



Module 4



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General objectives

By the end of this module, participants will be able to:

- describe the linkages between labour migration and LED;
- appreciate the importance to match skills with labour market needs and evaluate the impact of brain drain, gain and waste on local development;
- learn the impact of migrants'entrepreneurship on local development and job creation;
- have a critical approach to the impact of remittances on local development.

Introduction

This module aims to examine how, within a decent work perspective, territories can develop jobs and economic opportunities maximizing the skills of migrants so as to increase both the quantity and the productivity of labour employed and increase local economic development. The module therefore analyses all the possibilities and challenges related migration, as well as examining local strategies to upgrade and help territories move to a prosperous circle of higher productivity, employment and income growth, and development at the local level, as well as to improve access to skills for more migrant women and men.

The first topic explores the nexus between labour migration and local economic development and the different actors involved. The second topic presents different strategies towards maximizing the use of migrants 'skills and responding to the labour market needs at local level. The third topic focuses on building and nourishing the entrepreneurship of migrants and more precisely on analysing the challenges and opportunities that migration brings in terms of LED. The fourth topic addresses remittances and their potential application in local M&D processes and their role in both a territories of origin and destination. The module also focuses on the role LRAs play in setting up social dialogue, policies and programs that capitalize on the opportunities brought forward by the development of skills among migrants and the challenges faced at different levels of local development.



MIGRANTS' S.T.E.P. (SUPPORTING TOOLS FOR ECONOMIC PROJECTS).

Brief presentation of the project:

This project sought to improve the quality of financial services available to migrants by introducing new tools, by introducing new tools, offering support for migrant business creation and their role in economic growth and reinforcing the exchange of information exchange about migrant entrepreneurship.

The most innovative part of the project has been the set up and strengthening of a number of Centers for the Support of Migrant Initiatives (CAIM). Disseminated



across Senegal, Belgium and Italy, these helpdesks follow the migrant from the initial development of a business idea (in Belgium and Italy) to implementation in the country of origin. Information about individual migrants supported by the desks is exchanged across countries through an online system. Twelve business coaches (many holding a migrant background) were trained to provide information, one-to-one assistance and training to migrant entrepreneurs. The project recognizes that migrants are not naturally born 'development agents' and that they must be trained to overcome outdated knowledge of the local context and lack of education or management skills. All migrants with an interest in investing in Senegal are free to approach the helpdesks and access the services offered, which sparked considerable interest among the target population.

¹ This is the representative case study for Module 4. We will go back to it throughout our reading to learnhow theory can be translated into practice.

Migrants are assigned to a business coach or to other expert staff who assist them during identification, elaboration, formalization and enterprise creation. The project also mapped existing services that support migrant entrepreneurs, including sources of financial assistance and technical support. CAIM helpdesks are strategically linked with other key institutions (chamber of commerce and Regional Agencies for Development in Senegal), therefore, enhancing their visibility and favouring potential future buy-in. The project was enriched by the complementarities of all partners. In particular, partnering with organizations providing micro-credit facilitates access to funding for migrant entrepreneurs and chances of buy-in. In addition, although their future depends on securing additional funding, the sustainability of CAIM desks benefitted from the project's strong 'training of trainers' activity.

Main objectives:

- improved quality of financial services for migrants in terms of innovation, costs, performance, impact and accessibility;
- strengthened methods of support for investments and for business creation;
- consolidated tools for communication, partnership and information exchange around migrant projects.

Main activities:

- improving the technical and material capacities as well as widening the intervention zones of MEC-CONFESEN and of the associations linked to the project (opening of new counters and cashiers in the rural areas of Diourbel);
- create a handbook for the implementation of the financial instruments
 present in the region. The handbook will deal with the access condition
 to financial services and with how to legalize the financial institution
 as well as the decentralized financial structures:
- introduce and make more accessible a fair transfer of funds through technical support through vouchers representing the monetary value for the corresponding units and rechargeable magnetic chip cards;

- creation of a strategic document for the financial support of migration which integrates innovative financial products;
- enlarge the Support Centers for Migrants' Initiatives (CAIM) network through the opening of two new help desks in the Diourbel region;
- select and train 8 business coaches in Senegal and 10 business coaches among the migrant experts;
- prepare a technical-operational support handbook for business setup;
- organize a special edition of the Senegalese Forum for Business and Partnerships (FOSAP) and institutionalize it as a main tool of communication and networking between migrant entrepreneurs.

