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**Transnational Economic
Spaces, Moral Economy,
and Remittances**

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Transnational Economic Spaces, Moral Economy, and Remittances
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Incipient Observation

Ever since the late 1990s, transnational flows of remittances have been exceeding official development aid, portfolio investments and, in some parts of the world, even foreign direct investments. On a global scale, migrants living abroad sent USD 601 billion to their relatives, friends, and families at home in 2015.¹ A stable share of 73 per cent of remittances flows continuously to developing societies, which signals their immense potential for development. In some cases, developing societies are even dependent on these flows.

Even though the flow of remittances has increased considerably in recent decades, the flow per se is not a new phenomenon. Historical research has shown that periods of mass migration, particularly in European history, were followed by remittances transfers.² In contrast to former times, however, the flow of remittances today bears a new dynamic. This dynamic lies in the capacity of remittances to form and to dominate an arising economic space that extends between migrants and their families at home in sending and receiving societies respectively. In the case of remittances, the Global South is increasingly growing into the Global North, with both global areas forming part of an emerging transnational economic spatial format.³

Inherent to this evolving economic space is a contradiction that arises from the differences between the micro and the macro logics of remittances: on a macro level, the overall stable and even increasing flow of remittances seems to underscore processes of transnationalization. To maintain regular remittances transfers between migrants and their families at home, economies in the Global South, which have traditionally been organized within the boundaries defined by a developmental state⁴, experience the transnationalization of their economic capacities on the macro level. Consequently, peripheral economies sprawl into economies of the Global North. They become increasingly influenced by labor market dynamics in the Global North where migrants live and work.

On the micro level, however, individual migrants only send money back home if they remain in and maintain a dense social relationship with their families, relatives, and friends living in societies of origin. In contrast to the transnationalization of entire economies on the macro level, migrants and their families at home have to mobilize localized access in influencing the respective behavior. This nexus between migrant and family thus gives rise to a translocal relationship within which it becomes possible to maintain a continuous flow of remittances.

When studying remittances, one therefore needs to integrate the micro dynamics of remittances while equally shining a spotlight on the entire macro flow. Both levels can be combined in a spatial perspective on economic spaces that emerge out of the flow of remittances. Processes of deterritorialization as well as of reterritorialization thus nourish, complement, and even conflict with each other in the provision of remittances. Two aspects of this observation are crucial for our project, in order to research emerging transnational

1 World Bank, *Migration and Remittances Factbook 2016* (2016) World Bank, Washington D.C, at 23.

2 R. Esteves and D. Khoudour-Castéras, "A Fantastic Rain of Gold. European Migrants' Remittances and Balance of Payments Adjustment During the Gold Standard Period", *The Journal of Economic History* 69 (2009) 4, pp. 951–985; R. Esteves and D. Khoudour-Castéras, "Remittances, Capital Flows and Financial Development during the Mass Migration Period, 1870–1913", *European Review of Economic History* 15 (2011) 3, pp. 443–474; G.B. Magee and A.S. Thompson, "The Global and Local. Explaining Migrant Remittance Flows in the English-Speaking World, 1880–1914", *The Journal of Economic History* 66 (2006a) 1, pp. 177–202.

3 Even though the quantity of remittances, particularly in the late nineteenth century and at times of massive European out-migration (see T.J. Hatton and J.G. Williamson, *The Age of Mass Migration: Causes and Economic Impact*, Oxford: Oxford University Press, 1998), had been remarkable (Esteves and Khoudour-Castéras, "A Fantastic Rain of Gold"; G.B. Magee and A.S. Thompson, "Lines of Credit, Debts of Obligation! Migrant Remittances to Britain, c.1875–1913", *The Economic History Review* 59 (2006) 3, pp. 539–577), technological innovation at the end of the twentieth century extremely lowered transaction costs of remittances. This fact is mirrored by the extraordinary increase of the entire flow of remittances, particularly linking remittances-sending regions in the Global North with remittances-receiving regions in the Global South. Unfortunately, however, historical accounts of remittances, particularly in the present case selection, are still lacking since data is hard to gather and historical research, apart from some interesting exceptions (e.g., C. Douki, "Le territoire économique d'une région d'émigration campagnes et montagnes lucquoises, du milieu du XIXe siècle à 1914", *Revue d'histoire moderne et contemporaine* 48 (2001) 2, pp. 192–246; J.R. García López, *Las remesas de los emigrantes españoles en América, siglos XIX y XX*, Gijón: Ediciones Jucar, 1992; D. Warren, *Remittances of Italian Immigrants: From Brazil, Argentina, Uruguay and USA, 1884–1914, Occasional Papers*, 14 vols, New York: New York University, Ibero-American Language and Area Center, 1974), has largely ignored remittances as a particular research topic.

4 Perspectives on the state in the Global South are countless. After the Great Depression of the 1930s and the rise of national developmental elites, however, the state gained importance in (re)structuring the economy for the needs of development and national welfare. In this regard, the vision of a "national economy" was not only an important economic vision and a political project, but also a factual and sometimes even successful economic model at the same time.

economic spatial formats: firstly, on a micro level, moral economies between migrants and their families at home evolve, which combine translocal and transnational scales of social action. These moral economies, as will be discussed in more detail in this paper, are complex fields of negotiation and a particular socio-economic ensemble. They are dominated by reciprocal patterns of communication, moral obligations, the struggle for social recognition, as well as feelings of guilt and shame. These moral economies are a building block of an emerging transnational economic space, since they evolve out of their underlying contradiction between a tendency towards transnationalization and the maintenance of localized influence. Secondly, and on a macro level, these moral economies form part of an arising transnational economic space, which transgresses traditional modes of institutionalization, control, and governance. This transnational economic space extends from peripheral economies of today's Global South well into developed economies in the Global North.

Using remittances as a topical background, this project addresses the following questions:

- 1 how remittances arise out of a translocal relationship – that is, real movements of people, commodities, ideas, and symbols – and cross spatial distances and borders with a certain regularity;
- 2 how these remittances create arenas in which the processes of territorialization, deterritorialization, and reterritorialization take place and are negotiated; and
- 3 whether transnational economic spaces emerge out of these negotiations as a spatial format.

Literature Review: Contrasting Perspectives on (Transnational) Economic Spaces

Following recent discussions in social theory, particularly related to an emerging praxeology, the term "space" is applied both to explain social phenomena as well as a consequence of social practice and thus as a social phenomenon in itself.⁵ On the one hand, this project suggests that "like all social practice, spatial practice is lived directly before it is conceptualized"⁶. Space "never exists per se, but points to the other" because its role depends on other social processes through which it becomes relevant.⁷ Further following Lefebvre, the basic idea in approaching space "is not directed at space itself, nor does it construct models, typologies, or prototypes of spaces; rather, it offers an exposition of the production of space".⁸ Thus, this project understands space as human output involving agency.⁹ By explaining space through human agency, the "fetishization" of space can be avoided.¹⁰ In this regard, this project draws on the agency turn in human geography. Following this perspective, "people do not only make their own history, they also create their own

5 This recent theorizing draws on the classic texts of Bourdieu (P. Bourdieu, *Outline of a Theory of Practice*, Cambridge: Cambridge University Press, 1977), Giddens (A. Giddens, *The Constitution of Society: Outline of the theory of structuration*, Cambridge: Polity Press, 1984), and Sewell (W.H. Sewell, "A Theory of Structure: Duality, Agency, and Transformation", *American Journal of Sociology* 98 (1992) 1, pp. 1–29). In line with this focus, the dichotomy between agency and structure, the notion of contingency, and the concept of social actors were reformulated. Transferred to social space, social spaces are thus products of human action. At the same time, however, social spaces enable and therefore structure human action.

6 H. Lefebvre, *The Production of Space*, Malden: Blackwell, 1991, at 34.

7 B. Belina and B. Michel, "Raumproduktionen. Zu diesem Band", in: B. Belina (Ed.), *Raumproduktionen: Beiträge der Radical Geography. Eine Zwischenbilanz*, Münster: Westfälisches Dampfboot, 2007, pp. 7–34, at 18.

8 Lefebvre, *The Production of Space* Lefebvre, *The Production of Space*, at 404.

9 E. Rothfuß and T. Dörfler, "Prolog – Raumbezogene Qualitative Sozialforschung. Konzeptionelle Überlegungen zwischen Geographie und Soziologie", in: E. Rothfuß and T. Dörfler (eds.), *Raumbezogene qualitative Sozialforschung*, Wiesbaden: Springer, 2013, pp. 7–31, at 9.

10 B. Belina, *Raum: Zu den Grundlagen eines historisch-geographischen Materialismus*, Münster: Westfälisches Dampfboot, 2013, pp. 29–36; N. Smith, *Uneven Development: Nature, Capital and the Production of Space*, Oxford: Basil Blackwell, 1984, pp. 28–31.

geography – or rather: their own geographies.”¹¹ On the other hand, however, the present project maintains that space still has an influence on social practice, thereby avoiding falling back into “spatial voluntarism.”¹² We thus not only intend to show that space is produced by social practice, but also to suggest the potency of space in influencing and even in fabricating social practice as soon as space achieves form.

