



Trickling down or brimming over gains from remittances? Local processes of economic levelling in rural highland Ecuador

Diana Mata-Codesal

To cite this article: Diana Mata-Codesal (2017): Trickling down or brimming over gains from remittances? Local processes of economic levelling in rural highland Ecuador, Migration and Development, DOI: [10.1080/21632324.2017.1303899](https://doi.org/10.1080/21632324.2017.1303899)

To link to this article: <http://dx.doi.org/10.1080/21632324.2017.1303899>



Published online: 20 Mar 2017.



Submit your article to this journal [↗](#)



Article views: 32



View related articles [↗](#)



View Crossmark data [↗](#)

Trickling down or brimming over gains from remittances? Local processes of economic levelling in rural highland Ecuador

Diana Mata-Codesal* 

Humanities Department, Pompeu Fabra University, Ramon Trias Fargas 25-27, 08005 Barcelona, Spain

(Received 20 October 2016; final version received 4 March 2017)

This article analyses the processes of economic levelling attached to the reception of international remittances in rural Ecuador. It contributes to the debate on remittances and inequality by exploring the specific mechanisms through which socio-economic differentiation is neutralized or established in two villages of Andean Ecuador. Remittances do not occur in a socio-economic or cultural vacuum. Instead, they stem from specific economic and socio-cultural configurations, inserting into and changing pre-existing structures. The effect of remittances at the village level is dependent on conditions prior to migration. Remittances do not create previously non-existent differentiations, but economic inequalities prior to migration are reproduced and exacerbated as a result of international migration and financial remittances.

Keywords: inequality; international migration; remittances; development; Ecuador

Sitting at the porch of his house, Jaime¹ proudly showed me the invitations and videos from the village's last annual festival. He has been the person in charge of organizing the annual religious festivities in the parish² of Xarbán. 'Poor man,' an old lady tells me when I run into her on my way back from Jaime's house. 'He never migrated. Those from Xarbán in New York help him this way.' Several months later and four hundred kilometres to the south, sitting at a different porch, Lucho told me about the main annual festivity of his village, Pindo. 'Are you asking me whether villagers send us money from abroad?' he bluntly asked me. That was exactly what I was trying to know. 'If they do, I don't know. They may send money to their family, and they hand it in later. However, there are no communal means of sending the money from Spain.'

Xarbán and Pindo are two villages located in the southernmost Ecuadorian provinces of Azuay and Loja. Both villages have similar demographic profiles but different migration patterns and historical and economic settings. Each village's migratory profile matches the two outermost patterns of international migration from Ecuador. Emigration from Xarbán is almost exclusively male and undocumented towards the US. Extensive international migration from Pindo is more recent. It was the result of the opportunity to travel to Spain and Italy without a visa until 2003 in the context of Ecuador's financial and political crisis at the end of the 1990s.

As with Xarbán and Pindo, remittances have been at the core of the survival and improvement strategies of many households in Ecuador and have become strongly embedded in the socio-economic and cultural lives of many villages in the country

*Email: diana.mata@upf.edu

(Abbots, 2012; Carpio Benalcázar, 1992; Colloredo-Mansfeld, 1994; Jokisch, 1998; Kyle, 2000; Pribilsky, 2007). This paper focuses on the changes and continuities triggered by remittance reception in terms of meso-level economic differentiation in Andean Ecuador.

Do international remittances increase or decrease economic differences in rural areas? Are remittances contributing to village disintegration, as some studies suggest (see, for instance, Walmsley, 2001)? Alternatively, are the benefits of remittances expanding beyond those who receive remittances? Households with migrants abroad are economically better off with remittances than without them (there are numerous studies that back this statement, see for instance the ethnographic study in three Bangladeshi villages by Sikder and Ballis, 2013; or the quantitative analysis of Sri Lanka by Prabal and Ratha, 2012). However, does this improvement expand beyond the receiving households? If so, how does the expansion occur? From the top down, as the trickle-down image suggests, or more horizontally, brimming over from receiving households to those not receiving, not receiving enough, or not receiving as much? Using data from the above-mentioned two areas in Southern highland Ecuador this paper addresses such questions in five sections. The first section reviews the literature addressing the effect of remittances on inequality. The second section presents the original survey data collected in Xarbán and Pindo. It proceeds to explore the broader frames of which remittances are part, focusing on historical developments and the impacts of international migration on such configurations. The fourth section explains the overall effects of remittances at the village level in terms of economic differentiation, including the presence or absence of levelling mechanisms. The final section concludes with some reflections.

1. The effects of remittances on inequality

It is possible to track changes in the approach to remittances and (in)equality over time. Broadly speaking, two extreme stances are identified: the rather pessimistic conceptualizations of remittances by dependency theorists in the 1970s and 1980s, contrasting with the over-optimistic neoliberal accounts of the following two decades. The dependency or structuralist school considers migration to be one of the capitalist mechanisms that exacerbate world inequalities (Frank, 1969; Wallerstein, 1974). Remittances are conceived as a source of inequality in the reception places between those who receive and those who do not receive remittances. Although dependency theory fell out of fashion in the 1990s, in the first decade of the twenty-first century, some authors, drawing on the postulates of this approach, emphasize the unequal frame of international relationships from which remittances stem and in which they are embedded (Delgado-Wise, Márquez, & Rodríguez, 2010). On the opposite side of the ideological spectrum, neoliberal understandings of remittances have transposed the trickle-down model initially developed in studies of capital accumulation into analyses of the effects of remittances effects. This model states that although inequality may initially increase, it is reduced by the trickle-down effects of remittances in the long term. According to this model, gains in remittances expand their positive effects throughout the group, well beyond direct receivers. This paradigm has been operationalized through calculation of the multiplier effect of remittances— i.e. how many times does each dollar received multiply itself into the receiving economy (e.g. Zarate-Hoyos, 2007)?