Main beneficiaries:

There were approx. 10,000 direct beneficiaries of the financial services and the money transfer (in the Diourbel region), while the indirect beneficiaries amounted to approx. 300,000 individuals.

Outputs:

The Project contributed to reduce costs and duration of transfers and improved the access and the distribution of resources to disadvantaged population. The enhancement of management, the channeling of transferred found and a positive impact on socio-economic development of Diourbel Region, have been foreseen.

- Conventions have been signed with 15 mutual and/or rural banks which can provide financial services of micro credit and money transfers to rural population who could not access such services, before the implementation of the project and thus five new desks have been opened guaranteeing the full coverage of Diourbel Region (4770 km²)
- A saving of 90.000 euro on transfers' costs
- 1000 magnetic cards have been distributed

- 18 Business coaches from migrant background have been trained, and 4 new coaches have been selected by the end of the project
- The creation of basic tools to facilitate migrants' access to local credit such as strategic document for the financial support of migration which integrates innovative financial products and business creation
- Mapping economic opportunities and local income generating activities for future financial investments and business creation
- 15 projects of migrants selected on the bases of on-line formularies have been supported
- 20 other migrant projects have been created and followed by the business coaches
- 25 businesses have been created in the Diourbel region
- 4 new Support Centers for Migrants' Initiatives (CAIM) have been created (instead of 2 expected)
- The drafting of a guidebook to support business start-up and the selection of 40 projects, through on-line formularies, that will be implemented and followed since the starting phase of the enterprise
- 150 micro credits have been made available thanks to migrants' remittances
- The creation of international joint-ventures and the signing of 3 partnership agreements at institutional level
- Interactive radio show to discuss migration issues (return, remittances, entrepreneurship...etc.) and interactive website platform set up
- E-mail consulting service has been activated instead of the hotline, but got quite a huge success
- A special edition of the FOSAP has been organized but the Forum still needs to be institutionalized

Globally, the project has contributed to:

- raise migrants' awareness on return migration and entrepreneurship/investment/business creation;
- harness the potential of migrants in mobilizing and strengthening

their skills and knowledge (brain gain against brain waste);

- generate new economic and development dynamics in the Region of Diourbel through business (and thus jobs) creation and migrant projects' implementation;
- raise awareness of local authorities and the local population on migration issues;
- advocate for the inclusion of migration and development issues into local development planning.

Key for success:

- **Migrants' participation** and migrant organization involvement in the project
- Multi-stakeholder approach: the complementarity of all partners'
 capacities and competencies has allowed the project to reach its
 full potential (local authorities, migrant organizations, financial
 institutions all have specific technical skills and particular assets)
- Decentralized cooperation: the fact that both the Veneto and Diourbel region step into the project has facilitated its visibility and the communication around it and among migrants' communities and families. In the Veneto region for example, the project has been presented in 4 different events (conference, round table, forum and Day for cooperation between Italy and Senegal) and the CGMD in Brussels has also advertised the project on many occasion as well as the ARD Diourbel did.

The core of the strategy for the successful implementation of the project has been **knowledge and skills sharing and dissemination for and through migrants**.

Thanks to the network that has been build up, both physically through the Help Desks and CAIM and the training of Business Coaches, and virtually via to the web portal, the handbook and the agreements set up with mutual funds, saving banks and other local institutions, the project is **sustainable**.

From S.T.E.P to JAPPANDO:

The ARD Diourbel is carrying on another project in the second programme of the JMDI that will scale-up the achievements made with S.T.E.P. The project "JAPPANDO" is thus implemented as a direct follow-up to the activities of S.T.E.P.

As the leading implementing partner organization the Agency for Regional Development of Diourbel (ARD) will systematically promote the integration of M&D into territorial policies by bringing local authorities, diaspora groups, investors and other key local key economic actors together. With remittances being a considerable economic source in the region, this initiative, develops economic tools for migrants to facilitate their investments with a view to curb income-generating activities for the local population. The Agency for Regional Development of Diourbel builds on existing networks of decentralized cooperation with other migrant receiving regions, and thus further contributes to the alignment of policies, initiatives and knowledge exchange and mutual capacity building among local administrations.