In contrast to the common understanding of space as a territorial container that is most prominent in economics and political science, the spatial turn does offer convincing innovations. In this light, space is not something fixed, constant, or unchanged. Instead, space is understood as social space; as a result of negotiation and bargaining and sometimes even as an effect of conflict among different social actors.¹³

By focusing on everyday economic processes and interactions that lead to the fabrication of spatial meaning, spatial practice, and the materiality of space, it becomes apparent that changes within and across economic spaces not only fragment existing social orders, but likewise reconfigure existing as well as new spatial references and contextualization. This reconfiguration is subjected to the dialectics of deterritorialization and reterritorialization, which continuously and reciprocally relates global flows and respective capabilities of control.¹⁴

The notion of approaching transnational economic spaces that evolve out of remittances transfers poses several challenges to our project. Firstly, in economics, the link between remittances and economic spaces remains rather loosely analyzed. Ever since receiving academic attention, research on remittances has been the domain of economists dealing with issues of growth and development, for instance. The extensive literature on remittances mainly used large-N quantitative methods. The discussion focused on the potential of remittances in lowering poverty,¹⁵ its influence on labor markets,¹⁶ on investment,¹⁷ on the financial systems,¹⁸ or on macroeconomic variables such as growth or inflation.¹⁹ Likewise, research highlighted the relationship between remittances and social inequality,²⁰ or the economic situation of households.²¹ Thus, initially, economists were the first to pay major attention to remittances. Increasingly, social sciences became aware of the importance of remittances. Once econometric models were opened, eventually covering institutional variables,²² an ongoing discussion started focusing on the relationship of remittances and cultural values,²³ local capabilities to organize,²⁴ entrepreneurship,²⁵ or on the capacity of remittances in contributing to democratization.²⁶

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- 11 B. Werlen and R. Lippuner, “Sozialgeographie”, in: H. Gebhardt (ed.), *Geographie: Physische Geographie und Humangeographie*, Heidelberg: Spektrum Akademischer Verlag, 2011, pp. 687–712, at 699.
- 12 M. Schroer, *Räume, Orte, Grenzen: Auf dem Weg zu einer Soziologie des Raumes*, Frankfurt a.M.: Suhrkamp, 2006, at 175.
- 13 J.A. Agnew, “Territory, Politics, Governance”, *Territory, Politics, Governance* 1 (2013) 1, pp. 1–4.
- 14 M. Middell and K. Naumann, “Global history and the Spatial Turn. From the Impact of Area Studies to the Study of Critical Junctures of Globalization”, *Journal of Global History* 5 (2010) 1, pp. 149–170.
- 15 P. Acosta et al., “What is the Impact of International Remittances on Poverty and Inequality in Latin America?”, *World Development* 36 (2008) 1, pp. 89–114; R.H. Adams and J. Page, “Do International Migration and Remittances Reduce Poverty in Developing Countries?”, *World Development* 33 (2005) 10, pp. 1645–1669; S. Gupta, C.A. Pattillo and S. Wagh, “Effect of Remittances on Poverty and Financial Development in Sub-Saharan Africa”, *World Development* 37 (2009) 1, pp. 104–115.
- 16 P. Acosta, “Labor Supply, School Attendance, and Remittances from International Migration: The Case of El Salvador”, Policy Research Working Paper Vol. 3903 (2006) World Bank, Washington D.C.; A. Posso, “Remittances and Aggregate Labor Supply: Evidence from Sixty-Six Developing Nations”, *Developing Economics* 50 (2012) 1, pp. 25–39.
- 17 A. Cox Edwards and M. Ureta, “International Migration, Remittances, and Schooling. Evidence from El Salvador”, *Journal of Development Economics* 72 (2003) 2, pp. 429–461.
- 18 C. Ambrosius, B. Fritz and U. Stiegler, “Remittances for Financial Access: Lessons from Latin American Microfinance”, *Development Policy Review* 32 (2014) 6, pp. 733–753; G. Bettin and A. Zazzaro, “Remittances and Financial Development: Substitutes or Complements in Economic Growth?”, *Bulletin of Economic Research* 64 (2012) 4, pp. 509–536.
- 19 P. Giuliano and M. Ruiz-Arranz, “Remittances, Financial Development, and Growth”, *Journal of Development Economics* 90 (2009) 1, pp. 144–152; T.H.W. Ziesemer, “Worker Remittances and Growth: The Physical and Human Capital Channels”, *Jahrbücher für Nationalökonomie und Statistik* 229 (2009) 6, pp. 743–773.
- 20 B. Barham and S. Boucher, “Migration, Remittances, and Inequality. Estimating the Net Effects of Migration on Income Distribution”, *Journal of Development Economics* 55 (1998) 2, pp. 307–331.
- 21 R.H. Adams, “Evaluating the Economic Impact of International Remittances On Developing Countries Using Household Surveys: A Literature Review”, *Journal of Development Studies* 47 (2011) 6, pp. 809–828; M. Orozco, “Globalization and Migration. The Impact of Family Remittances in Latin America”, *Latin American Politics & Society* 44 (2003) 2, pp. 41–66.
- 22 Y. Abdih et al., “Remittances and Institutions: Are Remittances a Curse?”, *World Development* 40 (2012) 4, pp. 657–666.
- 23 A. Rodriguez, “Migración, sociedad y cultura en Nueva Concepción. Una revisión desde la etnografía”, in: M. Lungo and S. Kandel (eds.), *Transformando El Salvador. Migración, Sociedad y Cultura*, San Salvador: FUNDE, 1999, pp. 221–270.
- 24 K. Burgess and B. Tinajero, “Remittances as Non-State Transnational Transfers? Lessons from Mexico and El Salvador”, *International Studies Review* 11 (2009) 2, pp. 404–413.
- 25 P. Landolt, “Salvadoran Economic Transnationalism. Embedded Strategies for Household Maintenance, Immigrant Incorporation, and Entrepreneurial Expansion”, *Global Networks: A Journal of Transnational Affairs* 1 (2001) 3, pp. 217–242.
- 26 C. Perez-Armendariz and D. Crow, “Do Migrants Remit Democracy? International Migration, Political Beliefs, and Behavior in Mexico”, *Comparative Political Studies* 43 (2009) 1, pp. 119–148.

Although remittances have enjoyed unprecedented attention over the last decade, their qualitative depth in penetrating economic spaces in societies of today's Global South and their capacity to transform them were never fully noticed. In detail, this research gap consists of two levels. Firstly, qualitative studies on how remittances emerge, on local conditions, and on their local causes and effects are scarce.²⁷ Secondly, and on a macro level, it is still unknown how the inflow of remittances qualitatively shapes established and often institutionalized economic spaces, particularly of developing societies.²⁸

A second challenge to our project consists in the rather underdeveloped role of economic factors, particularly of remittances, in the vast literature on migration, transnationalism, and transnational spaces. Although important insights for the relationship between remittances senders and their families can be gained from the debate on transnationalism,²⁹ and even though migration has long been a basis for discussions on space and particularly on transnational social space,³⁰ remittances have seldom been studied in detail in this regard.³¹

The discussion on migration, however, shows that (trans)migration is able to produce transnational or rather "pluri-local social spaces";³² which are neither delocalized nor deterritorialized. Two aspects of these social (trans)migrant spaces, which emerge out of translocal experiences with processes of globalization,³³ are of utmost importance for our project. Firstly, these social spaces are described and analyzed as effects of bargaining and negotiation among migrants and their families about remittances in general. They can particularly be the result of discussions about when, how, and where remittances are sent; and about by whom, for what, and where they are used. Secondly, these transnational spaces are fields of social forces, and therefore act as social arenas in which different actors meet to realize their respective strategies for gaining access to and defining the meaning of remittances.

If we transfer these ideas to remittances, it becomes evident that motivations for sending money back home and the effects of these financial inflows on the societies that receive remittances are deeply interwoven.³⁴ This discussion shows that the relationship between migrant and family is best understood as a

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- 27 A. Garni, "Land Tenure, Migration, and Development: A Comparative Case Study", *Latin American Research Review* 48 (2013) 1, pp. 133–154; A. Garni and F. L. Weyher, "Dollars, 'Free Trade', and Migration: The Combined Forces of Alienation in Postwar El Salvador", *Latin American Perspectives* 40 (2013) 5, pp. 62–77; D. McKay, "Cultivating New Local Futures: Remittance Economies and Land-use Patterns in Ifugao, Philippines", *Journal of Southeast Asian Studies* 34 (2003) 2, pp. 285–306; M.S. Solomon, "State-led Migration, Democratic Legitimacy, and Deterritorialization: The Philippines' labour export model", *European Journal of East Asian Studies* 8 (2009) 2, pp. 275–300. And as an overview on recent contributions in anthropology, see J. Carling, "Scripting Remittances. Making Sense of Money Transfers in Transnational Relationships", *International Migration Review* 48 (2014) 1, pp. 218–262.
- 28 This is by no means a purely quantitative statement. Remittances might play a crucial role in the course of development, if the numbers and shares of remittances in GDP, for instance, increase. However, at the same time, it is a matter of quality, and the shift from one development model to another literally driven by remittances remains our focus.
- 29 T. Faist, *The Volume and Dynamics of International Migration and Transnational Social Spaces*, Oxford: Oxford University Press, 2000; L. Pries, *Transnationalisierung: Theorie und Empirie grenzüberschreitender Vergesellschaftung*, Wiesbaden: VS Verlag für Sozialwissenschaften, 2010; S. Vertovec, "Migrant Transnationalism and Modes of Transformation", *International Migration Review* 38 (2004) 3, pp. 970–1001; S. Vertovec, *Transnationalism*, London: Routledge, 2009.
- 30 L. Pries (ed.), *New Transnational Social Spaces: International Migration and Transnational Companies in the Early Twenty-First Century*, London: Routledge, 2001; N. Glick Schiller and A. Simsek-Caglar, *Locating Migration: Rescaling Cities and Migrants*, Ithaca: Cornell University Press, 2011.
- 31 Cf. Burgess and Tinajero, "Remittances as Non-State Transnational Transfers?".
- 32 L. Pries, "The Approach of Transnational Social Spaces. Responding to New Configurations of the Social and the Spatial", in: L. Pries (ed.), *New Transnational Social Spaces: International Migration and Transnational Companies in the Early Twenty-First Century*, London: Routledge, 2001, pp. 3–33, at 6.
- 33 U. Freitag and A. v. Oppen, "Introduction. 'Translocality': An Approach to Connection and Transfer in Area Studies", in: U. Freitag and A. v. Oppen (eds.), *Translocality: The Study of Globalising Processes from a Southern Perspective*, Leiden: Brill Academic Publishers, 2010, pp. 1–21.
- 34 Concerning the migrants' motivations to remit money, research initially focused on altruism (R. Agarwal and A.W. Horowitz, "Are International Remittances Altruism or Insurance? Evidence from Guyana Using Multiple-Migrant Households", *World Development* 30 (2002) 11, pp. 2033–2044) or self-determined interests in preparing the return of migrants back to their societies of origin (R.P.C. Brown, "Estimating Remittance Functions for Pacific Island Migrants", *World Development* 25 (1997) 4, pp. 613–626). With the rise of the New Economics of Labour Migration, the social relationships between migrants abroad and their families at home were modelled as an implicit contract (R.E.B. Lucas and O. Stark, "Motivations to Remit: Evidence from Botswana", *The Journal of Political Economy* 93 (1985) 5, pp. 901–918; O. Stark and D.E. Bloom, "The New Economics of Labor Migration", *American Economic Review* 75 (1985) 2, pp. 173–178). In this regard, remittances are part of a risk-diversifying strategy applied by the families in overcoming structural constraints. These approaches thus explain the sending behaviour of migrants living abroad either directly out of migration (as a contract), out of assumptions on altruism (by the migrant), or as a risk-diversifying strategy (by families). In fact, the social relationship between the remitter and the receiver of remittances remains unclear, since the interdependency between both units of analysis has been excluded so far (but see Carling, "Scripting Remittances").

