, crop production insurance, death or disability insurance) turns out to be difficult. The absence of efficient markets is compensated for by supplementary institutions. Often considered as relics from the past or as tangible obstacles to development, these institutions in fact play a major role in the regulation of exchanges. These institutions correspond to a set of rules that allow formal or informal organisations to function.

Proposition 4:

*The institution seeks to provide a context for transactions (in defining their modalities, in guaranteeing them, and in perpetuating them) in an environment marked by uncertainty.*

The concept of institution is not new and it is currently much in use in the social sciences. Let us specify the definition that we will give it here, derived from the works of institutional economics: "By institution, we will mean a set of socioeconomic rules... that seek to define the conditions in which choices, individual or collective, regarding allocation and utilisation of resources can take place" (Ménard, 1990, p. 15)<sup>(13)</sup>. According to this meaning, the most established institutions often became laws or established customs which give priority to the seniority of the institutional arrangement. But institutions can be put into place much more rapidly, as a response, for example, to a technological innovation. This is the case of numerous migration institutions, which have been established rather recently in rural societies that previously had been very isolated.

A broader definition of institution may be borrowed from North (1990), according to whom institutions are the systems of constraints regulating human interactions. These rules have a tendency to reproduce themselves over time, first because they allow the society to function in the absence of purer market forms, then because they are internalised, and finally because they are embedded in a complex system of institutions for which it is difficult to extract one rule without disturbing the others. Land rights, tontines, birthrights, sexual division of labour or patrimonial modes of transmission are examples of institutions that rule the life of communities<sup>(14)</sup>.

The institutions serve organisations, formal or informal, that we will define for simplicity as "groups of persons sharing a common objective". As the theory of organisations teaches us, an organisation, unlike an individual, may allow itself to be a risk taker. The more important an organisa-

<sup>(13)</sup> See also Ménard (1995).

<sup>(14)</sup> For more details on this point, He (1994) describes the advantages of certain informal institutions over their formal equivalents.



tion is, the more easily it can spread or smooth risks in time and in space<sup>(15)</sup>. It is one of the reasons why one observes in a number of developing societies a hierarchy of organisations (nuclear household, extended family, lineage, clan, ethnic group, sibship, caste, age classes, brotherhood, neighbourhood, village, etc.) with complex interactions but in general very well codified. Hugon (1993) characterises these communities as "uncertainty reducers", in that they alone allow for a long-term perspective. One of the most powerful mechanisms permitting this is the existence of diverse institutions, allowing exchanges to be regulated. For the past 20 years, the work of economists has tried to elucidate the role played by the family and its special efficiency<sup>(16)</sup> in the organisation of production. More generally, the mechanisms of collective solidarity that allow for sharing of risks offer the best possible protection against the effects of economic hazards (Fafchamps, 1992).

One of the first implications of the new development economics regarding migration, due to Stark, consisted of emphasising the advantages of migration in terms of prevention against risk. The principle of family organisation is in effect to diversify sources of income<sup>(17)</sup>. This is done by engaging in a variety of different activities and/or in sending certain members of the family to other places, preferably places where the risks are not the same as in the area of origin. This is one of the major reasons justifying the priority of rural-urban migration. An illustration of this is provided by a study devoted to responses to the climatic crisis in the Sahel (Mortimore, 1989). The author, studying a population from northern Nigeria, identifies a very limited range of possible responses to the drought, among which mobility is one of the most efficient short-term solutions. Similarly, an anthropological study of migration networks in Senegal by Fall (1988, p. 37) details the complementary mechanisms that exist between the incomes derived from the activities of migrants to Dakar and the agricultural activity of the families that remain in the village. Within one family, the author shows the importance of urban incomes of two young migrants, who return frequently to the village for purposes of redistribution, and the differentiated use of this income by the family according to the agricultural season.

But if we understand migration as a response to risk, that is, as one component of a strategy of diversification of risks, we must not lose sight of the fact that migration itself is a risky activity. Individual (and often uncontrolled) migration is in effect a daring undertaking, and the societies

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(15) There exists, however, an optimal size, beyond which other problems of coordination and control can emerge.

(16) Ben Porath (1980) has thus shown how internalising the exchanges that take place within the family, instead of in the market, allows for economising on the inherent transaction costs. See also Poliak (1985). A number of works have developed these ideas in formalising them within the context of neo-institutional theories. With respect to Africa, see for example Requier-Desjardins (1994).

(17) See Stark (1978), Stark and Levhari (1982), Rosenzweig and Stark (1989). For an empirical study, see Lambert (1994).

from which migrants come regulate these movements, sometimes going so far as to purely and simply forbid them. The increasing number of participants (individuals and organisations) and the complex character of the migration transaction<sup>(18)</sup> rapidly results in migration being *institutionalised* in numerous rural societies in the developing world. By institutionalised, we mean its transformation to an apparently quasi-autonomous system, with rules and norms, allowing specific individuals and organisations to attain their objectives.

If we have emphasised that the institution of migration is an *apparently quasi-autonomous* system, it is because it is possible to isolate a set of rules specific to the migration process. But in reality, the migratory institution is part of a more complex institutional structure, regulating political or property relations or the mechanisms of collective solidarity<sup>(19)</sup>. It is thus useful to put migratory movements of individuals in their social context, that is, in the structures marked by the importance of the organisational hierarchies. For simplicity we can distinguish two structural levels over and above the individual: the unit of production and consumption (the "family"), and the unit of social and cultural identification (the "community"). Family and community may be characterised according to numerous local variants such as the extended family, the patrilineal branch or the segment of the lineage for the family, and the sub-caste, the neighbourhood, the village or even the ethnic group for the community. For each of these two scales there are correspondingly different levels of solidarity and of reciprocal rights.