The effects of international remittances on inequality have been a research concern since remittances became an established academic topic in the 1980s. The seminal papers by Lipton (1980), Stark, Taylor, and Yitzhaki (1986) and Adams (1989) signalled this early interest in remittances and inequality. A literature review clearly indicates the

hegemony of economic studies (Acosta, Calderón, Fajnzylber, & Lopez, 2008; Adams, 2011; Adams & Page, 2003, 2005; Jones, 1998; McKenzie & Rapoport, 2007; Yang & Martinez, 2006). Most of these studies use country or village household survey data. Such data have often been used to develop econometric models focusing on income inequality and the changes in the Gini coefficient. Latin America, a region with a traditionally very unequal income distribution, has received particular attention. The study with the most complete geographical coverage of the region is by Acosta et al. (2008), in which they worked with data from ten Latin American and Caribbean countries. No study on remittances and inequality in Ecuador has yet been published.

Results from these works are not conclusive concerning the effect of remittances on inequality. For instance, Adams reported a rise in rural income inequalities in a region of Egypt (1989), as Barham and Boucher found in Nicaragua (1998) and Rodriguez found in the Philippines (1998). In contrast, Acosta et al. found that remittances slightly reduced inequality or left it unchanged in Latin America and Caribbean countries (2008, p. 90). The hypothesis most widely supported to explain the mixed results is that the effect of remittances on inequality is very much dependant on the socio-economic background migrants come from. If migrants come from the upper side of the income distribution and they send money to their countries of origin, remittances may increase inequality. If migrants belong to low economic strata, their remittances could reduce inequality. This is the conclusion reached by Stark et al. (1986) and Taylor, Mora, Adams, and Lopez-Feldman (2005) using data from rural Mexico. Jones incorporates time in this explanation (1998). He states that in the early phases of migration, when few families are migrating, remittances can increase inequality in the community. With mass migration, inequality tends to decrease, particularly when migrants came from low socio-economic strata (Jones, 1998). This paper contributes to the debate on remittances and inequality by ethnographically exploring context-specific social mechanisms through which economic inequality is neutralized or established.

2. International remittances to two Ecuadorian villages

Methodologically, data for this paper draws from three different sources. The foundations stem from nine months of participant observation in the two Ecuadorian villages of Xarbán and Pindo in 2009 and two months in the US in 2010. During fieldwork, I also interviewed 83 people in the villages and in the borough of Queens (New York City), the town of Port Chester in the state of New York, and the provinces of Madrid and the Canary Islands in Spain. All interviews were carried out in Spanish. Interviewees were migrants in their places of current residence, migrants on temporary return in Ecuador, permanent returnees (either deported or voluntarily returned), non-migrant villagers, and people with specialized knowledge about local issues such as local teachers, local political authorities, priests, NGO local delegates and health care workers.

A household questionnaire was also administered in the two Ecuadorian villages to randomly selected households with migrant members abroad, covering 15% of the population in the villages of Xarban and Pindo. Household membership was defined by the respondents themselves. The purpose-designed questionnaire provided information concerning (1) the mobility of current migrants through their relatives in the village, (2) villagers' previous migration, and (3) social and demographic data. The questionnaire also sketched the profile of material remittances for both villages. It provided information about 15% of the total populations of Xarbán and Pindo³: 306 villagers in Xarbán and 370 in Pindo. Complementing the questionnaire,

Table 1. Summary data about migrants in the questionnaire.

	Xarbán	Pindo
Questioned households	76	74
Households receiving money	73	74
Total number of migrants	213	185
Gender of migrants	68% M–32% F	59.5% M–40.5% F
Migrants' country of residence	99% US 1% Spain 0% Other	8% US 84% Spain 8% Other
Legal status	5.2% Regular	87% Regular

Source: Data from the questionnaire.

The questionnaire gathered information about 213 migrants in Xarbán – 68% of whom were male – and 185 migrants in Pindo – 59.5% of whom were male – from 76 and 74 households, respectively. All of the surveyed households in Pindo with members abroad received money – or had received money at least once in the year before – from their relatives abroad. Only three households in Xarbán did not receive any money from their members abroad (Table 1).

In Xarbán, 211 migrants lived in the US, where they exhibited a high residential concentration. Most of them lived in the Roosevelt Avenue area in the borough of Queens in New York City. In fact, their residential concentration is such that most of them lived in two specific blocks. In Pindo, 84% of surveyed migrants lived in Spain, almost half of them in Madrid. Only fifteen migrants – out of 185 – lived in the US, and fourteen more lived in countries other than Spain and the US – Italy, Israel, Switzerland, France and Cuba. Migrants' places of residence and legal status are intimately related. As a rule of thumb, migrants in the US did not hold regular legal status in the country, whereas an overwhelming majority of those in Europe did.⁴ Only 5.2% of migrants from Xarbán had legal status abroad – two of whom were in Spain – compared with 87% of Pindo migrants abroad. Both migrants' residential concentration abroad and legal status affect the economic levelling mechanisms in place – or absent – in their villages.