complex field of negotiation and a particular socioeconomic ensemble, since it is dominated by reciprocal patterns of communication, moral obligations, the struggle for social recognition, and feelings of guilt and shame.³⁵ Our own research on violence in Central America, which touched on some of these issues,³⁶ made us aware of the importance of hard interests and even force, for instance in situations where children are left behind in the home society and held as hostages. If both factors, that is communication and emotions such as guilt or moral obligations on the one hand, as well as hard interests and force on the other hand, are to be taken into consideration, the analysis of remittances needs to include culturalist approaches as well as those centered on political economy. A major challenge thus consists in approaching space from both of these positions. A central aim of our project is hence to translate these thoughts on transnational social spaces into economics, thereby approaching transnational economic spaces.

Thirdly and finally, economics delivers further insights for analyzing transnational economic spaces. Here, transnational economic spaces are traditionally described as currency areas.³⁷ Nowadays, in line with global processes of economic integration, the discussion has shifted towards focusing on free-trade zones, tax unions, or common markets.³⁸ Recently, geographic formats, such as the concept of region, enjoyed increasing attention.³⁹ However, the discussion on economic space can be classified as the last bastion of “methodological territorialism”,⁴⁰ as it takes several hard ontological presuppositions.

The economic discussion evinces at least the following three tendencies that call for a substantial critique. A first tendency is based on the assumption of “capitalocentrism” of economic spaces.⁴¹ Apparently, the vast majority of authors treats economic spaces as being capitalistic. Non-capitalistic but still economic spaces thus remain outside the research scope. Secondly, economic spaces are conceptualized as flat as well as internally and externally homogenous. In essence, economic spaces are treated as singular places.⁴² Because of global economic interactions, and following neoclassical thought based on equilibrium models, the mainstream expects global convergence towards perfectly functioning market forces and a tendency towards “a homogenous economic space without borders and frictions”.⁴³ Following this body of literature, globalization dissolves economic boundaries and borders and thus homogenizes the world economy.⁴⁴ As a final tendency, and perhaps as a fast exit option to circumvent the above mentioned tendencies, some leading authors simply state that “the totality of economic activities is so unstructured and complex that it cannot be an object of effective calculation, management, governance, or guidance” and that it naturally cannot be an object of scientific research in this regard.⁴⁵ In this light, the materiality of economics is simply abandoned. Instead, following these authors, research should exclude ontological dimensions and focus on economic visions and the ideational construction of economic spaces.

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- 35 J. Carling, “The Human Dynamics of Migrant Transnationalism”, *Ethnic & Racial Studies* 31 (2008) 8, pp. 1452–1477; S. Velayutham and A. Wise, “Moral Economies of a Translocal Village: Obligation and Shame among South Indian Transnational Migrants”, *Global Networks: A Journal of Transnational Affairs* 5 (2005) 1, pp. 27–47.
- 36 H. Warnecke, “Gewaltpraxis zwischen Kultur, Kognition und Ökonomie. Das Beispiel der Jugendbanden in El Salvador”, in: H. Zinecker (ed.), “Gewalt und Kognition – Beispiele aus Lateinamerika, Südosteuropa und dem Kaukasus”, *Contested Orders Working Paper*, Leipzig: Universität Leipzig, 2013, pp. 8–31; H. Zinecker, *Gewalt im Frieden: Formen und Ursachen der Gewaltkriminalität in Zentralamerika*, Baden-Baden: Nomos, 2014.
- 37 R.A. Mundell, “A Theory of Optimum Currency Areas”, *American Economic Review* 51 (1961) 4, pp. 657–665.
- 38 See B. Balassa, “Towards a Theory of Economic Integration”, *Kyklos* 14 (1961) 1, pp. 1–17.
- 39 P.R. Krugman, A. Venables and M. Fujita, *The Spatial Economy: Cities, Regions and International Trade*, Cambridge, MA: MIT Press, 1999; J.D. Sachs, “Institutions Matter, but Not for Everything. The Role of Geography and Resource Endowments in Development Shouldn’t be Underestimated”, *Finance & Development* 40 (2003) 2, pp. 38–41.
- 40 E. Sheppard, “Geography, Nature, and the Question of Development”, *Dialogues in Human Geography* 1 (2011b) 1, pp. 46–75, at 54.
- 41 K. Gibson and J. Graham, *The End of Capitalism (As We Knew It): A Feminist Critique of Political Economy*, Minneapolis: University of Minnesota Press, 2006, at 6.
- 42 Sheppard, “Geography, Nature, and the Question of Development”, at 47.
- 43 C. Berndt and M. Boeckler, “Performative Regional (Dis)Integration. Transnational Markets, Mobile Commodities, and Bordered North-South Differences”, *Environment and Planning A* 43 (2011) 5, pp. 1057–1078, at 1057.
- 44 However, critics have pointed out that in the light of global commodity chains (G. Gereffi and M. Korzeniewicz (eds.), *Commodity Chains and Global Capitalism*, Westport: Greenwood Press, 1994) and global production networks (N.M. Coe and M. Hess, “Global Production Networks, Labour and Development”, *Geoforum* 44 (2013), pp. 4–9; P. Dicken, *Global Shift: Mapping the Changing Contours of the World Economy*, New York: Guilford Press, 2011, pp. 427–435; J. Henderson et al., “Global Production Networks and the Analysis of Economic Development”, *Review of International Political Economy* 9 (2002) 3, pp. 436–464), convergence towards a homogenous global economic space is hardly achievable.
- 45 B. Jessop and S. Oosterlynck, “Cultural Political Economy. On Making the Cultural Turn Without Falling Into Soft Economic Dociology”, *Geoforum* 39 (2008) 3, pp. 1155–1169, at 1157.

Theoretical Building Blocks for our Project

These three challenges to our project have clarified that the entire project cannot rely on an existing theory-guided reflection, or even on unitary theory of economic spatial formats. Such a theoretical perspective simply does not exist in the case of remittances, or seems far too elementary to cover all-important issues, as was discussed in the case of economic literature.

Globalization, Global Flows, and Remittances

The present project, in line with the entire SFB 1199, follows the idea that globalization, understood as an interplay of flows and controls, causes deterritorialization as well as reterritorialization of non-global spatial references. On the one hand, transnational flows of labor, goods, services, communication, or knowledge break up those social relations, which are more narrowly defined as regimes of territorialization.⁴⁶ On the other hand, globalization fosters efforts envisioned by actors who privilege national sovereignty, which in the latter case came under depression due to deterritorializing tendencies enacted by global flows. However, the dissolution of non-global spatialities and ensembles can be opposed with reterritorializing forms of social organization that are not exclusively located on the scale of the nation state.⁴⁷ In particular, this entails flows that do not operate on the scale of the nation state, but surpass, undergo, or overcome this scale. In contrast, control is not only shaped by local, regional, or transnational configurations, but at the same time, control constitutes itself in political strategies that can take the scale of the nation state as a reference.

Remittances are part of these global flows. They are preceded and enabled by flows of people through migration. Remittances undermine established patterns of territorialization of political as well as economic forms of control, as the modes of access to economic surplus inscribed in these forms of control no longer function. Remittances thus provoke deterritorialization as well as reterritorialization. While remittances remain a stable flow of money on a macro level, even in times of crisis, they withdraw from usual forms of control that are constructed to regulate other forms of global financial flows. On a micro level, in contrast, remittances prove to be highly volatile, even chaotic. Remittances arise from local conditions and experiences and therefore respond to localized forms of control. At the same time, remittances assume global significance due to their macro stability.

The concept of flow in recent theorizing of globalization is adapted from anthropological literature. In Appadurai's vision, the nature of the "global flows" is "chaotic".⁴⁸ Flows thus are in opposition to the stable, solidified, and congealed spatial order. Thus, Appadurai maintains a dichotomy of a "processual geography" and a "geography of space",⁴⁹ who also call for a more diverse set of flow variances). This concept of global flows, as criticized by Geschiere and Meyer and Brenner suffers from a tendency "towards closure and fixing at all levels".⁵⁰ This project attempts to avoid this tendency. In contrast, Castells has included this time-related, dynamic momentum more profoundly.⁵¹ He does so by juxtaposing his "Space of Flows" with the static "Space of Places". The project takes up the idea of the dynamic element of Castells. However, it does not aim

46 C.S. Maier, "Consigning the Twentieth Century to History. Alternative Narratives for the Modern Era", *The American Historical Review* 105 (2000) 3, pp. 807–831; C.S. Maier, "Transformations of Territoriality. 1600–2000", in: O. Janz, S. Conrad and G. Budde (eds.), *Transnationale Geschichte: Themen, Tendenzen und Theorien [Jürgen Kocka zum 65. Geburtstag]*, Göttingen: Vandenhoeck & Ruprecht, 2006, pp. 32–55.

47 N. Brenner, "Beyond State-Centrism? Space, Territoriality, and Geographical Scale in Globalization Studies", *Theory and Society* 28 (1999) 1, pp. 39–78; N. Brenner, *New State Spaces: Urban Governance and the Rescaling of Statehood*, Oxford: Oxford University Press, 2004; Middell and Naumann, "Global history and the Spatial Turn".