The cost of emigration includes previous investments (the costs of raising children, acquisition of human capital, then voyage and establishment in the destination) and a future opportunity cost (loss of a worker) for the family of the migrant and for the community. Gains are anticipated in return, notably in the form of monetary or material transfers. As a consequence of the multiplicity of social organisations in which the individual is situated, the cost-benefit equation of the migration involves a large number of participants<sup>(20)</sup>. The participants in the migration transaction are linked up via a tacit agreement on the distribution of the costs and the gains or benefits from the migration: the *migration contract*<sup>(21)</sup>. This contract seeks in particular to secure the family of origin beforehand against

<sup>(18)</sup> We define the migration transaction as a set of implicit or explicit contracts between individuals and organisations involved in the migration process.

<sup>(19)</sup> In a study of marble workers from the region of Carrare in Italy, Marotel (1993, p. 103) provides a nice analysis of the reciprocal effects between these different organisations, the labour market and the migration process, about which he says: "The process is not only a juxtaposition of individual logics and strategies; it is not simply entrepreneurial (and very often family) patrimony which is constituted and expands over time and with further migration, but also, and more broadly, the patrimony of the whole system, and conversely, we will return to this, that of the milieus to which it is connected; there is a *reciprocal* reinforcement, between the enterprises and the system (individual patrimony, collective patrimony), between the zone of Carrare and its exterior poles, and finally between the one and the other of these two levels."

<sup>(20)</sup> Whereas the cost-benefit equations derived from the Todaro model are strictly individual. See for example Ghatak *et al.* (1996).

<sup>(21)</sup> Cf. Stark (1991), Hoddinot (1994), Lambert (1994), Guilmoto (1998).

the possibility of opportunism on the part of the migrant, who might, once successfully established in the destination, break his ties to his kin. For the family, and more generally for the community, such behaviour puts the entire system in danger, since the assistance provided to future migrants could end up as lost investments.

We are interested here in a transaction *between migrants and non-migrants*, within the family and, to a lesser degree, within the community of origin. We are not examining interregional or intersectoral migration, the subject of traditional geographic and economic studies. The relations, who paid for the costs of education and human capital formation of the migrant, expect that he will send them part of his income. Conversely, the migrant expects assistance from his family in getting established, as well as help upon his return if the migration does not yield the hoped-for success. Poirine (1997) even speaks of an "informal and internal financial market" in describing this transaction.

For the non-migrants, the importance of the migrant's respecting the contract is vital. However, it may be tempting for the migrant to benefit from the human capital investment and not reimburse his "debt". This is why the families and the different communities involved in the migration transaction have elaborated a set of very effective control mechanisms for migrants. Marriage in the village of the migrant, rights of ownership of land, transmission of inheritance, and also the effect of reputation<sup>(22)</sup> allow for control at a distance. In addition, the concentration of migrants in the destinations is a pledge of "good conduct" in view of the surveillance of peers or of the families themselves.

#### IV. Migration rules and routines

The institutions do not directly play the role of coordination mechanism for exchanges, but they constitute the socio-economic context in which these mechanisms can function. The institution consists of a system of rules that permit the functioning of the exchange. The existence of these rules allows for a substantial reduction in the coordination and information costs, notably because they restrict behaviours to a limited number from among the possible choices. For example, the prospective migrant from a given community will only be able to choose from a very limited number of destinations from among the multitude of destinations that are theoretically possible. The rules pertaining to the migration institution cover practically all aspects of the question: which migrants? when and where to migrate? what to do with the gains from migration? etc.

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<sup>(22)</sup> The advantages of a good reputation are not only moral or social, they are also economic. Hence, the possibility of being granted loans, of receiving assistance from the community or of returning to the village in case of failure are far from being negligible factors in influencing the behaviour of migrants.

Proposition 5:

*The institution corresponds to a set of conventions, rules, norms, routines, systems of values, etc.*

Each time that a migration system stabilises, it is the consequence of the repetition of certain routine practices of migrants, these practices being linked to the regularity of the rules on which their behaviour depends. We will give two examples, from India and the Philippines.

Rural-urban migration in India is essentially based on family solidarity. It is not possible for the migrant to abuse for too long the hospitality of his relatives or friends, and he must find employment very quickly<sup>(23)</sup>. In this context, Banerjee (1983) studied migration networks in Delhi on the basis of interviews of a sample of 1,408 migrants from rural areas. Among them, 86% knew a relative or member of the village established in Delhi when they came. These people assisted the migrants by providing them with food, lodging and help in finding employment. The functioning of the migration rests on several rules and behavioural norms that we can lay out as follows:

Rule 1. Migrants have as their long-term perspective to return to the village after a period of work in the city or when they will retire.

Rule 2. They wish to recreate a micro-society similar to the one they left.

Rule 3. The person who encourages a migrant to come has the responsibility of finding him a job.

Rule 4. Those who are already settled in Delhi are obliged, by virtue of custom, to help a migrant.

When one cross-checks these rules, it is very interesting to see their regulatory power over migration. Thus, the weak integration of migrants in the destination encourages them to recreate their place of origin in microcosm, within the city (rule 2). By itself, this objective would be accomplished by maximising the number of migrants. However, it is necessary at the same time to avoid an irreversible exodus from the village, and to allow migrants to live decently in the city. This is why establishment of rule 3 effectively limits the number of migrants, by putting responsibility for the success of the migration on the initiator, who is in Delhi. Rule 4 assures a subtle regulating of and a degree of liberty within the migration institution. In effect, a migrant can also try his luck without having been invited there by relatives or friends; in this case, the community in the city is obliged to provide him assistance, but to a lesser degree than in the preceding case<sup>(24)</sup>. Rules 3 and 4 explain an empirical observation that is difficult to explain in the context of the standard analysis: migrants go first and foremost to members of their family to find employment, even if they know other villagers who have emigrated to Delhi. The caste system and the strength of family ties are not sufficient to explain why the migrant

<sup>(23)</sup> This contrasts with the situation in Africa described below (Locoh, 1989).

does not maximise his search for information in going *also* to see others from the village. However, it is most often a member of the family who is behind the coming of the migrant, hence the responsibility principle (rule 3) applies to this member. Besides, in case of failure of his search for a job, the migrant then goes to fellow villagers<sup>(25)</sup>, and the migrants who received neither information nor encouragement solicit assistance from fellow villagers as well as from family members.