The core objectives of the project are to:

- reinforce the help desks' capacities;
- share their experience at the national and international level;
- mobilize local authorities for a better anchorage of the help desks at the local level;
- strengthen and expand the outreach of the FOSAP to harness its
 potential as an enabler of economic and commercial exchanges. The
 aim is to favor the creation of joint ventures involving the diaspora
 and to promote women entrepreneurship.

TOPIC 1

THE NEXUS BETWEEN LABOUR MIGRATION AND LOCAL ECONOMIC DEVELOPMENT (LED)

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Learning objectives

By the end of this topic, participants will be able to:

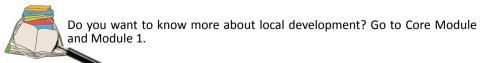
- describe the concept of LED;
- comprehend the linkages between migration and LED:
- identify the different actors that can be involved;
- understand the barriers faced by migrants to participate to the LED process.

Introduction

The International Labour Organisation (ILO) estimates that more than 50 per cent of the 232 million international migrants today are economically active₂—together with their families, migrant workers comprise more than 90 percent of this total. Even those fleeing persecution, armed conflict and environmental disasters may finally end up in the labour market. Accompanying family members and those migrating as students may also seek work eventually, either as employees or in self-employment.

Therefore creation of decent jobs is crucial for equitable, inclusive and sustainable national and local development that results in economic growth, and the reduction of poverty and income gaps, the question remains of how this can be done at the local level?

While migration is one of the most significant demonstrations of challenges related to globalization, local authorities and territorial actors around the world are increasingly turning to Local Economic Development (LED) strategies and plans in response to these challenges as well as the drive for decentralization.



1. FUNDAMENTALS OF LOCAL ECONOMIC DEVELOPMENT (LED)

LED means more than just economic growth. It is promoting participation and local dialogue, connecting people with the resources available in their territory for better employment, social equity/cohesion and protection strategies for sustainable development that will result in in a higher quality of life for both men and women.

LED is a **locally-owned**, **participatory development process** undertaken within a given territory or local administrative area **in partnership with both public and private stakeholders**. The LED approach makes use of and leverages on local resources and competitive advantages to create decent employment and sustainable, inclusive economic growth, while ensuring social and environmental protection.

LED can be generically defined as a strategically planned, locally driven partnership approach to enable employment growth, poverty reduction, energy, water and quality of life gains through improved and inclusive local economic governance.

As such, although primarily an economic strategy, LED simultaneously pursues social goals of poverty reduction and social inclusion. Its design and implementation structures create space for dialogue between different groups, representing the diversity of interests and values within the territory, and enable them to actively participate in the planning and decision-making process. Stakeholders at various levels are involved, such as local/regional authorities and administrations, employers' organizations, trade unions, the local business community, and other partners, such as cooperatives, migrants' associations, or civil society organizations representing women and youth among others.

Entry points and the specific balance of fields of interventions included in a LED approach will depend, by definition, on the specific context and priority needs and potentials as identified by the actors involved.

POINT FOR REFLECTION

TERRITORIAL ECONOMIC DEVELOPMENT, TED, AS A SYNONYM OF LED



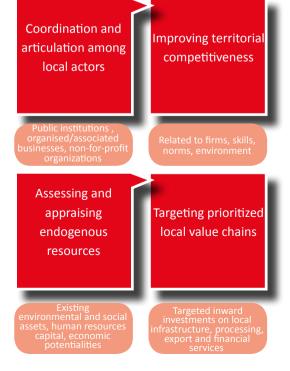
Because it is rooted in the territorial dimension and flexible enough to adapt to different territorial sizes (preferably at meso level), and because the adjective 'local' is intended in many contexts to define the micro/municipal level, the use of Territorial Economic Development, TED, is increasingly becoming synonymous of LED.

Within the module we will refer to LED however taking into consideration that it also includes TED.

In your own context, do you see differences between LED and TED? How would you describe those differences?