The mean money received per household per month was \$285 in Xarbán and only \$175 in Pindo; the mode was \$200 for Xarbán households and \$100 for Pindo. All of the amounts are given in US dollars because this has been the currency in Ecuador since 2000, when the country's economy was dollarized. Most migrants from both villages sent money to their relatives in Xarbán or Pindo on a monthly basis. It was more likely for Xarbán migrants in the US to send money more than once a month than for Pindo migrants in Europe. This fact is closely related to migrants' income structure abroad. Whereas in the US, most construction workers – the main labour insertion of Xarbán male migrants there – are paid on a weekly basis, wages in Spain are usually paid at the end of the month. Eight per cent of the transfers in Xarbán and 12% in Pindo did not follow any periodicity. Periodicity is related to the type of financial transfer subsumed under the broad label remittances (Mata-Codesal, 2015). Although regularity is highly relevant for maintenance funds, it is not relevant for emergency money and migrants' savings.

3. Patterns of mobility

Before examining the processes of equality and inequality set in motion by remittances in each location, there is a need to understand the broader socio-economic contexts from

which those processes stem. The different socio-economic panoramas in Xarbán and Pindo have historical roots but have been further affected by the different patterns of international migration from each village. Although the historical developments of the research sites are highly specific to those two places, they also represent cases in point of more general historical trends for each province and the country as a whole. The Xarbán scenario is in fact representative of many other locations in the province of Azuay, whereas Pindo illustrates what took place in the residual parts of the province of Loja.

Although the two sites share a history linked to the hacienda system,⁵ their post-hacienda era (im)mobility patterns are strikingly different. In the case of Xarbán, after wood production decreased, combined with the occurrence of soil exhaustion and a general economic crisis in the Ecuadorian highlands, local *hacendados* lost interest in the higher parts of the canton and the haciendas started a process of subdivision (Coronel Feijóo, 1990, p. 223). Although they kept the lowlands, the hacienda owners sold the middle lands to the incumbent labourers, leaving the highlands as open access for the new owners. By 1930 – more than thirty years ahead of the Ecuadorian Agrarian Reform – the two haciendas in what is now Xarbán were completely distributed among its heirs and former *huasipungueros* (Coronel Feijóo, 1990, p. 223). In this historical development, no internal migrations were associated with the creation, establishment, development and disappearance of the hacienda system in this area. The former landless agricultural workers of the local haciendas remained. Currently, villagers recognize one another as belonging to the same socio-geographical space, fruit of a shared history which goes back centuries and which feeds their sense of common belonging. Blood or fictive kinship ties⁶ reflect such common history and reinforce it.

In contrast to Xarbán, Pindo villagers do not share such a long history because they cannot trace kin relationships before the Agrarian Reform. The Spanish colonizers established in the province of Loja '*la gran hacienda lojana*' – the large Loja hacienda system – a situation of land accumulation in the hands of a few families in a context of scarce labour (Guerrero Carrión, 1986, p. 17). The Agrarian Reform, which distributed hacienda lands in Pindo, generated internal migration and fragmented settlement patterns. In fact, the Pindo parish centre was drawn from scratch in 1974 by technicians of the Ecuadorian Institute of Agrarian Reform and Colonization. They drew a map, parcelled the land and sold it. Because very few hacienda workers lived there – this part used to be a cattle enclosure – land was bought by people moving from other nearby haciendas and the canton capital, where land prices were higher. The parish geographical dispersion signals initial economic endowments. Better lands located by the planned parish centre were accessible only to people with larger amounts of money; those less advantaged had to buy cheaper plots away from the parish centre and the main communication routes in less developed areas of the parish with poorer communications. The initial geographical differences between the parish centre and the fields, which mirrored a marked economic stratification, increased in the following decades, even before villagers started to migrate internationally. Disparity between the parish centre and the fields has grown in part because the outlying villagers have less access to local power positions. The village authorities are the ones in charge of maintaining and improving the tracks that connect various parts of Pindo, but their members have always come from the parish centre, which implies that they had different political priorities. These structural constraints prevent any improvement strategy in the fields – e.g. decent housing or market-oriented agriculture – from successfully developing. International migration and remittances have increased these initial large disparities, and the gap in well-being and opportunities between the dwellers of the fields and the parish centre has widened.

It is clear that the housing landscape in terms of spatial distribution has an economic reading. The current different spatial distribution of the villages of Xarbán and Pindo mirrors economic differences. The Xarbán map presents a rather even spatial distribution, with more dwellings concentrated next to the main communication routes. The population of Pindo, in contrast, is spread over many small hamlets, some made up of only a few houses, and in a larger populated area called the parish centre. There is a huge economic gap between dwellers in the parish centre and those who live in the most remote areas of the village, the fields – as they are locally known, *los campos*. Disparities between these groups in Pindo stem from marked land fertilities and water availability, and location concerning communication routes. Access to the more important communication routes affects education opportunities, ability to sell crops and even potential access to local power positions.

These geographical and economic features are also linked to a more diffuse sense of common belonging. Xarbán villagers share a strong attachment to the village in which little socio-economic differentiation is in place. Pindo villagers in contrast have a more blurred orientation to the village, in which important economic differences are in place, particularly between the dwellers in the village centre and those living in the more remote and isolate areas of the parish. Although such marked socio-economic differences exist in Pindo, both the dwellers of the parish centre and those from the fields recognize one another as belonging to the same physical and cultural entity. Their perceived belonging to Pindo as a socio-economic space is not as clear. For this reason, Pindo villagers do not have such strong consciousness of a shared socio-belonging because the villagers' arrival in the parish and the creation of the parish itself are very recent.