From rule 1, one may deduce that migrants wish to continue to belong to the village community and to their family that remains in the village, and this strongly encourages them to remit money. This characteristic is common to the greater part of emigration situations in the developing world. In another article, Banerjee (1984) shows, moreover, that the decision to send money depends more on the family situation in the village (presence of a spouse and dependents) than on the situation in the city (level of income); the migrants least disposed to remit part of their income are those who say they plan to establish themselves permanently in the city. The terms of the migration contract thus suggest that migrants are guided less by a strict altruism *vis-à-vis* their families than by their future perspectives<sup>(26)</sup>.

The example from the Philippines comes from Lauby and Stark (1988), whose study of rural-urban migration in the Philippines noted that this is predominantly a female phenomenon<sup>(27)</sup>. From a set of findings dealing with both socio-cultural aspects and modes of economic functioning, they state that it is impossible to understand the extent of this female migration without taking into account the family context. This is a strong hypothesis that we support here in the context of an institutionalised migration. Consider the schema.

Rule 1. A migrant from a rural area to an urban place is very often single.

Rule 2. The migrant sends a significant share of his income to his parents.

Rule 3. Girls are more controlled by their parents than boys.

Rule 4. With the same human capital, salaries of women are inferior to those of men.

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<sup>(24)</sup> Clearly, this presentation is an *ex-post* interpretation of the establishment of a migration network. In reality, it is very difficult to follow the genesis and development of an institution. The rules are in constant interaction, influencing one another. For example, rule 4 can lead to different interpretations according to the circumstances. In a difficult urban economic environment, migrants already established in Delhi may have less time available to help newly-arrived migrants, which reduces the chances of the latter to find employment. It may be said in the village that "assistance is less effective than before".

<sup>(25)</sup> One can imagine in this case that there is an adverse impact on the reputation of the family, and a reduction in future encouragement to migrate for other family members.

<sup>(26)</sup> This is now a common proposition in the literature devoted to the determinants of remittances by migrants. Cf. Stark (1991).

<sup>(27)</sup> For a more detailed description of migration in the Philippines, see also Findley (1987).

Rules 1 and 2 stipulate that the migration of youth is part of the constitution of family income. Rules 3 and 4 are contradictory in terms of the choice of sex of the migrants. In effect, economic rationality suggests that the individuals with the highest expected incomes would be sent, that is, males (rule 4); but opportunistic behaviour would in that case undoubtedly be more common (rule 3).

Two elements can tip the balance so that migration of girls would be preferred to that of boys<sup>(28)</sup>. First, it is possible that the principle of precaution (rule 3), that is, minimisation of risks, predominates, as we have postulated. Second, and this is the argument of Lauby and Stark, rule 4 paradoxically works in favour of migration of girls. It should be emphasised that in the Philippines, thanks to long-term efforts to promote schooling, girls and boys have similar levels of education. However, whether in pecuniary terms or with respect to stability of employment, gender discrimination in urban labour markets contributes to insecurity for girls, which implies that they cannot allow themselves to break the links with their family. By contrast, a boy with a high salary and stable employment may be able to use his savings in the urban credit market and "forget" his family. Employment that is *not well paid* and *not very certain* is a guarantee for the families that their migrant will remain devoted.

Studies of migration, because they are often based on quantitative demographic or socio-economic surveys, have very little to say about the social norms that regulate migration locally. There are numerous descriptions and models of migration behaviour that identify strong regularities in terms of age and family status of migrants, frequency of returns, the direction and volume of migration, etc. But these distinctive traits of migration, for which the details are a consequence of local institutional arrangements, reflect a system of rules that can seem difficult to uncover<sup>(29)</sup>. This involves a set of tacit rules or informal constraints, expressing themselves in a *culture of migration*, which has within it its own values<sup>(30)</sup>.

The example of lodging for migrants in Africa is, in this regard, rather characteristic. In his study of migration networks of the Sereer Siin-Siin in Dakar, Fall (1988) nicely shows the customs at work in the welcoming of migrants to the city. He cites the case of A.J., who comes to Dakar and takes up residence in a room at his cousin's, who is already pro-

<sup>(28)</sup> Far from being a marginal phenomenon, the institutionalising of migration of young girls is a very widespread practice, notably in Latin America (Lauby and Stark, 1988).

<sup>(29)</sup> For example, in the work of Racine (1994) one finds a description of the causes of non-migration in a region of southern India. In this inventory of constraints to migration (semi-feudal relations, family duties, attachment to the land) we see specific traits of other local institutions, expressed in economic or ideological terms, that enter directly in contradiction with the institution of migration.

<sup>(30)</sup> Let us return to the ideological aspects of migration already mentioned. In a study of northern Nigeria, Olofson (1985) provides a list of local migration modes, authorised or prohibited. He observes in particular how a specific type of migration, in which the migrant flees his family responsibilities in leaving his village, is the object of a very strong normative reprobation. By contrast, other forms of mobility that preserve the links between the migrant and those who remain behind are socially tolerated, and even encouraged.

viding accommodations for six other migrants. A.J. contributes to the rent during the time that he stays there. This system permits a great deal of flexibility in the choice of periods of migration, dictated most often by agricultural activity. W.N.G., whose residence is called the *Embassy of Naxaar in Dakar*, bears witness:

"Today, if I had to give an accounting, I'd have to acknowledge that I have received hundreds and hundreds of migrants, male and female; I can't say exactly how many people I've received here. There are girls who were here who returned to the village to get married. They had children and their girls, in turn, are in Dakar and working as maids. These girls followed the same procedure as their parents. Some of them are now staying with me... Not a week goes by without me having visitors coming from the village... They come to see their daughters." (p. 65)

If W.N.G. seems to be satisfied to provide accommodations for all of these migrants, it should be emphasised that in this system, it is first of all the search for efficiency that predominates. In the African context in general, Locoñ (1989, p. 25) presents this custom of hospitality as a semi-obligation, whose results may be more or less satisfactory for the welcoming family:

"The search for employment for the migrant is an obligatory strategy for the receiving family, because they are more or less constrained by the custom of lodging the new arrival. Better to help him find a job, which will allow him either to acquire domestic autonomy or to contribute to the expenses of the household that has taken him in."