The pillars of a LED strategy



POINT FOR REFLECTION

A GENDER APPROACH TO LOCAL ECONOMIC DEVELOPMENT (LED)₃:

Both women and men contribute to the local economy in various capacities and possess distinct knowledge and skills according to the different roles they assume (see below). These are among the building blocks for realizing the potential of a territory. As described in the table below, a variety of actions can be taken to improve gender equality and ensure equal participation in the local economic development.

Roles of women and men in the society, and gender challenges

ROLE	GENDER ISSUE	SCOPE FOR ACTION
As Citizen	 Voice or the capacity to lobby for one's interests 	 Organization of common interest groups
As Local Elected Representative	 Capacity to stand for elections Ability to negotiate conflicting interests 	 Reservation for women Selection and training of women candidates Gender awareness for local government representatives
As Employee	 Employability Discrimination in recruitment Decent work deficits Work – family balance 	 Developing marketable skills for women, youth and vulnerable groups If equally qualified and underrepresented, preference for women Improve job quality for all Care facilities, flexible working hours for men and women
As Entrepreneur	 Control over resources Access to finance and Business Development Services (BDS) Time and mobility constraints 	 Value chain analysis Membership of business associations Gender awareness for communities Support programmes for women and youth entrepreneurs
As Unpaid worker	Sharing of reproductive tasksInvisibility of unpaid work	 Time off for parental responsibilities Estimates of value

In your own context, can you think of specific examples of women elected as local representative? Can you describe some of the challenges they face? What actions have been (or could be) undertaken to address these challenges?

Growing opportunities for locally driven initiatives bring their own challenges.

Do LRA sand the other concerned territorial actors have the capacity and resources to live up to these new duties? What is a good practice in promoting decent work locally? How can the participation of the private sector, social partners, women and youth be ensured? In the case of migration, how can the participation also of migrants and family of migrants (left behind) be ensured? And how do local strategies articulate with the broader national policy framework?

⁴ ILO, Boosting Local Economies (2014)

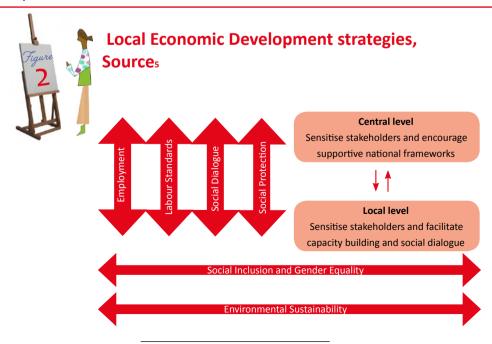
2. DRIVERS FOR LED, LOCAL LABOUR MARKET AND DECENT WORK

Recent economic crises have revealed and often widened inequalities within countries. With the weakening of traditional sources and patterns of work and the expansion of the informal economy, bottom-up interventions responding to local needs emerge as key strategies to create decent jobs where they are most needed.

The promotion of Local Economic Development (LED) signals the drive for foster employment creation by building on the comparative advantages and the unique characteristics of localities.

Decentralization reforms, advancing in many countries, provide ample opportunities to tap into the potential of local economies. LED strategies contribute to stronger policy coherence between national and sub-national levels, whilst connecting to cross-border value chains and markets.

Local Economic Development strategies are **multidisciplinary**, encompassing **international labour standards**, **employment**, **social protection and social dialogue**, just to mention the more directly related aspects of this module.



POINT FOR REFLECTION PROMOTING DECENT WORK FOR ALL

Work is central to people's well-being. In addition to providing income, work can pave the way for broader social and economic advancement, strengthening individuals, their families and communities. Such progress, however, hinges on work that is decent. Decent work sums up the aspirations of people in their working lives.