3.1. *International migration to the US and Europe*

The different migratory profiles of each village have also affected the scenarios in which the processes of economic differentiation are set in motion with the reception of international remittances. Migration has affected the villages' economic structure. The involved migration industries and migrants' legal status abroad are two related variables that deserve further exploration.

Migration industries that deliver migrants abroad have played a role in shaping both the scenarios in which remittances' effects deploy and the economic differences between groups of dwellers, particularly in the case of Pindo. Given the complexity and risks associated with the journey from Xarbán to New York City without the required documents, Xarbán villagers are compelled to resort to smugglers and pay a high price for the journey.⁷ In 2009, the irregular journey from Xarbán to the US, assisted by smugglers, cost \$15,000 on average. How money is gathered has profoundly changed over the years. Moneylenders (*chulqueros*) and smugglers are not usually the same people (Kyle & Liang, 2001, p. 8; Pedone, 2003, p. 69). Villagers leaving in the early 1990s had to resort to wealthy inhabitants of the canton capital, whose wealth in many cases derived from hacienda properties. If borrowers failed to pay, the moneylenders reclaimed the property used as collateral. Since the 80s, conditions for borrowers have improved because of an increased informal credit supply. In the twenty-first century, money can be borrowed from other villagers who have migrated to the US or who have relatives there. Usually, migrants-to-be draw on their blood or fictive kinship ties with these families to arrange better deals. Once in the US, Xarbán migrants require between one and two years to fully repay their journey debt and start sending remittances on a regular basis.

The situation in Pindo is diametrically different. In this village, the gap between parish centre dwellers and field dwellers marked the time of departure for each group. Because better-off villagers had the knowledge and the resources – occasionally achieved during previous migration to the US – they were the first to migrate to Europe, and the ones who reaped the greatest rewards from the venture. When villagers from the most isolated areas of the parish started to migrate, migration was not such a profitable activity as it used to be, and they were strongly hit by the economic crisis in Spain unleashed in mid-2008. Some had mortgaged their meagre houses, land plots or animals and did not have time to repay the journey debt. Although the journey price was much lower in Pindo than in Xarbán, it helped to exacerbate the economic differences between villagers even before remittances were involved. Few villagers initially had the approximately US\$3000 needed to reach Spain – called *bolsa* – and they had to borrow the money from villagers who had previously migrated to the US⁸ or from some wealthy canton capital dwellers. Villagers from the fields, who usually migrated later than did those from the parish centre, borrowed money from villagers from the parish centre, who already had relatives in Europe by that time. These money-lending activities increased this group's wealth. Hence, economic differences were reinforced from the beginning of the journey even before remittances were involved.

Legal status abroad is another relevant variable because it exacerbates symbolic and practical degrees of attachment to the village of origin. As mentioned, Xarbán villagers migrate irregularly to the US, whereas Pindo villagers have migrated to Spain. The latter, in contrast to the former, tend to hold regular legal status abroad.

In the case of Xarbán, irregular legal status abroad has led to the creation of strong networks of support, a residential concentration of migrants and a pressing awareness of the inevitability of an eventual return to Ecuador. The irregular legal nature of the journey from Xarbán to the US creates a pressing need 'to be received' in the US by a relative or fellow villager. Such reception includes accommodation in the first weeks in the US, the activation of networks to find a job for the newly arrived, language support and knowledge to navigate the US as an irregular migrant. The need to have these strong support networks of fellow villagers explains the high residential concentration of Xarbán migrants in the borough of Queens in New York City. Legal irregularity also enhances migrants' orientation towards Xarbán because they are well aware of the temporary nature of their stay in the US.⁹ This temporary stay usually lasts for many years, but no matter how long they live in the US, migrants know that they cannot eventually settle down there and that, eventually, they must return to Ecuador. Migrants' work and leisure activities are oriented towards Xarbán because of this feeling of temporariness created by their irregular legal status in the US. This clear orientation generates transnational bonds and practices which interweave Xarbán migrants in the US and villagers in Xarbán into the same transnationalized space and social field. The residential concentration of Xarbán migrants in Queens eases the appearance and maintenance of such a transnational village. Irregularity then reinforces the presence of strong links between villagers, in both Ecuador and the US. These links allow villagers to be monitored in both locations. Thus, bypassing their financial obligations with their relatives back in Xarbán is not an easy task. The moral obligations that imbue the practice of sending remittances (Carling, 2008) are often imposed on migrants by their fellow villagers in the US.

Most Pindo migrants in Spain entered the country as tourists and managed to regularize their legal situation through employers' sponsorship or one of the Spanish mass regularization programmes. Some of them even hold double citizenship, Ecuadorian and

Spanish. The presence of a common language and the achievement of regular legal status decrease the need for origin-based support networks and explain in part the geographical dispersion of Pindo migrants in Spain. Pindo migrants know of other Pindo migrants' whereabouts, but their acquaintances are by no means limited to other Pindo migrants, which tends to be the case with Xarbán migrants. Regular legal status also implies that they can travel between Spain and Ecuador and visit Pindo as often as they like. Consequently, their attachment to Pindo is more pragmatic because it is where their roots are and where they spend holidays. Permanent settlement abroad is also an option in migrant villagers' imaginations, as is returning to places in Ecuador other than Pindo. This situation causes villagers' perception of Pindo as a socio-economic unity to blur even more. Overall, Pindo migrants' orientation is blurred, more complex and multi-faceted, which affects their remittance sending behaviour.

As discussed, patterns of current inequality have historical origins but have also been affected by international migration. Remittances from abroad entering such scenarios affect the frames of economic inequality present in both locations.