## V. The network as a preferred institutional support

Migration, in the process of becoming institutionalised, does not rest only on an ideology and some behavioural patterns. It depends also on the migration network, a very powerful social institution whose crucial role has been emphasised in some recent overviews<sup>(31)</sup>. Let us analyse this phenomenon of the network in a more detailed way, in light of another principle of the institutional approach.

Migration networks or channels are the most solid support for maintaining migration flows. We thus consider the network as an infrastructure subtending exchanges. Migrants will have recourse to networks at different stages of their progress: support for the migration project, identification of destinations and desirable periods, advance of the costs of moving, accompaniment during the voyage, passage across borders, lodging and establishment in the labour market in the destination, material and non-material exchanges with the village of origin. Part of the network thus includes human organisation, covering all of the stages of the migration from the departure areas to the arrival areas. It also includes a more insti-

<sup>(31)</sup> See, for example, Skeldon (1990) and Massey (1993).

tutional aspect, formed from a system of practical rules concerning the functioning of the network.

Carrington *et al.* (1996) have formalised the evolution of a migration network, using the historical example of the *Great Black Migration* from the south to the north in the United States between 1915 and 1960. As was evoked earlier, the first "spontaneous" migrants were those for whom the costs of getting established and finding employment were lowest, that is, generally young men. Acquisition of information on available employment and the facilities offered by these first migrants to those who followed (in terms of lodging, credit, and moral support), resulted in diminishing costs progressively as the migrant community grew. This progressive reduction of the costs of migration thanks to the network provides an explanation for why reduced income differences between rural and urban areas over time did not necessarily result in a slowing of the migration.

This mechanism is all the more worth mentioning in that the effects of the network do not operate just in one direction: employers may also be interested in hiring labour from a specific network, where they know the members for having already employed them. This is why some villages or entire regions develop a quasi-monopoly over certain types of employment or in certain enterprises<sup>(32)</sup>.

The network is founded above all on the support offered by compatriots (relatives, others from the village) and thus represents an institution of local origin, covering several spaces going from the village to the destination area. The network cannot be based only on close relatives (nuclear family, household), who on account of their limited number are unable to offer adequate support. The network, for migration as well as in other cases, is based on "the strength of weak ties" (Granovetter, 1973): secondary relationships that can be mobilised and to which individuals have access (neighbours, friends, age group) will provide the most important possibilities for expansion. In general, one observes in migration networks and diasporas a weakening of barriers between close groups (castes, clans, lineages, etc.) which results in an enlargement and enrichment of the network. Certain components of the networks may in reality be based on an external mechanism, organised notably by "brokers" of migration such as recruiting agents, border-crossing personnel or even attorneys<sup>(33)</sup>. The role of these intermediaries can be very important, as in the case of clandestine international migration; this represents very clearly the formation of a market of assistance to migration that supplements the shortcomings of the migration network.

<sup>(32)</sup> For example, in Tunisia, where one of the authors has lived, young domestic servants employed in Tunis are from the isolated villages of the mountainous regions of the northwestern part of the country (Kroumirie). Similarly, in India where the second author lives, every house guard is called a *Gurkha* (a Nepalese ethnic group), and if he does not belong to this ethnic group, the candidate must be Nepalese in order to be hired as a qualified night guard.

<sup>(33)</sup> With regard to the organisation of channels in Asia, and in particular in Malaysia, Hugo (1996, pp. 109-111) speaks of the "industry of migration". This industry is part of the private sector, formal or informal, legal or illegal.



Proposition 6:

*The specific institutional form reflects the nature of the exchanges (frequency, volume).*

In following the institutional logic, we will find again the principle of functioning in a network in the nature of the exchanges that it involves. The migration transaction takes place between individual migrants and their groups of origin. The resources which can be brought to the market by the communities of origin are sometimes limited to labour having received a very specific training; labour that is difficult to redeploy in other sectors or activities besides those for which it was trained. It is useful to emphasise that the assets held by migrants in rural societies (such as land ownership, political authority, traditional knowledge, local reputation) are often of this type, corresponding to nontransferable resources that risk losing all of their value in case of migration of their holder<sup>(34)</sup>.

Once established professionally, migrants can adopt different strategies. They can choose to reinvest their gains for their own ends or for those of their immediate entourage, rather than remit a part back to their village of origin. This is even more true of more educated migrants, who by virtue of their level of education have nonspecific assets that will facilitate their establishment in very diverse labour markets.

The more risky is the transaction for the participants, the more highly structured or hierarchical will be the networks. Recall that the temporal dimension is crucial in order for the migration contract to be upheld, because the contract cannot be realised instantaneously: the prior investment in the migrant by the family precedes the numerous years during which the potential gains to the migration may accrue. Hence, the high degree of uncertainty that characterises the transaction (professional success of the migrant and maintenance of his links with his family) results in conditions favourable to a hierarchical structure.

Concomitant with the constitution of a migration network, contracts between migrants and non-migrants are refined and little by little the transactions that follow become routines. Acquisition of information and reduction of the costs and risks linked to migration are the basis for its becoming institutionalised. Over time, migration becomes progressively independent of the factors that were at its origin. The process is self-reinforcing and tends to develop its own dynamic, in an endogenous manner; it is in constant interaction with other factors that contribute to institutionalising migration and forming a system<sup>(35)</sup>. But the process is not necessarily cumulative, because the traditional migration institution may reveal itself to be incapable of providing certain services to potential mi-

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<sup>(34)</sup> Williamson (1985), a source of inspiration for us here, considers that the transaction costs are especially high for specific assets, resulting in more hierarchical structures. Regulation by the market is, on the contrary, more appropriate for nonspecific assets, which may easily be re-allocated to other activities.