Productive employment and Decent Work are key elements to achieving fair globalization and the reduction of poverty. The ILO has developed an agenda for the community of work. Putting the Decent Work Agenda into practice is achieved through the implementation of the ILO's four strategic objectives, with **gender equality** as a crosscutting objective as outlined below:

- Promoting jobs: an economy that generates opportunities for investment, entrepreneurship, skills development, job creation and sustainable livelihoods.
- Guaranteeing rights at work: obtaining recognition and respect for the rights of workers. All workers, and in particular disadvantaged or poor workers, need representation, participation, and laws that work for their interests.
- Extending social protection: promoting both inclusion and productivity by ensuring that women and men enjoy working conditions that are safe, allow adequate free time and rest, take into account family and social values, provide for adequate compensation in case of lost or reduced income and permit access to adequate healthcare.
- Promoting social dialogue: involving strong and independent workers' and employers' organizations is central to increasing productivity, avoiding disputes at work, and building cohesive societies.

Does the concept of decent work exist in your territory?

Which pillars of decent work described above are the weakest ones? Which are the areas for improvement?



The Case of Syrian retugee artisans: does a value chain approach have a positive impact on local economic development?

A value chain approach is the full range of activities required to bring a product or service from conception to final consumers. Value is added to a preliminary product through a combination of other resources such as tools, manpower, knowledge, and skills. Value chain development is a promising way to achieve Local Economic Development (LED). It builds on rooted economic activities, local resources, dialogue and cooperation among a wide range of stakeholders. Value chain development tackles constraints at the enterprise level as well as in the business environment. As such, this integrated approach contributes to local economic growth and job creation.



As a model that could work, UNHCR is currently applying a value chain approach with Syrian refugee artisans. Many Syrians are highly skilled in traditional arts and crafts including inlaid wood, hammered metal, embroidery and crochet. UNHCR is working to identify international markets for these products including direct and online retail outlets. UNHCR is also engaging with local designers to couple the skills of Syrian artisans with the labour demands and opportunities available in the regional arts and crafts sector. Established designers or design houses may help artisans innovate according to market demands.

Artisans benefit by adding value to their crafts and generating regular income. Designers and design houses benefit by drawing on a uniquely skilled labour force that does not displace national workers. This approach strengthens the local economy with new products, injects income into the refugee and host community, and fosters social cohesion and stability.

Although the model seems promising, it is important to specify that the true impact of this model will only be visible in the coming years.

3. MIGRATION AND THE DRIVERS FOR LED

We often refer to so-called "push/pull factors" to understand the factors behind migration. If we focus on labour migration, employment purpose is the principal reason in most cases.

The lack of job opportunities in the countries of origin and more particularly at local level could lead to migration while labour shortage in destination countries can attract workers coming from abroad.

However one needs to carefully use the "push/pull" factors terminology which can give a simplistic way to analyse labour migration, while many others factors such as the social network of the migrants, civil war, climate change etc. will have an impact on decision to migrate.

See below a non-exhaustive list of "push/pull" factors that can impact migration and LED:

Push factors / pull factor



- Important unemployment rate in particular in rural area
- Significant youth unemployment
- No access to decent job opportunities
- No access to social protection
- Fundamental labour rights are not respected /guarantee
- No possibility to match skills with the labour market needs



- Job opportunities and labour shortage
- Access to decent work
- Better working conditions and access to labour rights
- Access to health and social protection
- Incentives and facilities to create an enterprise (e.g. taxes deductions)
- Elderly population (which increase labour needs in specific sectors such as health sector but also needs of workers in general for contributing to social security system)
- Existing migrants' networks and traditional migratory channels

The places where decent job opportunities exist are not always where people live, and even when jobs may be available, the income differences prevailing in different countries or regions and the weak services structures or the political environment provide the strongest incentives to mobility. Policies focusing on LED could create incentives to promote decent work opportunities in territories where they are currently inadequate and develop the local labour market. Drivers for local economic development have different impacts in both the territories of origin and destination; but the main immediate objective should be local economic development that promotes decent work.

Therefore, the priority for concerned regulators and decision makers, including the local authorities is to create a local environment offering options beyond migration for decent work and improved living conditions. If migration does occur it should be a choice rather than an obligation (based on pull factors rather than push factors).

POINT FOR REFLECTION

LINK BETWEEN RURAL DEVELOPMENT, YOUTH EMPLOYMENT AND MIGRATION

During the Euro-Mediterranean Conference on Agriculture which took place in Palermo, Italy in November 28th, 2014 the FAO Director-General José Graziano da Silva said: "If countries of the Mediterranean want to stem the tide on forced migration and human suffering, they must put agricultural, food and rural development at the core of regional cooperation"

The FAO Director-General stressed the connection between agriculture and migration and the importance of investing in strong rural livelihoods, particularly for youth. "We need to find alternatives to raise the incentives for the youth to engage in rural activities, such as farming, livestock production, fisheries and aquaculture in their own communities and countries," he said.