48 A. Appadurai, *Modernity at Large: Cultural Dimensions of Globalization*, Minneapolis: University of Minnesota Press, 1996, pp. 27–47.

49 Cf. J.M. Heyman and H. Campbell, "The Anthropology of Global Flows. A Critical Reading of Appadurai's 'Disjuncture and Difference in the Global Cultural Economy'", *Anthropological Theory* 9 (2009) 2, pp. 131–148, who also call for a more diverse set of flow variances.

50 Brenner, "Beyond State-Centrism?"; P. Geschiere and B. Meyer, "Globalization and Identity. Dialectics of Flow and Closure", *Development and Change* 29 (1998) 4, pp. 601–615; Geschiere and Meyer, "Globalization and Identity", at 614.

51 M. Castells, *The Information Age. Economy, Society, and Culture: Vol. 1: The Rise of the Network Society*, Oxford: Wiley-Blackwell, 1996; M. Castells, "Materials for an Exploratory Theory of the Network Society", *The British Journal of Sociology* 51 (2000) 1, pp. 5–24.

to describe a general transformation of the Space of Flows to the Space of Places as Castells does, nor does it even suggest a dichotomous distinction between the two.

Economic Space and Spatial Perspectives

Therefore, and in order to allow for a proper conceptualization of remittances and their economic spatialities, the present project draws on broader, more general models of spatial thought, particularly in the fields of philosophy and in the social sciences.

The SFB 1199 and in particular the project B04 are committed to the task of conceptualizing spatial formats as well as their relationship to spatial orders. In order to do so, central terms and categories of the present project such as “space” and “economic space” have to be approached and conceptualized.

Several restrictions render this task more problematic than it might appear at first glance. On the one hand, space is still “under-theorized”.⁵² On the other hand, numerous and very different spatial ideas and concepts as well as terms of space compete in literature sources. In accordance with Henri Lefebvre and Edward Soja, this project distinguishes between space as “given” and space as “produced” or “socially appropriated”.⁵³ The project therefore draws on the spatial turn in approaching space as a central dimension of human practice.⁵⁴ Henri Lefebvre distinguishes three mutually influencing spatial dimensions, namely *spatial practice*, which is based on a material production of space and which excludes space as a construct, while avoiding reification or a proximity to the container space concept since it is defined as everyday practice; *representations of space*, which refer to a conceptualized space, that is to conceiving and cognitively aiming at space (which has nothing to do with the perception of space); and *spaces of representation* as lived spaces, which refer to something else. For Lefebvre “space [is] a mental and a material construct”.⁵⁵

Although Henri Lefebvre intended to elaborate on a three-dimensional dialectic linking these three dimensions and thereby continuing a Marxist alternative and eventually overcoming theoretical polarization⁵⁶, three different spatial conceptualizations still enjoy primary attention in literature, namely space as absolute space; space as relational space; and space as imagined space.⁵⁷

The project follows these leading theorists of space, such as Lefebvre, Löw, Harvey, Schroer, in assuming that (social) space has to be thought of in several layers.⁵⁸ These layers can complement, penetrate, reinforce and contradict each other, but are always effective simultaneously.⁵⁹ Space in general, and in particular, each respective spatial format in its specific dimension therefore ensue from the mutual negotiation of all three layers of space, which will be discussed below. A successful spatial format then consists in the process of bringing these following three spatial layers into congruence and synchronizing their functioning.

52 K.F. Gotham, “Toward an Understanding of the Spatiality of Urban Poverty. The Urban Poor as Spatial Actors”, *International Journal of Urban and Regional Research* 27(2003) 3, pp. 723–737, at 723.

53 Lefebvre, *The Production of Space*; E.W. Soja, *Postmodern Geographies: The Reassertion of Space in Critical Social Theory*, London: Verso, 1989.

54 Socially appropriated spaces are social spaces. Territories can be social spaces too, and are therefore not necessarily to be taken as a given. Whether spaces can exist independently of production, appropriation or experience of humans is not relevant for the presented project, although it could not be doubted in a completely unexplored and constantly expanding universe. If human appropriation were actually considered a necessary condition for space, unexplored spaces would require another terminology. Nevertheless, this would not solve the underlying philosophical problem. However, this issue is not addressed by this project (T.R. Schatzki, “Spaces of Practices and of Large Social Phenomena”, *EspacesTemps.net. Revue indisciplinaire de sciences sociales* (2015) pp. 1–16).

55 S. Elden, “There is a Politics of Space because Space is Political. Henri Lefebvre and the Production of Space”, *Radical Philosophy Review* 10 (2007) 2, pp. 101–116, at 110.

56 See, for example, Brenner and Elden, Goonewardena *et al.*, Schmid for a critical examination of Lefebvre’s ideas and concepts (N. Brenner and S. Elden (eds.), *State, Space, World. Selected Essays. Henri Lefebvre*, Minneapolis: University of Minnesota Press, 2009; K. Goonewardena and al. (eds.), *Space, Difference, Everyday Life. Reading Henri Lefebvre*, New York: Routledge, 2008; C. Schmid, *Stadt, Raum und Gesellschaft: Henri Lefebvre und die Theorie der Produktion des Raumes*, Stuttgart: Steiner, 2005).

57 The division into these three conceptualizations of space are commonplace in literature. See, for instance, D. Harvey, *Spaces of Capital: Towards a Critical Geography*, New York: Routledge, 2001; B. Jessop, B. Brenner and M. Jones, “Theorizing Sociospatial Relations”, *Environment and Planning D* 26 (2008) 4, pp. 389–401; B.D. Massey, *Spatial Divisions of Labor: Social Structures and the Geography of Production*, New York: Routledge, 1984; B.D. Massey, “Power-Geometry and a Progressive Sense of Place”, in: J. Bird *et al.* (eds.), *Mapping the Futures: Local Cultures, Global Change*, London: Routledge, 1993, pp. 59–69.

58 D. Harvey, *Spaces of Neoliberalization: Towards a Theory of Uneven Geographical Development, Hettner-Lectures*, 8 vols, Stuttgart: Steiner, 2005, pp. 93–115; Lefebvre, *The Production of Space*; M. Löw, *Raumsoziologie*, Frankfurt a.M.: Suhrkamp, 2001; Schroer, *Räume, Orte, Grenzen*.

59 M. Löw, “Stadt- und Raumsoziologie”, in: G. Kneer and M. Schroer (eds.), *Handbuch Spezielle Soziologien*, Wiesbaden: VS Verlag für Sozialwissenschaften, 2010, pp. 605–622, at 617.

The Topography of Economic Space(s)

Regarding the first layer, the presented project assumes that the material perspective on space does not necessarily depend on an absolute or container perspective. “Methodological territorialism”⁶⁰ as well as “methodological nationalism”⁶¹ can be avoided, in our view, not by neglecting the ontological level per se, but by refocusing on a moderate substrate of a space ontology.⁶²

The project defines space in its economic articulation in a broader sense, but includes the materiality of space therein. Apart from the other two layers, space thus always contains a “visible material world.”⁶³ This visible material world in its economic sense is deeply entangled with the emergence and availability of economic surplus. As soon as economic surplus evolves, analytically, a social division of labor arises. In the absence of economic surplus production, exchange and consumption are maintained at the same places. An initial rise in productivity, however, leads somehow to the division of places of production, places of consumption, and places of exchange.⁶⁴ In line with this process, usually called sedentarization, a pure place-based economy develops into a spatialized economy. From this point onwards, a relationship has to be established between the diverging places of production, consumption, and exchange. Three particular issues of this relationship seem to be crucial.

The first issue consists in the substitutability of places where economic practices take place.⁶⁵ For instance, a place of production is fully substitutable if the same product can be produced at the same cost at any other place, without involving transaction costs. In contrast, an economic place is non-substitutable if the goods can be produced only at this particular place. Both extremes can be described as poles of a continuum between the full substitutability and the non-substitutability of economic places. However, both poles are rather unrealistic. In reality, therefore, economic spaces need to interlink various places of differing substitutability. In this way, economic spaces are essentially never fully territorialized and never fully deterritorialized. These interlinked places where economic practices take place rather form networks. Indeed, our project maintains that economic spaces are always networks.

Networks interlink topologically and relate different places on a horizontal level by producing links, connections, and ties.⁶⁶ While the discussion on economic networks shows that capital, labor, and commodities cross national borders by moving from one place to another, this discussion does not consider that new borders as well as profound asymmetries are created by the same forces that are held accountable for the convergence of economic spaces towards a unifying homogenous economic entity. The concept of net-

60 P. Plummer and E. Sheppard, “Geography Matters. Agency, Structures and Dynamics at the Intersection of Economics and Geography”, *Journal of Economic Geography* 6 (2006) 5, pp. 619–637, at 621.

61 U. Beck and E. Grande, “Jenseits des methodologischen Nationalismus. Außereuropäische und europäische Variationen der Zweiten Moderne”, *Soziale Welt* 61 (2010) 3–4, pp. 187–216; A. Wimmer and N. Glick Schiller, “Methodological Nationalism and Beyond: Nation-State Building, Migration and the Social Sciences”, *Global Networks: A Journal of Transnational Affairs* 2 (2002) 4, pp. 301–334.

62 This ontology is particularly important, since the project focuses on asymmetries and differentials of political power. As Schroer shows, maintaining this ontological level is particularly important in analysing these phenomena (Schroer, *Räume, Orte, Grenzen*, at 174–177).

63 D. Reichert, “Räumliches Denken als Ordnen der Dinge”, in: D. Reichert (ed.), *Räumliches Denken*, Zürich: vdf Hochschulverlag, 1996, pp. 15–45, at 15.

64 D. Massey, “Uneven Development: Social Change and Spatial Divisions of Labor”, in: T. Barnes et al. (eds.), *Reading Economic Geography, Blackwell readers in geography*, Malden: Blackwell Pub, 2004, pp. 111–124, at 113; R. A. Walker, “Class, Division of Labour and Employment in Space”, in: D. Gregory and J. Urry (eds.), *Social Relations and Spatial Structures, Critical human geography*, Basingstoke: Macmillan, 1985, pp. 164–189, at 183.