<sup>(35)</sup> See Carrington *et al.* (1996) and Massey (1993).

grants. From that point on, one may observe emergence of a market to assist migration, as suggested above, with certain logistical activities (establishments of hiring documents or of passports, crossing of borders, etc.) being subcontracted to specialised intermediaries. To use Williamson's (1985, 1991) terminology, this is a case of a hybrid structure, combining market mechanisms and institutional rules.

## VI. The migration institution: necessity or possibility?

In the face of the emergence of markets in the urban economy in certain parts of the world, traditional institutions seem always to be appropriate responses to the uncertainty prevailing in rural production systems. The renewed interest in these institutions, hitherto perceived as archaic relics retarding development, has led researchers to a reinterpretation of their mode of functioning. Emphasis was placed on their advantages in terms of adaptation to local conditions, notably due to their capacity for managing risks.

Institutions would thus be a possible response to problems encountered by organisations in a specific context. Whether by analogy to the mechanisms of evolutionary biology or in light of historical analyses such as those of North (1990), the institutional progression can thus lead to efficient arrangements in relation to a given problem (surviving in a period of crisis, for example), but these arrangements are far from maximising collective well-being according to the Pareto criterion<sup>(36)</sup>.

Proposition 7:

*The institution is not necessarily the optimal arrangement.*

In terms of migration, this means that the arrangements that are worked up, such as the networks, offer multiple advantages to the participants in the transaction, but are not necessarily the most efficient arrangements. A good deal of chance comes into play in the initial formation of the networks, because the networks are based on the wanderings of the first group of migrants and their capacity to create a migration niche, that is, a destination and a specific professional sector for the migrants. The channel which is then put into place, nourished first by the close relatives of the pioneers, then enlarged to other social groups, often depends on the singular destiny of one migrant. Examine, for example, the constitution of a channel from a village in the north of Senegal to Casamance (with different language and culture):

“Since 1960 people have left to fish there (in Casamance). Amadou Wane [a fisherman belonging to the dominant political caste] is the first to have

<sup>(36)</sup> See also the remarks of Nabli and Nugent (1989, p. 1343). A functionalist drift consists of likening the institution to certain economic roles that it fulfils.

gone there. He created a shrimp factory there with the Toubabs [the Whites]. Then he became the *diategui* [the correspondent] to provide lodging for the people from the village who came to work there. They fished for shrimp and he sold the production and provided the equipment [nets, dug-outs]. He also kept the accounts and held the money until the migrants returned to the village."<sup>(37)</sup>

In this description, one can recognise certain habitual elements of the migration network: assistance in finding employment, provision of lodging, starting up a business, advance of capital (fishing material), managing savings. One might also think that the Casamance network was the optimal solution for the migrants, all the more because it allowed seasonal migrants to be absent from the village during the dry season and to return when the rains began. But our survey, realised in different villages from the same region, made it clear that there were a number of distinct networks, very segmented according to the locality of origin: channels of fishermen or sellers of fish in Casamance, of sellers of milk in Dakar, of embroiderers in Mauritania, of dealers in precious stones in Central Africa, or of ambulatory sellers (watches and sunglasses) in Côte d'Ivoire. And at the same time, a small number of pioneers were trying their luck in some regions outside of the traditional destinations, notably in Southern Europe or in the Arab countries, regions which perhaps in the future will constitute important zones of immigration. This heterogeneity, which corresponds to a strong segmentation among the village networks, is apparently a product of chance: once established, the channel tends to constrain the circuit of future candidates for migration, even if the receiving region is saturated<sup>(38)</sup>. The mechanism can continue to function on its own impetus, without being, strictly speaking, optimal in the sense of maximising expected income.

Let us now take a more structural example of anomalous functioning, that of sexual selectivity of migration. In developing countries, masculine and feminine networks are quite distinct, with the female networks being in general of rather negligible importance<sup>(39)</sup>. From a theoretical point of view, unless the aptitude for migration is specifically based on gender, any prior selection on this criterion is necessarily less efficient than a market mechanism of supply and demand for labour. But in the face of imbalances in the options open to men and women, it is also possible to reconstitute the underlying logic in taking into account principles such as the sexual division of tasks and endogamy, extremely widespread at present in rural communities of less developed countries.

Thus, in certain societies where many men engage in migration, individual migration of women may be strongly discouraged or even proscribed. Conversely, the migrants remain tributaries of their village of origin, where they will subsequently marry. The marriages of migrants,

<sup>(37)</sup> Guil moto field notes, January 1993, village in the region of Saint-Louis.

<sup>(38)</sup> This is the classic case of migration to cities taking place despite a high rate of urban unemployment.

<sup>(39)</sup> Except in certain countries and for very specific reasons, as we have already seen.

negotiated at a distance and often taking place during a short visit, are moreover one of the most important activities of migration networks. Migrants who have not fulfilled all of their traditional obligations may at this time be penalised by the community. And once married, their family often staying in the village, they must maintain strong links with their milieu of origin (visits, remittances). Elsewhere, female migration is more frequent. But the stay of women in the city remains risky for the community of origin, which must seek to keep watch over the sexual behaviour of female migrants. Moreover, women can pay dearly, in terms of their reputation and their status, for having very strong migration autonomy<sup>(40)</sup>. In Asia, women are often channelled into very specific labour migration networks, working as governesses, maids, nurses, etc. (Hugo, 1996). In the Philippine example examined earlier, the economic marginality of the female migrants means that they have only very limited autonomy. The same is true for female migrants who work as maids in countries with very different cultures (in the Gulf States, for example).