4. Local mechanisms to spread gains from remittances

Although some research suggests that remittances can also benefit non-receivers (Durand, Parrado, & Massey, 1996; Glytsos, 2002; Nishat & Bilgrami, 1991; Zarate-Hoyos, 2007), the actual expansion mechanisms remain poorly documented. This section examines social processes that spread gains from remittances and neutralized growing economic inequality once remittances arrived in the previous scenarios. The section specifically examines the inequality-levelling mechanisms that are activated in the case of Xarbán and absent in the case of Pindo. It is necessary to keep in mind the historical data from the previous section because the two scenarios are the fruit of the explained divergent historical developments and are further deepened by different patterns of international migration from each village. The levelling mechanisms include socially sanctioned venues for spreading the positive effects of migration and remittances. The main mechanisms to avoid excessive economic differentiation are kin work, transnational gossiping and the fiesta funding-structure. In the case of Pindo, the presence of marked socio-economic hierarchies prior to international migration has meant that, once international migration occurred, those initial inequalities were exacerbated due to the magnitude of the new resources – international remittances are of a magnitude never before observed – and the absence of levelling mechanisms.

Kin work – as the minutiae of maintaining family ties and friendships originally defined by di Leonardo (1987) – includes the preference for relatives over non-relatives in the assigning of paid work, particularly in rural milieus. In Xarbán, there is clear preference for village workers over those not from the village, regardless of cost and qualification. This is very clear in the case of house construction, for which local male workers are hired in spite of their limited construction skills (Mata-Codesal, 2014). This is also the case with agricultural or domestic work, for which male and female villagers, respectively, are hired on a temporary basis to assist. *Mingas* (communal work parties) are another social mechanism for preventing inequalities from becoming too large. In Xarbán, it is common, on the part of female and older villagers who receive remittances from abroad, to pay a fellow villager to take on their responsibility for attendance at the recurrent *mingas* in the village. This monetization of the *mingas* has been bitterly criticized as a negative consequence of international remittances in rural Ecuador. This change, which has been traditionally understood as the disappearance of an Andean tradition and the erosion of rural communities' solidarity and reciprocity, can instead be

read under a different logic. Using remittances to pay fellow villagers to carry out one's own *minga* work duties is in fact another levelling mechanism – more so if we consider that the workers hired are usually young villagers who do not receive remittances from abroad; they are the only ones willing to do physical work for a few dollars a day. In some cases, employers have a genuine interest in helping those villagers who might be falling behind and to whom they may be related through blood or fictive kinship ties.

Owing to the development of transnational links developed after international migration, some mechanisms of social control to ensure compliance with group expectations have been themselves transnationalized. Among the identified functions of gossiping, some authors have stated its function as a group compliance disciplining practice (Dreby, 2009, p. 34). Gossiping, as a disciplining mechanism, acts as another levelling mechanism at work in Xarbán. Through telephone calls, returnees' accounts and in-kind remittances, gossiping travels back and forth between Xarbán and New York in what Dreby labels 'transnational gossiping' (2009). The residential concentration of migrants and non-migrants and the fact that everybody knows everybody else enable the activation of this mechanism. Transnational gossiping operates through a twofold mechanism to prevent internal inequality from growing. On the one hand, through transnational gossiping, migrants are disciplined to fulfil their financial obligations by sending remittances to their close relatives in Xarbán. Hence, migrants are pressed to send money regularly to their relatives in the village. Thus, no villagers with migrants abroad are falling behind. On the other hand, gossiping hinders potential initiatives when they are perceived as potentially too large by the villagers. This was the case, for instance, for a Xarbán migrant in the US with a residence permit who attempted to set up a weaving cooperative in Xarbán to export knitted clothes to the US. He envisaged the project as a means to benefit many Xarbán women in the village by using his rare and privileged legal situation in the US, which allows him to travel freely between the US and Ecuador. He was forced to dismiss his project when he was faced with strong criticisms by his fellow villagers, both in Xarbán and in the US. Transnational gossiping in this case stressed his 'outsiderness' as a villager with regular legal status in the US and questioned how he had managed to achieve it by marrying an American citizen after divorcing his local wife. That gossiping led to the project's failure because he was unable to involve sufficient weavers.

The third levelling mechanism – illustrated in the vignette starting this article – has appropriated the local fiesta-funding structure to operate and set in motion processes of equality. This mechanism to redistribute wealth is not unique to the Ecuadorian case but has been widely acknowledged in the context of Mexican migration to the US (e.g. Davalos, 1996; Fitzgerald, 2009). Religious fiestas in rural Ecuador are sponsored and organized by *priostes* (Montes Del Castillo, 1989), the Andean local equivalent of the better-known cargo system/mayordomo from North and Central America (Cancian, 1965). The largest amounts are sent to fund Xarbán patron festivities such as the Lord of the Miracles every September, but smaller quantities are also regularly sent for less important festivities. Migrants are openly asked to fund the fiesta. Successful migrants are expected and encouraged to contribute larger sums of money. Xarbán migrants have strong incentives to take up roles in collective structures as a means to acquire prestige both within the Xarbán community in the US and in Ecuador. Upon their return to Xarbán, returnees can draw on this accumulated prestige for social and/or economic rewards. Through the fiesta, the economic gap between households in the village is narrowed. Those families who are gaining in economic terms owing to international remittances are willing to take up a large share of the fiesta funding and organizing responsibilities in exchange for social prestige.