65 M. Storper, “Territories, Flows, and Hierarchies in the Global Economy”, in: K. R. Cox (ed.), *Spaces of Globalization: Reasserting the Power of the Local, Perspectives on economic change*, New York: Guilford Press, 1997, pp. 19–44, at 21–29.

66 H. Leitner and E. Sheppard, “The City is Dead, Long Live the Net’: Harnessing European Interurban Networks for a Neoliberal Agenda”, *Antipode* 34 (2002) 3, pp. 495–518.

works is thus an important step towards modelling economic spaces.⁶⁷ However, the same concept tends to flatten hierarchies and power differentials.⁶⁸

In this regard, a major challenge for our project consists in elaborating an adequate understanding of economic networks as an underlying topography of economic space. Since the metaphor of networks was initially introduced to describe situations in which conventional forms of political and economic control, such as the nation-state, were no longer able to fulfil their promises, alternative understandings of politico-economic control and social change flourished. Different conceptions of governance in political science,⁶⁹ of clusters in economic and geographic research,⁷⁰ and of regional growth complexes,⁷¹ for instance, signal that research increasingly mistrusted well-established ideas of politico-economic control and regulation.

A second issue results from the substitutability of places. Economic spaces are always composed of three interlinked spheres, namely production, exchange, and consumption. The production of goods involves capital, physical resources, and primary products, as well as labor. Each of these "production factors" follows its own place-based nature.⁷² While capital is perceived to be mobile, labor is mostly place-based.⁷³ The sphere of consumption, on the other hand, just like the sphere of production, fixes capital in a spatial ensemble and therefore produces its own forms, such as the supermarket, the shopping mall, and so on.⁷⁴ Consumption then has to be regarded as "an ongoing process rather than a momentary act of purchase."⁷⁵ Connecting both production and consumption gives rise to the sphere of exchange. This sphere links places of production with places of consumption, as well as internally to each sphere; labor with capital in production; as well as consumers with goods in the sphere of consumption. Value comes into circulation through exchange and this exchange functions through money nowadays.

The third and final crucial issue of the ontology of economic spaces consists in the time lag between production and consumption. Once goods have been produced, they have to be exchanged, brought to the consumer, and finally consumed. The time between these different steps, hence between the production

67 The concept of networks gained significance in describing a multiple and simultaneous existence of forms, modes, and sets of social relations, institutions, as well as regulations. The trend of confronting nation-state rule with networks of simultaneous modes of control is even more far-reaching since the discussion on networks is, in a way, endemic. Only to name some approaches, the concept of networks is discussed in macro social theory (Castells, *The Information Age*), micro social theory (M.S. Granovetter, "The Strength of Weak Ties", *American Journal of Sociology* 78 (1973) 6, pp. 1360–1380), economic geography (A. Wood and S. Roberts, *Economic Geography: Places, Networks and Flows*, London: Routledge, 2011), and history (J. Osterhammel, *Die Verwandlung der Welt*, München: C.H. Beck, 2009). By focusing on this simultaneity, and indeed this is its major strength, the concept inherited its major weakness in grasping asymmetries and differences between these different modes, forms, and sets of social relations. In following such an understanding of a flat and superficial network, which primarily consists of horizontal links among and between societies and/or social actors, one would not escape from the sole focus on the first topographical layer of economic space. Instead, by focusing on the layer of relational space as well, the notion of frictions, social conflict, and endless negotiations on the gestalt of economic networked space gains prominence. Still maintaining a certain flat conception of the network metaphor, Dicken *et al.* (P. Dicken and al., "Chains and Networks, Territories and Scales. Towards a Relational Framework for Analysing the Global Economy", *Global Networks* 1 (2001) 2, pp. 89–112, at 91) introduce power differentials by drawing on actor-network theory (see e.g. the conception of power in B. Latour, "The Powers of Associations", in: J. Law (ed.), *Power, Action and Belief*, London: Routledge, 1986, pp. 264–280). In this regard, it is not about the position in a network that informs power differentials, but about the actors' capabilities to "drive networks and make things happen". However, the position of actors in such a network remains on a basic horizontal level.

68 J. Joseph, "The Problem with Networks Theory", *Labor History* 51 (2010) 1, pp. 127–144, at 127–128; H. Leitner, C. Pavlik and E. Sheppard, "Networks, Governance, and the Politics of Scale: Inter-Urban Networks and the European Union", in: A. Herod and M. W. Wright (eds.), *Geographies of Power: Placing Scale*, Malden: Blackwell, 2002, pp. 274–303, at 285–286; J. Osterhammel and N.P. Petersson, *Geschichte der Globalisierung: Dimensionen, Prozesse, Epochen*, München: C.H. Beck, 2003, at 20–22; G.F. Schuppert, *Verflachte Staatlichkeit: Globalisierung als Governance-Geschichte*, Frankfurt a.M.: Campus, 2014, at 172–180; G. Therborn, "Globalizations: Dimensions, Historical Waves, Regional Effects, Normative Governance", *International Sociology* 15 (2000) 2, pp. 151–179.

69 J.N. Rosenau, "Governance in the Twenty-first Century", *Global Governance* 1 (1995) 1, pp. 13–43; G.F. Schuppert (ed.), *Governance-Forschung: Vergewisserung über Stand und Entwicklungslinien*, Baden-Baden: Nomos, 2006; A. Wald and D. Jansen, "Netzwerke", in: A. Benz *et al.* (eds.), *Handbuch Governance: Theoretische Grundlagen und empirische Anwendungsfelder*, Wiesbaden: VS Verlag für Sozialwissenschaften, 2007, pp. 93–105.

70 S. Breschi and F. Malerba, "The Geography of Innovation and Economic Clustering. Some Introductory Notes", *Industrial and Corporate Change* 10 (2001) 4, pp. 817–833; M.E. Porter, "Clusters and the New Economics of Competition", *Harvard Business Review* 76 (1998) 6, pp. 77–90.

71 P. Krugman, "Increasing Returns and Economic Geography", *The Journal of Political Economy* 99 (1991) 3, pp. 483–499; Krugman, Venables and Fujita, *The Spatial Economy*.

72 M. Storper and R. Walker, *The Capitalist Imperative: Territory, Technology, and Industrial Growth*, New York: Blackwell, 1989.

73 N. Castree *et al.*, *Spaces of Work: Global Capitalism and Geographies of Labour*, Thousand Oaks: Sage, 2004; R. Hudson, *Economic Geographies: Circuits, Flows and Spaces*, London: Sage, 2005; A. Jones, "The Rise of Global Work", *Transactions of the Institute of British Geographers* 33 (2008) 1, pp. 12–26.

74 Hudson, *Economic Geographies*, at 167.

75 L. Crewe, "Geographies of retailing and consumption", *Progress in Human Geography* 24 (2000) 2, pp. 275–290, at 280.

process, exchange, and consumption, involve circulation costs.⁷⁶ Thus, on the one hand, economic spaces are costly in the sense that they incur costs in overcoming territorial space through transportation.⁷⁷ On the other hand, economic spaces are closely related to the use of time. In order to guarantee the functioning of economic spaces, production has to meet consumption. While economic spaces are networks in a static model, in a dynamic model, these spaces function as circuits of goods and values.⁷⁸

This first spatial layer of economic spaces therefore is constituted through peoples' struggles to construct circuits of value that are sustainable across space and time, and so to make a living through the consumption, exchange, and production of value.⁷⁹ In essence and as a first and ontological layer, economic spaces take the form of networks and function in time as circuits of social reproduction. Thus, this project maintains an ontological level but simultaneously intends to translate this ontology into the language of the spatial turn.

The Relationality of Economic Space(s)

The second of the three layers of space introduced above deals with the relationality of space. The relationality of space is most often associated with Leibniz's critique on Newton's conception of an absolute space. For Leibniz, neither time nor space contains a substantial reality nor materiality. He maintains that the location of objects in space are a function of the relations among all objects. In this sense, the location of objects is relative to the location of other objects, thereby rejecting the Euclidean/Newtonian absolute conception of space.⁸⁰ The relational space thus is defined in accordance with Löw as the "relational ordering of living entities and social goods."⁸¹

The relationality of space, however, does not only consist in the relational location of objects, but also in the relation of different layers of space. While the material base of economic spaces forms part of the practice level of economic action, economic spaces obviously do not exist on their own. They necessarily have to be brought *in relation* to political spaces, because maintaining the division of labour through the (re) distribution of economic surplus involves political power. Introducing political power into the materiality of space thus opens the view on a relational character of space. The "relational ordering of living entities and social goods" as Löw defines relative space, involves "spacing [that is] the positioning in relation to other positionings."⁸²

Analytically, again, the starting point of spacing lies in the availability and the access to economic surplus. The first layer of economic space, topography, evolves from the division of labour on a horizontal level, hence the separation of places of production, places of exchange, and places of consumption. Consequently the second layer, the relational character of space, evolves during the confining this topography. Spacing economic spaces thus means to establish boundaries and borders, to define inflows and outflows, to allocate labor and capital, to access economic surplus, to impose property rights and therefore to bring topographically chaotic and potentially boundless economic practices "in order". Regarding economic spaces, spacing thus creates vertical links of different intensities between and among actors and places. Moreover, spacing thus enables social action to strategically interfere in the processes of knotting, tying, and entangling, eventually aiming to create new links or to dissolve existing links.

76 This was discovered early on by Marx (K. Marx, *Grundrisse der Kritik der politischen Ökonomie*, MEW, 42 vols, Berlin: Dietz Verlag, 1972, at 430) in his *Grundrisse* and again highlighted by Harvey (Harvey, *Spaces of Capital*) in his spatial crisis theory of capitalism.

77 E. Sheppard, "Transportation in a Capitalist Space-Economy. Transportation Demand, Circulation Time, and Transportation Innovations", *Environment and Planning A* 22 (1990) 8, pp. 1007–1024; E. Sheppard and T. Barnes, *The Capitalist Space Economy: Geographical Analysis after Ricardo, Marx and Sraffa*, London: Unwin Hyman, 1900.