A final example of a migration network in the Gulf countries can better help us understand their nature. Beaugé (1986) describes a very interesting system for managing migrant labour: the *kafala*. In order to work in a Gulf State, each migrant must have a "sponsor" (*kafil*) who is his legal guarantor and his intermediary in the affairs in which he is involved in the country. The social rank of the *kafil* is comparable to that of the migrant. The *kafil* apparently receives a commission on the salary or the gains realised by the migrant worker (up to three months of salary). Without describing this practice in detail, we may emphasise that its automatic character and magnitude (several thousand protégés for certain sponsors) make it a real institution in these countries, which in its own way regulates the labour market, in a perspective rather distant from the market conditions. Rather, one must consider its specificity in its historical origin, namely the traditions of hospitality and attachment to the group that are derived from holy writings.

But these interpretations, which seek to link up the economic and social aspects of migration, obscure the question of the relative efficiency of migration institutions and of their long-term viability. In effect, if these institutions were able to show themselves to be satisfactory in a given economic and historical context, if they are characterised by considerable inertia, nothing allows one in return to say that they will subsist in the long run, whether it be in a pure or hybrid form. This is because, as we shall see, networks transform themselves, in response to the effects of both internal and external factors.

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<sup>(40)</sup> With respect to female migration, sexual harassment and accusations of prostitution, see Brydon (1987) for West Africa and Karlekar (1995) concerning India.

## VII. Some features specific to the endogenous transformation of networks

As a general rule, demographic, sociological or geographic analyses of migration networks do not go beyond the description of their functioning for a short period, or even at a moment in time<sup>(41)</sup>. Accustomed to reasoning in terms of static equilibrium, standard economic theory is no better equipped to study the dynamics of these networks. The new institutional economics can shed some new light on this point by simultaneously integrating the set of institutional and organisational mechanisms, by taking into account the dynamics and tensions that may exist among them, and that intervene as catalysts of change.

Recall that to analyse migration, we introduced a logic of minimisation of risks rather than maximisation of income. In this context, any receiving area that allows one to expect an income with a probability deemed to be acceptable constitutes a "satisfactory" solution without necessarily being optimal<sup>(42)</sup>. If the migration network, the sending area and the receiving area constitute a system, in the end it is because migration has become institutionalised and not because the two geographic areas reflect an implicit optimisation process. With limited sensitivity to a higher expected gain but subject to greater variance, these networks perpetuate themselves.

These endogenous dynamics often have much more weight than imagined. In a study on Poular and Soninke migration, Traoré (1994) shows how shortsighted it is to consider these migration systems only in terms of the impact that colonisation had on them. He rejects the distinction between modern and traditional migration, and puts forth a very long-term historical analysis of migration. He thus shows the very distinct and long-standing differences between migration of the Poular and migration of the Soninke ethnic groups, in terms of timing, destination and activities; differences that result from institutional inertia specific to the two societies. These dynamics will be all the heavier to turn aside when the migration institution has a strong economic weight, as is precisely the case in the Senegal River valley.

Analysing a domain apparently distant from ours, the dynamics of technological choices, Arthur (1988) mentions four crucial mechanisms in the consolidation of these choices, which apply very strongly to the constitution of networks<sup>(43)</sup>:

— *large initial investment and consequently, declining future cost*: we have acknowledged the tendency for migration costs within a network to decline over time;

<sup>(41)</sup> "Most research on social networks and immigrant incorporation focuses on the short-term and positive functions of networks, neglecting changes in networks over time." (Hagan, 1998, p. 55).

<sup>(42)</sup> The principle of satisficing runs counter to the maximisation principle of the standard model.

<sup>(43)</sup> See also North (1990, p. 94).

— *effect of training (apprenticeship) which facilitates usage as the training proceeds*: the network functions better as it is enriched by the experience of new migrants;

— *coordination with other activities*: progressively over time, the network is articulated with local markets (employment, real estate) and the village organisations and institutions (family, land tenure system, etc.);

— *adaptive aspirations*: the network becomes the exclusive channel for migration in the eyes of the villagers.

These mechanisms summarise very nicely the rich literature that has developed with regard to the cumulative character of migration. The conclusions with respect to technological evolution that the author draws from them are also quite pertinent to our concerns here:

— *possibility of inefficient configurations*: a migration network is not necessarily the efficient solution to the initial problems that made it possible;

— *path dependency*: a minor (random) event may have crucial consequences for the future development of the network;

— *existence of multiple equilibria*: different satisfactory solutions are possible and there are numerous potential migration networks;

— *lock-in effect*: once in place, a channel is difficult to replace.

We have already evoked the first two characteristics of the network: its limited efficiency and the random aspects of its formation. The other conclusions of the comparison between technological evolution and institutional dynamics are equally familiar to us. The existence of multiple channels, which essentially constitute "local equilibria", is attested to by multi-site emigration surveys such as the one previously mentioned concerning the valley of the Senegal River<sup>(44)</sup>. In theory, the coexistence of different networks could be a source of competition and specialisation of these networks, and thereby lead to a progressive optimisation. However, it appears that there is a high degree of segmentation at the local level, with considerable variations between adjacent localities: the networks, based on strong family or village solidarity, are rather in a monopoly situation, and economic theory invites us to look for rent mechanisms rather than a guarantee of efficiency.

The last mechanism, pertaining to the lock-in effect, is likewise at work in the formation of networks. The establishment of new networks represents a substantial investment, and it is consequently difficult to go backwards; if the channels in place from a given locality are deficient, it will be easier at the margin to redeploy them rather than to attempt to begin an entirely new one. For the migrants, this will consist of going to adjacent destinations or trying to enter another sector, all the while conserving most of the support mechanisms offered by the network in its

<sup>(44)</sup> See also Massey *et al.* (1987) for examples from Mexico.

previous form. The flexibility inherent in the structure of networks facilitates this rapid redeployment as well as the current phenomenon of migration in stages, as reflected in the example of Indian migrants to Lisbon (Macaista Malheiros, 1996). These migrants left the Portuguese territories where they had resided at the time of decolonisation, especially Mozambique, to move to the Portuguese capital. Developed in the middle of the 1970s, the networks that had been established in these territories were little by little supplanted by those coming directly from India. It should be noted that the different Indian communities (Hindus, Muslims, Ismailians, Catholics) developed their own networks and were specialised economically. The self-reinforcing character of these networks is dictated by the way that commerce in these communities develops: a young individual is employed by a proprietor with whom a relationship of confidence develops. When the young worker has accumulated sufficient capital, he opens his own establishment and, in turn, employs someone. This system of reproduction, based on family and community financing, is described by the author as having "centripetal characteristics".