Pindo's creation *ex novo* had led to a lack of common history in what is now the village. When talking with Pindo migrants abroad, their emotional attachment is more with the rugged and arid Andean landscape of the village than with any other social marker. Hence, villagers from the parish centre, as well as not being related to the field dwellers, do not feel they belong to the same socio-entity. This has created a fragmented social situation that lacks levelling mechanisms such as the ones present in Xarbán. For instance, no kin work occurs in Pindo because most villagers do not identify themselves as related to one another. This translates into the fact that in this village, in contrast to Xarbán, there is no particular preference for local workers. Villagers living in the fields, who are the ones more in need and who consequently would agree to work for lower wages, are perceived as backward by the parish centre dwellers who do not tend to hire them. Peruvian workers are preferred instead. These workers are willing to work in Ecuador because of the country's dollarization and are readily available owing to Pindo's location close to the Peruvian border. In Pindo, there are quite a few male Peruvian agricultural labourers and young female live-in domestic workers. These workers are preferred because they are easier to discipline than are labourers from the village. They work and live away from their places of origin; therefore, they do not have social support networks in Pindo. Transnational gossiping does not operate for Pindo migrants owing to their spatial dispersion abroad and the geographical division in the village between the parish centre and the fields. That double dispersion of the villagers, both abroad and in the village itself, does not facilitate the transmission of information. Finally, the fiesta structure is not used in Pindo to smooth growing social differentiation. As already mentioned, villagers' attachment to socio-cultural markers in the village is rather weak. The increase in available resources has not been translated into larger and more expensive festivities, as was the case in Xarbán. Hence, the money-gathering mechanisms and the amounts involved do not cause wealthier villagers to shoulder a larger part of the financial cost of the fiesta.

5. Do gains from remittances trickle down or brim over?

Remittances are at the core of the economic, social and cultural life of many villages in highland Ecuador, such as Xarbán and Pindo. The effect of remittances on economic inequality has long been a research concern in Academia. This paper has tried to contribute to the debate on remittances and inequality by raising specific and localized research questions about the effects of remittances on (in)equality. In particular, it has explored in an ethnographic way the absence/presence of social levelling mechanisms that prevent international remittances from increasing economic differentiation in two rural areas in highland Ecuador. It has demonstrated how such mechanisms affect and are affected by remittance reception. Data from these specific case studies show that direct benefits derived from remittance reception expand better horizontally than vertically, i.e. remittances' effects are more likely to go beyond direct recipients in social contexts with less marked differences. In the specific contexts of the two research sites, the social levelling mechanisms include kin work, transnational gossiping and the appropriation of traditional collective structures. The effects of levelling mechanisms are not always positive and can pull in opposite directions. In one direction, social inequality is not increasing in Xarbán because of the rather ubiquitous distribution of remittances amongst the households of the village; thus, there are not marked tensions resulting from migration and remittances. Conversely, those same levelling mechanisms prevent larger economic initiatives from succeeding. This is, for instance, the case for the scarce investment initiatives led by migrants and returnees.

The effects of remittances on inequality must be read within the socio-economic frames stemming from previous historical developments, which have been further affected by international mobility patterns. Both remittances and international migration have played their roles in smoothing or exacerbating economic differences within the villages. De Haas showed how remittances alone do not have the ability to make substantial changes because they ‘reinforce already existing, more general patterns and trends of social, economic and political change – whether these are more negative or positive’ (De Haas, 2012, p. 18). Because other authors have also found (see for instance Castañeda, 2012) that context-specific variables play a determining role in the outcome, there is a need for contextualized and detailed studies of the local consequences of remittance reception. The socio-economic frames in which remittances are embedded, which are the consequences of past developments and which are further affected by international migration patterns, are essential for understanding the processes of equality or inequality spurred by international remittances in rural areas.

The case studies presented in this paper show how the image of a slowly overflowing pool is more accurate than the traditional metaphor of trickling down. Gains from remittances expand better horizontally, whereas the spreading of their effects is seriously hindered in situations with marked social, geographical and/or economic differences. If we are to use a liquid metaphorical image, brimming over is more accurate than trickling down. The image of a fluid slowly brimming over a container conveys three key features of how the positive material effects of remittances spread beyond the direct receivers. First, gains from remittances expand better in contexts with initially less marked economic differentiation. Second, the pace of the spreading is slow, in contrast to the image of speed conveyed by the trickle-down metaphor, which recalls images of a cascade. Finally, time is needed before the point of saturation is reached and remittances can spread their positive effects beyond the receiving households and into the village. As Jones stated, time and migratory stage are important variables affecting the effect of remittances on inequality (1998). The longer history of international migration from Xarbán allows us to talk of mass migration from this village, in which almost all households have – or have had at some point – a migrant member abroad. International migration from Pindo only stopped being a rare exception at the end of the twentieth century. The closing down of the opportunity window, due to visa imposition in the EU for Ecuadorians, and the economic crisis in Spain at the end of the millennium, negatively affected many migratory projects, particularly those of later-migrating villagers. We then find that time is to be incorporated (but not linearly) in our analysis of the effects of remittances. Closure of the window of opportunity to travel to Spain without a visa and the later economic crisis both show how time linearity is not to be assumed.

Acknowledgments

I would like to thank the journal editor and one anonymous referee for their comments.

Disclosure statement

No potential conflict of interest was reported by the author.

Funding

Primary research for this paper was supported by the Basque Government [grant number BF107.13-AK], [grant number DKR-2012-3].