78 R. Lee, "Nice Maps, Shame About the Theory? Thinking Geographically About the Economic", *Progress in Human Geography* 26 (2002) 3, pp. 333–355; R. Lee, "The Ordinary Economy. Tangled up in Values and Geography", *Transactions of the Institute of British Geographers* 31 (2006) 4, pp. 413–432.

79 R. Hudson, "Conceptualizing Economies and their Geographies. Spaces, Flows and Circuits", *Progress in Human Geography* 28 (2004) 4, pp. 447–471; Hudson, *Economic Geographies*; Lee, "The Ordinary Economy"; E. Sheppard, "Geographical Political Economy", *Journal of Economic Geography* 11 (2011) 2, pp. 319–331.

80 Schroer, *Räume, Orte, Grenzen*, at 38–40; Löw, *Raumsoziologie*, at 24–33.

81 Löw, *Raumsoziologie*, at 272; M. Löw, "The Constitution of Space. The Structuration of Spaces Through the Simultaneity of Effect and Perception", *European Journal of Social Theory* 11 (2008) 1, pp. 25–49, at 35.

82 Löw, "The Constitution of Space", at 35.

All these strategies of spacing involve the use of political power in arranging and shaping space; in re-defining links among places where economic practices take place; in making some of these links more possible than others; and in turn, imposing costly barriers on other links. Spacing thus introduces a vertical level to the horizontal topographical layer.

According to the mode of spacing discussed above, three analytical spheres of economic life—production, exchange, and consumption—can be distinguished. In the sphere of exchange, for instance, spacing understood as confining interlinkages of economic places becomes most apparent in the making of monetary systems, ultimately controlled by centralized state apparatuses.⁸³ Currency areas thus are spaces confined by the availability of a legal tender, in which the transaction costs between places located within this space are minimized. At the same time, transaction costs beyond this space increase. In this regard, spacing by using political power enables economic practices among economic places within this space and restrains economic practices beyond and across different spaces. As an effect of ordering economic practices and their places, thus, economic life becomes organized.⁸⁴ The topographical network of the first layer of economic space is shaped.

By focusing on political power and spacing as the inherent process of producing relational space, our project aims at focusing on inequalities, on power differentials and on asymmetries, and particularly on different depths of both horizontal and vertical linkages and ties. If these asymmetries and power differentials are integrated theoretically, the conception of economic space escapes from narrow descriptions and the tendency to flatten social relationships. In this way, the image of a topographical economic network (as well as its meaning) eventually gains a 3D perspective by expanding and growing in depth.

Thus, the relationality of economic spaces that arises out of spacing transforms the notion of economic space. While the modest ontology of economic territory elaborated above describes the topography of places on a horizontal axis as well as describing the separation of different economic spheres and the rise of linkage places in the form of networks, the relationality of economic space refers to the vertical ordering of economic space. Economic space thus gains depth. Despite the asymmetric shape of economic space on a horizontal level being a focal point of cluster research,⁸⁵ the discussion on the rise of regions to the detriment of nation states⁸⁶ and the recent debate on global cities⁸⁷, any discussion on the different depths of economic spaces on a vertical level and the spatial tensions that arise out of this depth have attracted little or no attention. In this sense and in a second step, the “relational space” of the economy can be projected *onto* its topography.

As a result, the material and modest absolute layer of economic space in the sense of economic territory does not exist on its own. It necessarily has to be associated with relational space. In a strict sense, economic space then is always politico-economic.

Imagineries of Economic Space(s)

While the first and second layers of economic space, that is, economic topography, and the relationality of space, still maintain a certain ontology, the third and final layer adds an epistemological notion of space. This layer of space in our project is labelled “imagined space”. Our conception of imagined economic space draws on the broader discussion about an evolving cultural economic geography, which was initiated by asking

83 B.J. Cohen, *The Geography of Money*, Ithaca: Cornell University Press, 1998; N. Dodd, “Money and the Nation-State. Contested Boundaries of Monetary Sovereignty in Geopolitics”, *International Sociology* 10 (1995) 2, pp. 139–154; E. Helleiner, *The Making of National Money: Territorial Currencies in Historical Perspective*, Ithaca: Cornell University Press, 2003.

84 This same process of spacing is relevant in the sphere of production as well as consumption. In this regard, class relations among workers and entrepreneurs are most important. However, the “fabrication of labour” as a class can similarly be understood as a struggle over collective goods in which labour accepts to focus on social struggles within certain boundaries (R. Biernacki, *The Fabrication of Labor: Germany and Britain, 1640–1914*, Berkeley: University of California Press, 1995; R. Biernacki, “Labor as an Imagined Commodity”, *Politics & Society* 29 (2001) 2, pp. 173–206)

85 Porter, “Clusters and the New Economics of Competition”.

86 A.J. Scott, *Regions and the World Economy: The Coming Shape of Global Production, Competition, and Political Order*, Oxford: Oxford University Press, 2000.

87 Scott even states that the world today would be characterized by a “global mosaic that is beginning to override the core-periphery relationships that have hitherto characterized much of the macro geography of capitalist development” (A.J. Scott, “Global City–Regions and the New World System”, in: S. Yusuf, S.J. Evenett and W. Wu (eds.), *Local Dynamics in an Era of Globalization: 21st Century Catalysts for Development*, New York: Oxford University Press, 2000, pp. 84–91 at 87).

“how to study the economic as a cultural formation?”⁸⁸ Imagined spaces contain imaginaries and representations of “the economy”. They articulate various “genres, discourses, and styles around a particular conception of the economy and its extra-economic conditions of existence”.⁸⁹ Imaginaries of economic space are mostly implicit⁹⁰ ideas, thoughts, and perceptions of agents and groups of agents who navigate in economic spaces. The cognitive effort *can* correspond to what Lefebvre meant by “representations of space”, that is, the “conception” or the cognitive aiming at space, and hence the strategic planning of space making.⁹¹ Imagination can also be relevant after the space is made, in the form of symbolization, or even stigmatization. This applies, for example, to the memory of space making and in particular to the symbolic demarcation of spaces. Space is appropriated with both forms of action, but now also on a “third level” of discourse, cognition, and mentality.⁹² At the same time, agents produce, or indeed reproduce, representations of economic spaces, such as advertisements, proclamations, and even scientific paradigms in describing economic life.

As it was argued above by focusing on relational economic space, this third layer of imagined space is likewise a “terrain of political struggle”⁹³ in which different social forces tend to “manipulate power and knowledge to secure recognition of the boundaries, geometries, temporalities, typical economic agents, tendencies and counter-tendencies, distinctive overall dynamic, and reproduction requirements of different imagined economies.”⁹⁴

However, these layers of space dimension can complement, penetrate, reinforce and contradict each other. Analytically, these three layers of space exist independently of each other, but for their functioning and for the production of a particular spatial format, they need to be brought into congruence with each other. This is the final external relationality of space. As a result, a veritable struggle over the “bringing into congruence” and the “synchronization” of the layers of space evolves. A particular economic spatial format, such as a national economy within politically established boundaries, or a transnational economic space that interlinks, merges, and even overcomes established economic spaces then evolves out of certain processes through which spatialized social practices are increasingly condensed, synchronized, and structured. Because of these processes, various actors establish a spatial format, which they perceive as appropriate and efficient in coordinating social practices. This established spatial format then enables actors to produce and reproduce social practices.

Main Objective of the Project

Our main objective is to understand and explain the genesis, character, and dynamics of transnational economic spaces that arise from remittances transfers as an emerging spatial format. We ask how these transnational economic spaces arise, how their dynamics can be described, and which potentials for development they bring.

88 N.J. Thrift, “Pandora’s Box? Cultural Geographies of Economies”, in: G.L. Clark, M.P. Feldman, and M.S. Gertler (eds.), *The Oxford Handbook of Economic Geography*, Oxford: Oxford University Press, 2000, pp. 689–702, at 689. See particularly the approach elaborated by Boeckler and Berndt (M. Boeckler and C. Berndt, “Kulturelle Geographien der Ökonomie”, *Zeitschrift für Wirtschaftsgeographie* 49 (2005) 2, pp. 67–80).

89 Jessop and Oosterlynck, “Cultural Political Economy”, at 1158.

90 Implicit imaginaries are used here in the sense of “tacit knowledge” as it was elaborated by Polanyi (M. Polanyi, *The Tacit Dimension*, Garden City: Doubleday, 1966).

91 Lefebvre, *The Production of Space*.

92 P. Schöttler, “Mentalitäten, Ideologien, Diskurse. Zur sozialgeschichtlichen Thematisierung der „dritten Ebene“”, in: A. Lüdtke (ed.), *Alltagsgeschichte: Zur Rekonstruktion historischer Erfahrungen und Lebensweisen*, Frankfurt a.M.: Campus, 1989, pp. 85–136, at 88.

93 G. Daly, “The Discursive Construction of Economic Space. Logics of Organization and Disorganization”, *Economy and Society* 20 (1991) 1, pp. 79–102, at 100; P. Miller and N. Rose, “Governing Economic Life”, *Economy and Society* 19 (1990) 1, pp. 1–31.

94 Jessop and Oosterlynck, “Cultural Political Economy”, at 1158.

The project aims to

- 1 show that these transnational economic spaces emerge, by interrelating places of remittances in societies from which remittances are sent with societies to which remittances are sent;
- 2 demonstrate that spatial tensions and conflicts are endemic within these emerging transnational economic spaces. Asymmetries, frictions, and boundaries arise out of these tensions due to the linking of certain places at different depths and different intensities. This encourages the idea of a three-dimensional network fueled by social tensions and conflict;
- 3 find out if and how transnational economic spaces sublate and overcome traditional patterns of territorialization in peripheral economies on a transnational as well as a translocal scale;
- 4 scrutinize if and how these emerging transnational economic networks converge in a developing spatial format.

In the following, we explain these objectives. Firstly, we examine the gestalt of transnational economic spaces produced by flows of remittances. Secondly, we zoom into these networks to focus on their most profound issue, meaning the relationship between migrants and their relatives living in societies of origin. Finally, we elaborate on strategies of social actors that are part of this relationship and strategies of actors that make use of this relationship.