### VIII. Migration dynamics

Let us now consider the migration institutions from a diachronic (longitudinal) perspective, in order to understand the evolutionary logic. Focussing on the terms of the transaction that migration represents allowed us to bring to light several endogenous characteristics. They combine with structural factors of change of the migration regime.

Proposition 8:

*Institutional evolution is at the same time endogenous and exogenous.*

Endogenous evolutionary factors are numerous, because in addition to the mechanisms just discussed, migration often has consequences within the village of origin. Stark (1991) has emphasised the growth of local inequalities that may result from the success of certain individuals, with one consequence being an intensification of migration among sedentary households. According to this analysis, which is based on the concept of relative deprivation, migration is not simply the response to an intersectoral earnings difference, but also the consequence of local income inequalities, exacerbated by the improved economic status of families of migrants. A final internal evolutionary factor is constituted by changes in preferences; if agents and organisations undergo a significant transformation of their value systems (for example, with respect to risk aversion), the forms of contracts and institutional arrangements will be called into question. The obliteration of principles of collective solidarity, centred on the extended family or the village community, in favour of more individualis-

tic logic, can be responsible for the weakening of the solidarity of networks.

In total, the endogenous evolution of the migration institution can be conceptualised in several phases. A preliminary, pioneer, phase takes place in the absence of a network, which does not exist at this stage. During the following phase, the multiplicative effects of the first successful migrations are numerous and the institution is quickly constituted around the migration channels that have succeeded. The cost of migration thus tends to decline and migration flows accelerate. In a subsequent phase, the value system of the migrants becomes closer to that in the region of immigration. The role of the migration institution may then be attenuated, all the more so if the migrants depend less and less on their village of origin for their employment, their lodging, their marriage, etc. It is likely that the growth of migration flows over the long term encroaches upon the solidarity and the homogeneity of the group at the origin, and its capacity to retain respect for its system of values. This is why village organisations, to not suffer from the opportunism of migrants, must assure shrewd management of the migration networks in a continuous manner. In India, control of the migrants operates via a non-integrationist ideology, which assures solidarity based on both psychological and economic factors. Cadène (1993, p. 462) describes this procedure in a merchant community of Rajasthan:

“The desire to assimilate, which elsewhere can be an opportunity for success for the migrants, does not come into play in the Indian context. On the contrary, it is the capacity to maintain one's identity and links with the community of origin which allows these merchant communities to assure themselves of the soundness of their businesses, as well as to establish and consolidate monopoly positions.”

Independently of changing economic, social or political conditions, then, the progress of migration will thus be hindered by its own development, by a type of self-regulating effect. Demographic studies that adopt a longitudinal perspective sometimes allow one to demonstrate the characteristics corresponding to the intrinsic development of migration channels (masculinity, economic specialisation, spatial diversification), allowing one to date them and to determine the migration cycle<sup>(45)</sup>. The demographic composition of the migration is, moreover, an especially effective indicator of the evolution of migration channels; progressive feminisation, ageing and the reduction of the share of unmarried individuals all constitute good indicators of the maturing of networks and of their institutional evolution.

At the same time, the history of migration remains at the mercy of exogenous influences, whether they be economic, political or social phenomena. In the economic area, the functioning of the migration institution can be affected by changes in the labour market (employment offered, lo-

<sup>(45)</sup> See in particular the exemplary article by Massey *et al.* (1994) on the development of Mexican emigration to the United States.



calisation), modifications of prices (exchange rates, agricultural prices, urban salaries) or by structural changes (in the composition of the population, for example). Slower changes in interregional economic disequilibria can nullify the downward trend in migration costs (Carrington *et al.*, 1996). Political changes (closing borders, conflicts) can sometimes have a brutal effect on migration channels and may result in a reorientation of migration networks. Technological changes (transport and communications revolution, mechanisation of agriculture) can also play an important role. It is in fact difficult to cover the full range of external factors that can affect the migration institution, since there are numerous variables to take into consideration.

Are these dynamics really exogenous? To take the examples that we have just looked at, one can in effect quite readily consider that migration contributes to political instability, economic convergence between regions or even technological progress. Such questions, which seem quite formal, have practical consequences for the modelling of the migration phenomenon<sup>(46)</sup>. This area constitutes a promising line of research, and taking institutional mechanisms into consideration will allow a better perception of the dialectic between endogenous and exogenous factors in migration dynamics.

## Conclusion

The lessons drawn from the new institutional economics shed new light on migration networks and allow us to better understand the processes at work in their birth and their dynamics. While the initial conditions at the time of the establishment of a migration system may be fortuitous, the effects of the lowering of transactions costs, the apprenticeship process, the creation of norms and routines which become autonomous over time, the interactions with other local institutions, all mean that the dynamics of a migration network reflect endogenous conditions, which in turn act as constraints on individuals, families, and other socioeconomic organisations. This is precisely their rationale; by offering norms for behaviour, these networks themselves are powerful forces that serve to reduce uncertainty.

It is clear that what we have proposed here does not take account of all types of migration; the focus has been on temporary labour migration from rural to urban areas in developing countries. The validity of the analysis is all the greater in that the segmentation of community organisations and their influence on individuals is affirmed. For example, societies in Africa and Asia correspond rather well to our analytical framework.

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<sup>(46)</sup> By way of illustration, we can take the endogeneity problems of variables encountered in several recent studies (Taylor and Wyatt, 1996; Lambert, 1994; Guilmoto, 1998). Note also that the application of game theory to the historical analysis of institutions (Greif, 1998) is a promising approach that opens up perspectives for new forms of modelling for the study of migration networks.