Increasing agro-entrepreneurship and employment opportunities for rural youth needs to be at the center of strategies to combat poverty and boost development, Graziano da Silva said, "referring to rural youth as the future of the agriculture sector, particularly in the Southern and Eastern Mediterranean countries.

Migration of young people – particularly young men -- away from rural areas has left behind lopsided community structures that have also placed a disproportionate burden on women who stay behind to take care of children and the elderly," he said.



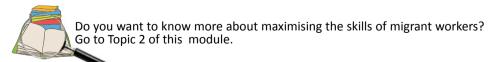
The creation of meaningful and inclusive opportunities for youth in agriculture and agribusinesses will not only impact their lives, but substantially improve livelihoods in their rural communities, the economies and the resilience of their countries of origin, the region and the world, according to the FAO Director-General.

Do you recognize the links as described by FAO Director-General between rural development, youth employment and migration in your own context? Can you think of some specific examples?

The drivers for LED through migration are all linked by a common goal of improving the labour market and offering decent work opportunities to workers including migrants, returnees but also the local community, thus improving LED.

Maximising the skills of migrant workers and the concepts of brain drain/gain/circulation

Maximising the skills of migrant workers can create decent work conditions and contribute greatly to LED, both in the territories of origin and destination, by avoiding brain waste and improving brain circulation. Adopting measures to mitigate the loss of workers with critical skills, including by establishing guidelines for ethical recruitment, is also a way to improve decent work and LED.



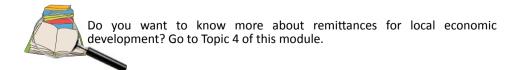
Facilitating the entrepreneurship of migrants

It is important to highlight that not all migrants have the willingness and capacities to become entrepreneurs, but LRAs could promote and provide incentives for enterprise creation and development for those who are interested, including transnational business initiatives and microenterprise development in origin and destination countries/territories. The entrepreneurship of migration can improve significantly the local labour market and promote access to decent work as well as increase the potential of the local economic development.



Ensuring the best impact of remittances and migrants' investments

There is a need to ensure that migrants' investments can be made securely and remittances used for this purpose made at minimal cost. However, it is also important to mention that when remittances are used in the territory of origin it is most of the time to make up for missing local services (access to education, health...) and fulfil the needs of the family. Attention has been brought to migrants' investments, in particular those made to promote job creation at local level (both territory of origin and destination). They can therefore contribute greatly to LED, but for this working, in particular in origin territory, remittances should not be used for providing services which are usually the responsibility of the local authorities.



4. THE ACTORS INVOLVED IN LED AND MIGRATION

The specific local stakeholders that take part in the LED process will vary depending on the specific context and objectives to be achieved. Although not exhaustive, the following list provides an example of those stakeholders who are normally involved in an LED strategy:

- LRAs and public administrations (municipal, provincial and even regional) and their associated combined bodies (community associations, associations of municipalities, etc.);
- various business sector organizations (employers' associations; producers and traders associations, trade union organizations; representatives of cooperatives; associations of the selfemployed; financial sector associations; territorial employment service managers);
- women's associations and youth associations as well as associations of other vulnerable groups;
- representatives of international development cooperation programmes with a presence in the territory and in the thematic sector, where their pertinence is agreed upon by territorial stakeholders;
- social and religious organizations, foundations, corporations and other non-profit organizations with social, economic, financial, environmental, cultural or artistic aims;
- research and development (R+D) centres and technical assistance services, if any;
- universities and human resources development organizations, if any;
- local media.

When one thinks about the linkages between migration and LED, other specific actors should be considered: migrants' /diaspora associations and representatives of family members that stayed behind.