Notes

1. All names have been changed to ensure participants' anonymity.
2. Parish is the smallest administrative unit in Ecuador. I use the term village and parish interchangeably.
3. Because fieldwork occurred in 2009, site selection was based on data from the 2001 Ecuadorian VI Population and V Household Census, the latest available at the time. Variables used for site selection were crosschecked with the 2010 Census. Both villages followed a similar evolution in terms of size (reduction of 17% of total population in both villages), ethnic self-identification (over 98% identified as mestizos), number of total houses (only three more houses in Xarbán in 2010 compared with 2001 and eight in Pindo), empty houses (slight increase of 2.26% in Xarbán and 3.63% in Pindo), houses under construction (almost no change, reduction of .12% in Xarbán and increase of .51% in Pindo) and migrant destinations (largely to the US from Xarbán and to Spain from Pindo in both censuses). There is, however, a significant change in the percentage of villagers leaving the parishes. Whereas 14% of villagers from both villages migrated internationally in the 5-year period 1996–2001 according to the 2001 Census, only 9% in Xarbán and 3% in Pindo migrated in the 2001–2010 period. This reduction in the number of migrants does not affect the analysis in this paper but opens the door for further research on inequality in a context of diminishing financial remittances.
4. The situation changed after the financial crisis in Spain, which forced many Ecuadorians migrants out of their jobs. Many migrants who lost their work in the formal economy slipped back into irregularity.
5. The hacienda system used semi-slave labour in the form of *huasipungueros*. That is, landless peasants worked for the hacienda in exchange for the right to cultivate small plots of land in the less productive parts of the estate.
6. Fictive kinship is well spread in the Andes under the form of *compadrazgo*.
7. Insecurity in Mexico has greatly contributed to slowing irregular migration from Xarbán in the 2010s as perception of risk in transit by villagers has soared.
8. The interplays between mobility to Europe and US are indeed fascinating. In Pindo, money earned in the US funded pioneering migration to Europe. Pindo villagers with double citizenship, Ecuadorian and Spanish – the latter allowing entry to the US as tourists – travelled to the US once the crisis hit Spain to test their chances.
9. After the so-called section 245(i) was phased out in 1998, there was no regularization route for migrants who did not enter the US through a checkpoint unless they were willing to leave the country first. Expectations about Obama's much-debated immigration reform have yet to be met.

Notes on contributor

Diana Mata-Codesal is Beatriu de Pinós/Marie Curie fellow at the Humanities department of the Pompeu Fabra University in Spain. Her research interests include, together with remittances and other links between migrants and not migrants (particularly food), studies of immobility in contexts of high mobility (see for instance her article *Ways of Staying Put in Ecuador: Social and Embodied Experiences of Mobility – Immobility Interactions* published in the *Journal of Ethnic and Migration Studies*; or the monograph – *(Im)mobility in a Mexican Village* published by CRIM-UNAM). She is also interested in participatory methods and articulations beyond Academia. Together with colleagues she recently published “Transformative looks”: Practicing Citizenship Through Photography, in *Journal of Social Science Education*, and *Photovoice. Contributions of Photography in Participatory Research-Intervention Processes*, in *FQS – Qualitative Social Research*. Her research web is <http://www.migrationist.com>.

ORCID

Diana Mata-Codesal  <http://orcid.org/0000-0002-1438-7133>

References

- Abbots, E.-J. (2012). In the absence of men? Gender, migration and domestic labour in the Southern Ecuadorean Andes. *Journal of Latin American Studies*, 44, 71–96.
- Acosta, P., Calderón, C., Fajnzylber, P., & Lopez, H. J. (2008). What is the impact of international remittances on poverty and inequality in Latin America? *World Development*, 36, 89–114.
- Adams, R. (1989). Worker remittances and inequality in rural Egypt. *Economic Development and Cultural Change*, 38, 45–71.
- Adams, R. (2011). Evaluating the economic impact of international remittances on developing countries using household surveys: A literature review. *Journal of Development Studies*, 47, 809–828.
- Adams, R., & Page, J. (2003). Poverty, inequality and growth in selected middle East and North Africa Countries, 1980–2000. *World Development*, 31, 2027–2048.
- Adams, R., & Page, J. (2005). Do international migration and remittances reduce poverty in developing countries? *World Development*, 33, 1645–1669.
- Barham, B., & Boucher, S. (1998). Migration, remittances, and inequality: Estimating the net effects of migration on income distribution. *Journal of Development Economics*, 55, 307–331.
- Cancian, F. (1965). *Economics and prestige in a Maya community. The religious cargo system in Zinacantan*. Stanford: Stanford University Press.
- Carling, J. (2008). The determinants of migrant remittances. *Oxford Review of Economic Policy*, 24, 582–599.
- Carpio Benalcázar, P. (1992). *Entre Pueblos y Metrópolis: Migración trasandina en Comunidades Austroandinas en el Ecuador* [Between towns and cities. Migration in Southern Andean communities of Ecuador]. Quito: Abya Yala-ILDIS.
- Castañeda, E. (2012). Living in limbo. Transnational households, remittances and development. *International Migration*, 51, 13–35.
- Colloredo-Mansfeld, R. (1994). Architectural conspicuous consumption and economic change in the Andes. *American Anthropologist*, 96, 845–865.
- Coronel Feijóo, R. (1990). Gualaceo: Minifundio y Transferencias de Tierras en 58 Años de Vida Cantonal 1930–1988 [Gualaceo. Minifundio and land transfers in the county 58 years]. *Ecuador Debate*, 20, 213–255.
- Davalos, K. M. (1996). La Quinceañera. Making gender and ethnic identities. *Frontiers A Journal of Women Studies*, 16, 101–127.
- De Haas, H. (2012). The migration and development pendulum. A critical view on research and policy. *International Migration*, 50, 8–25.
- Delgado-Wise, R., Márquez, H., & Rodríguez, H. (2010, March 4). *Six theses to demystify the nexus between migration and development*. Paper presented at the conference Trans-Atlantic Perspectives on International Migration: Cross Border Impacts, Border Security, and Socio-Political Responses, University of Texas, San Antonio.
- di Leonardo, M. (1987). The female world of cards and holidays: Women, families, and the work of Kinship. *Signs: Journal of Women in Culture and Society*, 12, 440–453.
- Dreby, J. (2009). Gender and transnational gossip. *Qualitative Sociology*, 32, 33–52.
- Durand, J., Parrado, E. A., & Massey, D. S. (1996). Migradollars and development: A reconsideration of the Mexican case. *International Migration Review*, 30, 423–444.
- Fitzgerald, D. (2009). *A nation of emigrants. How Mexico manages its migration*. Berkeley: University of California Press.
- Frank, A. G. (1969). *Capitalism and underdevelopment in Latin America*. New York, NY: Monthly Review Press.
- Glytsos, N. (2002). The role of migrant remittances in development: Evidence from Mediterranean countries. *International Migration*, 40, 5–26.
- Guerrero Carrión, T. (1986). *La Descapitalización del Agro y la Situación Campesina. Análisis sobre la zona Centro Loja* [The agro decapitalization and the peasant situation in the center of Loja]. Loja: Universidad Nacional de Loja.
- Jokisch, B. (1998). *Landscape of remittances: Migration and agricultural change in the highlands of South Central Ecuador*. PhD thesis, School of Geography, Clark University.
- Jones, R. (1998). Remittances and inequality: A question of migration stage and geographic scale. *Economic Geography*, 74, 8–25.
- Kyle, D. (2000). *Transnational peasants: Migrations, networks, and ethnicity in Andean Ecuador*. Baltimore, MD: John Hopkins University Press.