Transnational Economic Spaces Produced by Remittances

We assume that remittances-receiving societies and remittances-sending societies are increasingly interwoven and form part of emerging transnational economic spaces. Our idea is to investigate where, how, and why these transnational economic spaces expose horizontal and vertical asymmetries. Since different actors and places are integrated into these spaces, at respectively different strengths and different depths, specific issues might gain more importance in relation to others. Some places of remittances are integrated, others are not, and still others are even excluded. Some actors are able to get strategically involved in networking, others are not, and others again are even hindered when they try to participate. As a result, spatial tensions and frictions arise; borders and boundaries are redefined, and power as well as future access to these spaces are challenged.

A second major challenge also arises out of the dynamic character of these transnational economic spaces. Instead of relating these emerging spaces to a “spatial fix”⁹⁵ out of an inherent contradiction of capitalism, our focus is on the dynamics of these spaces in combining capitalist as well as non-capitalist modes of sociation.⁹⁶ By opening up new opportunities for societies in the Global South, these transnational economic spaces are able to overcome structural constraints for development. Due to evolving asymmetries, these transnational spaces are able to reproduce structural inequalities on a global scale at the same time. A detailed analysis of the dynamics of these networked economic spaces therefore also has to focus on the historicity of the emergence of these spaces. As these spaces are currently “in the making”, they transform conventional forms of territorialization as well as opportunities to control global flows, such as still enduring forms of nationally institutionalized political economies. A crucial question then is the degree of this transformation. In our understanding, the terminology of scales is an important step towards elaborating on the depth of these spaces. While these economic spaces transcend the national scale, they simultaneously reaffirm this scale by providing new opportunities for established (national) institutions.⁹⁷ In this way, transnational economic spaces sublate, transcend, and overcome traditional patterns of territorialization, such

95 Harvey, *Spaces of Capital*, at 324.

96 Capitalist sociation in this regard depends on the maxim of profit. Non-capitalist sociation, in contrast, depends on the dominance of economic rents.

97 P.J. Taylor, “Places, Spaces and Macy’s. Place-Space Tensions in the Political Geography of Modernities”, *Progress in Human Geography* 23 (1999) 1, pp. 7–26. The debate on scale and the construction of scale is instructive in this regard (see S.A. Marston, “The Social Construction of Scale”, *Progress in Human Geography* 24 (2000) 2, pp. 219–242).

as nationally organized political economy, on a transnational as well as a translocal scale. This, however, does not imply that conventional forms of territorialization completely dissolve. In contrast, they become embedded in a transnational space in which their position vis-à-vis other actors and institutions has to be renegotiated in an ongoing process of tensions and social conflict.

Conditions for the Flow of Remittances: The Emergence of Translocal Moral Economies

In our conception of these transnational economic spaces, which arise from remittances and which are characterized by horizontal as well as vertical relations, the most profound issue consists of the migrant-family nexus. This translocal relationship, which connects the particular places from which the migrant sends money with those places to which the migrant sends this money is therefore the first step towards the evolution of transnational economic spaces that are produced and maintained by remittances. Initially, this relationship arises from migration flows, that is, people leaving their families and communities and migrating towards the Global North with the hope of finding better opportunities and living conditions. However, as the discussion on transnationalism and migration has shown, these migrants do not simply emigrate and immigrate; they do not simply leave their culture behind and assimilate into new cultural contexts. Quite the contrary: migrants maintain a social relationship with their families back home. At the same time, migrants form part of a migrant group within remittances-sending societies. They relate to each other in culturally alien societies and find common ground in shared experiences of migration.

Remittances are the most visible and most economically relevant effect of this translocal relationship. As the discussion on transnationalism above has shown, this nexus is by no means characterized exclusively by altruism or by self-interest. In contrast, the social relationship between senders and receivers of remittances combines a whole set of different layers and forms of communication that are themselves deeply entangled in the moral universe of both sender and receiver.

We argue that this relationship is best described as a translocal moral economy. The concept of the moral economy thereby captures social situations in which economic behavior is embedded in non-economic landscapes of knowledge and ideas, or rather in a moral universe, which is characterized by moral values about justice and other expectations of rights and obligations.⁹⁸ This moral economy informs and guides social action. However, moral economies can be manipulated, cultivated, and economized by the actors involved. Transferred onto the social relationship between migrant and family back home, the concept of the moral economy is able to shine a spotlight on general social conflicts about defining, forming, and shaping this social relationship. At the same time, the concept of the moral economy is able to illuminate specific negotiations on opportunities to control the migrant as well as their family at home. That is to say, the moral economy provokes and/or hinders remittances by setting a framework to access the social practice of remitting. These moral economies are arenas in which the gestalt of the emerging transnational economic spaces is negotiated. Initially, this negotiation encompasses both migrants living in the Global North and their families residing in the Global South.

Maintaining the Flow: The Translocal Moral Economy Goes Transnational

As soon as the flow of remittances has proved to be a valuable global resource, however, secondary actors begin to participate in this negotiation about whether, in what way, and to where remittances are to be sent, and how much money is involved. While remittances initially arise out of a translocal relationship among remitter and receiver, a whole number of secondary actors such as financial banks, transfer operators, national governments, hometown associations and/or development organizations join the arena. Without achieving direct access to remittances, these secondary actors are tasked with focusing on governing and channeling these financial flows. Although these secondary actors are liable to seek direct access to remittances, they run the risk of formalizing remittances and thereby weakening the translocal moral economy that connects

98 See Thompson for the original elaboration of the concept, and Booth for an overview on recent approaches (E.P. Thompson, "The Moral Economy of the English Crowd in the Eighteenth Century", *Past & Present* (1971) 50, pp. 76–136; W.J. Booth, "On the Idea of the Moral Economy", *American Political Science Review* 88 (1994) 3, pp. 653–667).

the migrant and their family at home, which may eventually undermine the practice of remitting. In order that they do not undermine any moral obligations to remit, these secondary actors need to seek an indirect resource to maintain their influence on the moral economy and therefore to participate in negotiations in these moral economic arenas.

This indirect approach in accessing remittances is best understood as a strategy to deliver arguments and resources to either migrants and / or their families, relatives, and friends at home. In doing so, secondary actors are able to influence the practice of communication between remitter and receiver. We suspect that a valuable source of influence of these secondary actors consists in fabricating new arguments, thereby altering the moral bonds among remitter and receiver and finally influencing and shaping the entire transnational economic space.

As soon as migrants and their families back home are involved in a translocal moral economy and are joined by secondary actors, the moral economy emanating from the translocal relationship between migrant and family is elevated to a transnational scale: the translocal moral economy becomes transnational. As an effect of this process, a transnational economic space emerges, which ties migrants to their families, relatives, and friends at home, as well as to secondary actors such as financial banks, transfer operators, governments, and home town associations. Again, we argue that this emergent transnational economic space is not superficial, flat, or a network among equals. By contrast, in our conception, this space exposes frictions, social conflicts, asymmetries, and power differentials among involved actors. Depending on the very positionality of each actor inside the depth of this network, different strategies for social action and for shaping the economic network arise.

Controlling the Flow: (Trans)Nationalization vs. (Trans)Localization

As a crucial issue in the emergence of this transnational economic space, the concept of the translocal moral economy offers the opportunity to focus on the dynamics of negotiations among these multiple social actors. A key in understanding these arenas thus is to research how economic and political layers of action are interwoven and how the results of these negotiations affect the production and fabrication of transnational economic spaces. For analytical purposes, we distinguish between economic and political strategies in this working paper.

In economic terms, possible results of these negotiations and their inherent patterns of controlling remittances oscillate between transnational and local scales. Strategies to transnationalize the economic space then conflict with strategies to localize the same economic space. In societies from which remittances are sent, remittances appear as earned income and savings. In societies to which remittances are sent, however, the very process of value production, hence labor, is disconnected from appropriating and spending remittances. In this regard, remittances are economic rents.⁹⁹

Following the idea of remittances as rents, the entire flow of remittances is ambivalent. On the one hand, it may lead to renewed external economic dependencies as well as *Dutch disease*.¹⁰⁰ On the other hand, opportunities are created to use remittances productively and to gain autonomy, at least locally.¹⁰¹ Both tendencies can be shown on a macroeconomic as well as on a microeconomic level. On a macroeconomic level, the loss of control of these flows and therefore deterritorializing tendencies dominate, since exchange rates are determined by processes that established mechanisms of control are unable to regulate. In the case of fixed exchange rates or currency boards, monetary policy is even disbanded. In this regard, established

99 Theoretically, the appropriation of remittances is oriented either directly towards accessing the family at home that receives the remittances, or indirectly towards approaching the social context in which remittances appear. Since a direct access is hard to achieve, the indirect access is usually carried out by using different modalities. (1) Approaching the destination of remittances and channelling remittances into "productive" purposes. This mode is mainly focused on Home Town Associations and political programmes, to change the spending behaviour of remittances-receiving households. (2) Approaching the transaction with the objective to increase transaction costs. (3) Imposing indirect taxes, such as value-added tax, which does not tax remittances directly, but the demand structure that arises out of remittances. (4) Approaching the migrant abroad, aiming at influencing the extent of remittances transactions. It is, however, almost impossible to institutionalize the appropriation of remittances, as the very cause for its appearance, that is, the family bond between migrant and family at home, is hard to access.

100 P. Acosta, E. Lartey and F.S. Mandelman, "Remittances and the Dutch Disease", *Journal of International Economics* 79 (2009) 1, pp. 102–116.

101 P. Athukorala, "The Use of Migrant Remittances in Development. Lessons from the Asian Experience", *Journal of International Development* 4 (1992) 5, pp. 511–529.

spatial orders in the sphere of exchange, such as national currency systems, are challenged. On a micro-economic level, in contrast, remittances-receiving households enjoy increasing autonomy from domestic economic conditions, since remittances tend to flow counter-cyclically and therefore mitigate domestic economic shocks.¹⁰² Both levels conflict with each other and particularly due to this conflicting nature of scale shifting, the resulting transnational economic space preserves its own depth, since both horizontal and vertical ties interact with each other.