MIGRANTS' S.T.E.P. (SUPPORTING TOOLS FOR ECONOMIC PROJECTS)

The project was enriched by the complementarities of all partners. particular, partnering with organizations providing micro-credit facilitates to funding for migrant entrepreneurs and chances of buy-in. In addition, although their future depends on securing additional funding, the sustainability of CAIM desks benefitted from the project's strong 'training of trainers' activity.

Diourbel

One of the key aspects of the success of project was its multi-stakeholder approach:

the complementarity of all partners' capacities and competencies has allowed the project to reach its full potential (local authorities, migrant organizations, financial institutions all have specific technical skills and particular assets).

POINT FOR REFLECTION

If you compare to your own context who would have been the key actors in a similar case? Does the multi-stakeholders approach exist in your context? Is it working well? What are the strengths and weaknesses you could identify?



Sensitizing and promoting the setting up of the LED local forumas a catalyst for stable territorial mechanisms

An LED Forum can be defined as a structure/platform (institutional arrangement) where diverse private and public stakeholders within a particular locality gather, with an aim to share information and experiences, pool resources and solve problems which come up in the course of implementing LED strategy.

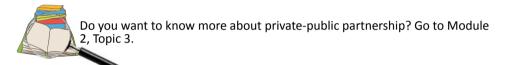


Full local ownership of the LED process can only be guaranteed through wide participation of public and private stakeholders in the local forum and the inclusion of minority or marginalised groups who are most in need of being targeted by development activities. Special care should be taken so as not to reproduce existing inequalities within the forum. In the case of migration, this is done by identifying and including migrants and their families' representatives, and by ensuring that all stakeholders have an equal voice within the forum.

This forum is a key element for the success of LED as it formulates and implements the local economic development strategy on the basis of local knowledge and exchange of ideas between its members. The particular form the forum adopts will vary depending on the context, the territory's existing institutions, and the degree of formalization of the relations among stakeholders. For example, in post crisis situations or in those localities where institutions are weak or not legitimate in the eyes of the community, the establishment of a Local Economic Development Agency (LEDA) may provide a neutral space where stakeholders can meet⁷. In contrast, in countries with high institutional capacity it might not be wise to form yet another agency but rather a forum, which may take the form of a public-private committee, a territorial council, etc., to orient and build the capacity of existing institutions for implementing local economic development initiatives.

It should be remembered, however, that a key objective of the LED process is to use, promote and strengthen existing local implementation

structures, and to work with and through them. For example, there may already be a policy coordination committee located somewhere within local government which could be approached to oversee the implementation of certain activities. This may also be lobbied to extend its membership to a broader range of actors, migrants 'associations included. Similarly, when the LED strategy foresees business development services, territorial marketing or even financial services, the most appropriate and most qualified local institutions should assume responsibility for these activities. These institutions might be Chambers of Commerce, local universities, NGOs or other research or training institutions. It is in fact questionable whether the internal structure of the local forum or LEDA is the most suitable one for activities responding to market-based decisions, or if it is should contribute to regulate and coordinate "market driven forces".



Migrants' representation in the forum should be as proportionate to the migration population of the area as possible, and should include representatives of migrants' organizations, self-help groups, migrants' cooperatives, business associations, etc.

However, merely having a sufficient number of migrants present in meetings and workshops is not enough. Their active participation must be encouraged. In order to ensure equal participation, certain gender specific capacity building measures may be required to promote financial and legal literacy, understand the functions of local government and the budgeting process, and develop leadership, presentation skills and the self-confidence necessary to lobby for the interests of one's group.



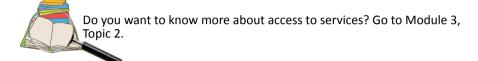
5. BARRIERS TO MIGRANTS' PARTICIPATION IN LED

While the contribution of migrants to development at national and local levels in both countries of origin and destination is widely recognized, one should not underestimate the barriers that could also exist due their migration status. Discrimination and unequal treatment give rise to a number of barriers for male and female migrants to participate fully in local economic development strategies. These barriers are even more difficult to overcome for those faced with multiple forms of discrimination i.e., discrimination based on gender, ethnicity, religion, occupational status, regular/irregular status, etc.