- Kyle, D., & Liang, Z. (2001). *Migration merchants. Human smuggling from Ecuador and China* (Working Paper 943). San Diego, CA: Center for Comparative Immigration Studies, University of California.
- Lipton, M. (1980). Migration from rural areas of poor countries: The impact on rural productivity and income distribution. *World Development*, 8(1), 1–24.
- Maimbo, S. M., & Ratha, D. (Eds.). (2005). *Remittances. Development impact and future prospects*. Washington, DC: The World Bank.
- Mata-Codesal, D. (2014). From ‘mud houses’ to ‘wasted houses’. Remittances and housing in rural highland Ecuador. *REMHU*, 12, 263–280.
- Mata-Codesal, D. (2015). Are all dollars equal? The meanings behind migrants’ financial transfers. *Migraciones Internacionales*, 8, 39–64.
- Mckenzie, D., & Rapoport, H. (2007). Network effects and the dynamics of migration and inequality: Theory and evidence from Mexico. *Journal of Development Economics*, 84(1), 1–24.
- Montes Del Castillo, A. (1989). *Simbolismo y Poder. Un Estudio Antropológico sobre Compadrazgo y Priestazgo en una Comunidad Andina* [Symbolism and power. An anthropological study on compadrazgo and priestazgo in an Andean community]. Barcelona: Anthropos.
- Nishat, M., & Bilgrami, N. (1991). The impact of migrant worker’s remittances on Pakistan economy. *Pakistan Economic and Social Review*, 29, 21–41.
- Pedone, C. (2003). *Tú Siempre Jalas a Los Tuyos. Redes y Cadenas Migratorias de las Familias Ecuatorianas hacia España*. PhD Thesis, School of Geography, Universitat Autònoma de Barcelona.
- Prabal, K., & Ratha, D. (2012). Impact of remittances on household income, asset and human capital: Evidence from Sri Lanka. *Migration and Development*, 1, 163–179.
- Pribilsky, J. (2007). *‘La Chulla Vida’ gender, migration, and the family in Andean Ecuador and New York City*. Syracuse, NY: Syracuse University Press.
- Rodriguez, E. (1998). International migration and income distribution in the Philippines. *Economic Development and Cultural Change*, 46, 329–350.
- Sikder, M. J. U., & Ballis, P. H. (2013). Remittances and life chances: A study of migrant households in rural Bangladesh. *Migration and Development*, 2, 261–285.
- Stark, O., Taylor, J. E., & Yitzhaki, S. (1986). Remittances and inequality. *The Economic Journal*, 96, 722–740.
- Taylor, J., Mora, J., Adams, R., & Lopez-Feldman, A. (2005). *Remittances, inequality, and poverty: Evidence from rural Mexico*. Davis: University of California.
- Wallerstein, I. (1974). *The modern world system*. New York, NY: Academic Press.
- Walmsley, E. (2001). Transformando los Pueblos: La Migración Internacional y el Impacto Social al Nivel Comunitario [Transforming villages. International migration and its social impact at the community level]. *Ecuador Debate*, 54, 155–174.
- Yang, D., & Martinez, C. (2006). Remittances and poverty in migrants home areas: Evidence from the Philippines. In C. Ozden & M. Schiff (Eds.), *International migration, remittances and the brain drain* (pp. 81–121). Washington, DC: World Bank.
- Zarate-Hoyos, G. A. (2007). A multiplier analysis of remittances in the Mexican Economy. In G. A. Zarate-Hoyos (Ed.), *New perspectives on remittances from Mexicans and Central Americans in the United States* (pp. 102–129). Kassel: Kassel University Press.