The major contribution of this institutional perspective is, in our view, to give a theoretical framework to the study of a phenomenon that too often is studied without a theoretical context. Through the use of numerous examples, we have tried to show how the proposed framework provides explanatory benchmarks based on a single theory. On the one hand, this allows us to set forth hypotheses and to propose ideas about the evolution of the dynamics of migration, and on the other hand, we are better able to understand the stable character of migration networks, other than by tautological arguments according to which "the networks promote migration which promotes the networks".

From this perspective, one research topic would be for example to link up this degree of stability to different mechanisms emerging in certain developing countries or regions: rapid social development which is accompanied by a progressive strengthening of the individual competencies of migrants (educated, trained, with diplomas) or penetration of market mechanisms (labour, credit, insurance markets). These transformations are quite likely to weaken the institutional framework of migration; the relative decline of the institutional component of migration may thus serve as an indicator of "modernisation" of labour migration.

This theoretical framework also seems to us to be useful in describing certain very contemporary phenomena, such as the extreme urban growth in certain West African countries. In migration networks whose functioning is strictly institutionalised, the costs of migration have become sufficiently low so as to allow massive amounts of labour migration, resulting in an "overheating effect" that is reflected in a growing divergence between the number of migrants coming to try their luck in the city and the real absorption capacity of the receiving regions, especially in case of economic recession.

A major contribution of the new institutional economics is perhaps that in stimulating interest in the constitution and dynamics of networks and other institutional forms of migration, it also underlines the importance of historical and anthropological analyses of the migration phenomenon. With respect to research methods, we call for greater vigilance with regard to the longitudinal dimension of migration; surveys normally gather cross-sectional information first and foremost. It is important to add right away, however, that the significance of this longitudinal dimension is only fully realised at a collective level, since it is by the participation in migration of a homogeneous social group that the institutionalised network has lasting effects on the orientation of migration flows. The analysis of the gradual evolution of the migration of members of a group consequently necessitates a detailed reconstruction of the migration history of communities: identification of the "pioneers", reconstitution of the migration phases (establishment, consolidation, then perhaps diversification of networks), history of migrant diasporas, returns to the community of origin (regularity of visits, frequency of definitive returns) and behaviour of

established migrants (family reunification, investment of migrants' incomes in the city or in the village, etc.). This implies, in the conception and elaboration of surveys, a greater interest in gathering collective or community information, and special attention to the social history of migration channels— aspects that a demographic approach alone will not capture.

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**GUILMOTO Christophe Z., SANDRON Frédéric.—The Internal Dynamics of Migration Networks in Developing Countries**

This article presents a new approach to migration in developing countries, based on the insights of institutional economics. The general analytical framework adopted treats migration as an "institution". This approach is found to be more rigorous for an understanding of local migration dynamics and is better suited for predictive purposes than traditional analyses. In addition, the existence of a substantial body of theory and a wide range of empirical studies means that a number of suggestions and hypotheses can be examined, opening new perspectives for the study of mobility in the developing world.

The article juxtaposes theories of development with their application to migration, thereby making it possible to review briefly the nature of innovations in the theory of institutional economics and their implications for an overall view of migration in the developing world. There follows a more detailed examination of the creation of the migration institution and its rules and organization, and of the preponderant role of migration networks in the mechanisms of mobility. The article ends with an examination of migration's endogenous and exogenous dynamics using the perspective adopted here.

**GUILMOTO Christophe Z., SANDRON Frédéric.—La dynamique interne des réseaux migratoires dans les pays en développement**

Cet article présente une nouvelle approche de la migration dans les pays en développement fondée sur les enseignements de l'économie institutionnelle. Nous proposons un cadre général d'analyse dans lequel la migration est considérée comme une « institution ». Cette approche nous semble être plus rigoureuse pour appréhender les dynamiques migratoires locales et se prête mieux à l'exercice prédictif que les analyses traditionnelles. En outre, grâce à un corpus théorique désormais bien étoffé et un nombre important d'études empiriques, il est possible d'examiner un certain nombre de propositions et d'hypothèses qui offrent des perspectives nouvelles à l'étude de la mobilité dans le Tiers-Monde.

L'article opère un va-et-vient entre théories du développement et leur application à la migration, ce qui permet de souligner brièvement la nature des innovations dans la théorie économique institutionnelle et leurs conséquences sur une vision globale de la migration dans le Tiers-Monde. Nous examinons plus en détail la mise en place de l'institution migratoire, de ses règles et de son organisation, ainsi que la place prépondérante occupée par les réseaux migratoires dans les mécanismes de mobilité. En fin d'article, on s'intéresse aux dynamiques endogènes et exogènes de la migration à partir de notre perspective.

**GUILMOTO Christophe Z., SANDRON Frédéric.—La dinámica interna de los flujos migratorios en los países en desarrollo**

En este artículo presentamos una nueva perspectiva de análisis de las migraciones en los países en desarrollo, basada en teorías de economía institucional. Proponemos un marco general de análisis en el cual la migración se considera una « institución ». Esta perspectiva ofrece una forma más rigurosa de entender las dinámicas migratorias locales y se presta más a ejercicios de predicción que los análisis tradicionales. Por otra parte, la existencia de unas bases teóricas sólidas y de un número importante de estudios empíricos permiten examinar un cierto número de proposiciones e hipótesis que ofrecen nuevas perspectivas para el estudio de la movilidad en el tercer mundo.

En el artículo hacemos un repaso de las teorías del desarrollo y de su aplicación a las migraciones. Este ejercicio permite poner de manifiesto la naturaleza de las innovaciones que la aplicación de la teoría económica institucional hace posible y señalar sus consecuencias para una visión global de la migración en el tercer mundo. También analizamos en detalle la creación de la institución migratoria, de sus reglas y de su organización, así como el papel central que juegan las redes migratorias en los mecanismos de movilidad. Para finalizar, nos interesamos a las dinámicas endógenas y exógenas de la migración a partir de nuestra perspectiva.