What strategies are relevant for households and domestic elites in gaining access to the sending behavior of migrants living abroad? We argue that elites intend to create and foster transnational ties in this economic remittances space, thereby minimizing local opportunities for the migrant's family members to channel and control remittances. That is to say, domestic elites in particular are possible or future driving forces for the implementation and enforcement of an entire projected and imagined transnational economic space. By contrast, remittances-receiving households are likely to prefer a strategy that localizes this economic space, in order to maintain proper opportunities in attracting and channeling remittances and thereby controlling their use and expenditure. As a result, the emerging transnational economic space exposes a contradictory effect: the empowerment of subaltern groups in receiving remittances is accompanied by reduction of imagined economic space to the local and close socioeconomic environment.

Due to remittances, subaltern groups in fact have larger amounts of money at their disposal. However, the same groups are obliged to sustain the future flow of remittances by maintaining localized means of access to and control over the migrant living abroad. A crucial issue is that places are tied into a network at different depths, and that networks do not only relate migrants and their families at home, but even involve entire remittances-sending and remittances-receiving societies. This is by no means a homogenous process that will eventually converge into a flat and superficial networked space. Rather, even though remittances produce such a space, it is characterized by vertical ties, asymmetries, and power differentials between subaltern and elite groups.¹⁰³

In political terms, controlling remittances depends on strategies that either expand or limit migration. Increasingly, governments, lobby groups, and business enterprises approach processes of negotiation to design and to organize or reorganize transnational economic spaces. The discussion on residence permits in the US,¹⁰⁴ or the increasing importance of hometown associations,¹⁰⁵ for instance, are instructive in this regard.¹⁰⁶ Hometown associations form a connection between global cities in remittances-sending societies and the local communities of remittances-receiving societies. They improve the flow of information between the migrant and their family at home and are sometimes even formalized as institutions that are able to sanction migrants and their families at home in case of transgressions against morally expected patterns of behavior.¹⁰⁷ Therefore, hometown associations arise as political addressees, which do not exclusively monitor and manage remittances, but which allow the formation of local hierarchies and provoke changes of traditional patterns of territorialization by altering established ties among local, national, and transnational scales of social action. The discussion on integrating migrants in national elections in remittances-receiving societies furthermore exemplifies that the governance of remittances imposes major impacts on established political regimes.¹⁰⁸ Occasionally, particular political institutions, such as the Vice Ministry of Salvadorans Living Abroad in the case of El Salvador, were created to control the migrant community. In turn,

102 Giuliano and Ruiz-Arranz, "Remittances, Financial Development, and Growth". In our conception, the counter-cyclical nature of remittances flows depends on the cultivation and the behaviour of remitters and receivers to economize on the transnational moral economy. Since information on local economic circumstances, such as household shortages, increases, it is more probable that money transactions from migrants to their home families increase as well.

103 Moreover, local conditions such as the households' access to alternative resources or the point of time when the community experienced the lock-in into the migration circuit are important aspects in explaining the emergence of spatial tensions in the course of these developments.

104 D.M. Moloney, *National Insecurities: Immigrants and U.S. Deportation Policy since 1882*, Chapel Hill: University of North Carolina Press, 2012.

105 T. Lacroix, "Conceptualizing Transnational Engagements: A Structure and Agency Perspective on (Hometown) Transnationalism", *International Migration Review* 48 (2014) 3, pp. 643–679.

106 A broader discussion of these issues will certainly take the globalization of domestic politics into account, as it is the case in migration policy formation (R. Koslowski (ed.), *International Migration and the Globalization of Domestic Politics*, London: Routledge, 2005) as well as the externalization of immigration control (S. Haug and F. Swiaczny (eds.), *Migration in Europa*, Wiesbaden: BiB, 2005).

107 M. Orozco, *Migrant Remittances and Development in the Global Economy*, Boulder: Lynne Rienner, 2013, at 186–202.

108 B.E. Whitaker, "The Politics of Home. Dual Citizenship and the African Diaspora", *International Migration Review* 45 (2011) 4, pp. 755–783.

migrants are able to intervene in the channeling of remittances as well as to politically approach the places of remittances in remittances-receiving communities.

While translocal communities based on new identities arise in remittances-sending societies, as well as politicized social conflicts rooted in experiences of transnational migration, these very mechanisms produce reverse effects in remittances-receiving societies. In these circumstances, remittances tend to depoliticize social conflicts, sometimes even negatively affecting the local capabilities to organize.¹⁰⁹ In literature, this reverse trend is often described as Americanization, Europeanization, or individualization.¹¹⁰ These examples suggest that local actors in remittances-receiving societies tend to prefer translocal strategies, which intensify ties between particular places. National governments and transnational actors such as banks or hometown associations, on the other hand, seem to intervene in the transnational moral economy by fostering transnational ties and thereby disguising the meaning of particular places.

Political responsibilities and accountabilities are thus increasingly relocated and shift from remittances-receiving societies and political regimes in the Global South towards remittances-sending societies in the Global North. However, this reorganization of a horizontal political level among different societies is accompanied by a change in vertical political relationships. This is particularly relevant within remittances-receiving societies, where the impact of the entire remittances flow on established social structure is particularly significant, since it shapes livelihoods and strategies of everyday survival.

Remittances-receiving societies, however, are not simply victims of a new resource course. Although the flow of remittances gives rise to a transnational economic space that incorporates both societies in the Global North and societies in the Global South and that also tends to reproduce economic and political global inequalities, remittances-receiving societies in the Global South are able to gain and to maintain relative autonomy in certain policy domains. In contrast to having complete dependency, these societies are actors in the influencing and manipulating of the processes of territorialization and reterritorialization. Even though the transnational economic space seems to privilege transnational political actors at first glance, aspects of nationalization and renationalization and of localization and relocalization are crucial in understanding this space. While transnational spatial imaginaries flourish, national and local imaginaries of particular places are redefined and even revalued. Finally, the political importance of migrants abroad, remittances, and institutions able to channel remittances increases, since these are essential parts of a spatial format “in the making” and since these different dimensions are able to redefine local, national, and transnational ties, eventually redefining borders and creating frictions.

Conclusion: Transnational Economic Space as a Spatial Format

Remittances provoke social change by altering established power relations. Remittances lead to processes of territorialization and reterritorialization, as conventional forms of accessing, appropriating, and controlling remittances are challenged, malfunction, or even are overcome in peripheral economic spaces. In this regard, new actors gain access by implementing their own imaginaries of spatial (economic) formats. At the same time, remittances transnationalize the scope of influence of actors and groups of actors. Because of these processes, traditional and established patterns of territorialization in nationally organized peripheral economies are both locally and transnationally overcome. These patterns merge into a transnational economic space that involves both remittances-sending and remittances-receiving societies.

109 Garni and Weyher, “Dollars, ‘Free Trade’, and Migration”.

110 B. Baker-Cristales, “Salvadoran Transformations: Class Consciousness and Ethnic Identity in a Transnational Milieu”, *Latin American Perspectives* 31 (2004) 5, pp. 15–33.

The transnational economic spaces that emerge out of remittances transfers possess certain peculiarities that make them particularly important for the entire SFB. As a spatial format, these transnational economic spaces reveal certain specific qualities.

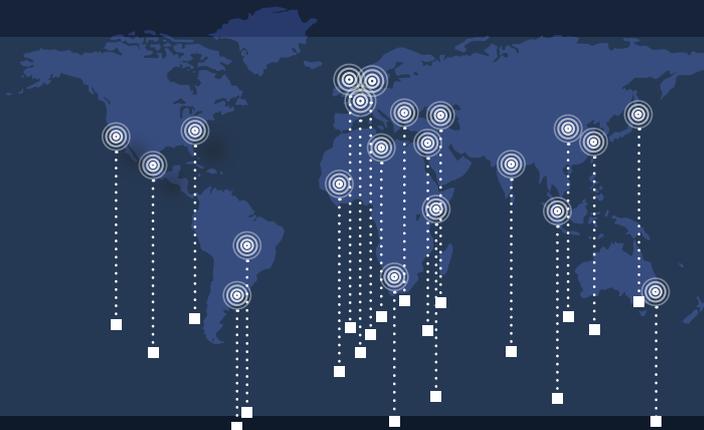
Firstly, it is a spatial format "in the making". Translocal and transnational moral economies on which this spatial format is based are continuously being renegotiated, since the spatial format still lacks the degree of institutionalization that would durably "fix" the spatial format as it is argued in relation to concepts such as the national economy, for instance. At the heart of these negotiations, the size, scope, boundaries and limits, the level of action, and the depth of this space are continuously challenged.

Secondly, the spatial format that arises out of remittances transfers escapes from narrow conceptions of economic spaces, which are often described as networks or as the multiple and simultaneous existence of forms, modes, sets of social relations, institutions, and regulations that find themselves in a horizontal, flat or even superficial order. In contrast, the emerging transnational economic spaces reveal that spatial formats are essentially contested and depend on continuous renegotiation. However, the case of transnational economic spaces created by remittances further exemplifies that spatial formats are not homogenous units but are arenas of conflict, in which asymmetries and power differentials are steadily produced and reproduced.

Thirdly, this flow of remittances and the spatial format that evolves out of this flow are part of an evolving articulation of the global economy. This articulation is less characterized by objective class struggle and sharp social cleavages, but is rather about a global relocation of social struggles that will probably occur within social classes and groups. Instead of collective bargaining about the access to economic surplus and political power, this struggle, as it comes to the fore within the above mentioned translocal moral economy, is often about individualized claims and obligations, about social recognition and about the "placing" of social duties in a transnational economic space that brings societies in the Global South into contact with societies in the Global North.

Finally, the constitution of this spatial format might be part of a particular model of global economic development. While the depth of this development is still unknown, we suspect that the formation of this model exceeds the deep social changes of both preceding eras of import substitution as well as export-led-growth. While remittances have already increased extraordinarily during the last two decades, official estimates suspect that migrant transfers will eventually surpass conventional financial and developmental flows, such as foreign direct investments, just as remittances have already bypassed official development aid. In this regard, it is of pivotal interest to understand and to explain the emergence of a new spatialized economic order and its inherent spatial format.

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