This is a non-exhaustive list of typical barriers to participation that women and men migrants could face:

- lack of representation in decision-making structures;
- fewer opportunities for education resulting in, among others, limited access to information;
- skills development limited to certain occupations and positions;
- segregation in occupations that carry low status and undermine self-confidence;
- poor infrastructure services and the opportunity costs associated with it;
- restrictions on access to finance due to lack of collateral and record of previous business success, or high interest rates;
- inadequate or inaccessible business development services;
- scarce job opportunities at the local level causing either brain drain, or distress migration and vulnerability to trafficking and forced labour.

These barriers do not exist in isolation. There is often a relationship of cause and effect among them that compounds the difficulty in overcoming them. Therefore, access to adequate services at local level would also impact significantly on the possibility for migrants to contribute to LED.



KEY LEARNING POINTS

- **Decent Work is a multifaceted** concept that goes beyond merely having a job. According to the ILO, it involves opportunities for work that is productive and delivers a fair income. security in the workplace and social protection for families, better prospects for personal development and social integration, freedom for people to express their concerns, organize and participate in the decisions that affect their lives and equality of opportunity and treatment for
- Migration today is linked to the world of work and the quest for decent work opportunities. As a result, communities, cities and governments across the world increasingly turn to Local Economic Development (LED) strategies in response to the challenges and opportunities brought by migration. LED means more than just economic growth. It is promoting participation and local dialogue, connecting people and their resources for better employment and a higher quality of life for both men and women and by building up local capacity for effective policy making, planning and development in areas relevant to decent work

- Local labour market information analysis is at cornerstone for developing integrated strategies to promote standards and fundamental principles to address the crosscutting themes of migration and local development. It is an important step in designing local employment policies aimed at enhancing the well-being migrant workers while also promoting economic growth at the local level
- Full local ownership of the LED process can only be guaranteed through wide participation of public and private stakeholders in the local forum and the inclusion of minority or marginalised groups who are most in need of being targeted by development activities. Special care should be taken so as not to reproduce existing inequalities within the forum. In the case of migration, this is done by identifying and including migrants and their families' representatives and by ensuring that all stakeholders have an equal voice within the forum



TOPIC 2

MAXIMIZING THE USE OF MIGRANTS' SKILLS AND RESPONDING TO THE LABOUR MARKET NEEDS AT LOCAL LEVEL

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Learning objectives

By the end of this topic, participants will be able to:

- describe how the labour market needs can be assessed and what role they can play at the local level by LRAs;
- appreciate the importance of matching skills in order to avoid brain waste and maximize migrants contributions to the local labour market;
- identify the role of local authorities in skills recognition;
- recognize the significant added value that the skills of return migrants can bring to LED.

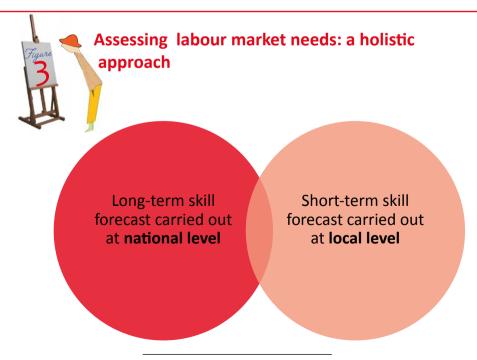
Introduction

Migration, in particular labour migration, can be a vehicle for answering timely and effectively the labour supply and demand, for stimulating innovation and development, and for transferring and up-dating skills. Designing and implementing labour market information systems, including accurate labour market needs assessment and skills anticipation, and putting in place processes for skills recognition are important to prevent brain waste and deskilling, poor labour market integration and deterioration of working conditions for all workers. Access to skills recognition processes, especially for low- and medium-skilled migrant workers, is often limited, while migrants frequently encounter difficulties in articulating their experiences from the destination countries into better human resources development opportunities on their return.

1. ASSESSING LOCAL LABOUR MARKET NEEDS

Skills identification and anticipation are a challenge in both origin and destination countries. There is no uniform definition of "skills". In many countries "skills" are defined in terms of occupational skills and/or educational attainment levels.

Long-term skills forecast are usually carried out at the national level, whereas short-term forecasts are conducted at the regional or local levels, often through the network of Public Employment Service (PES). Similarly, there is no single methodology or skill needs analysis; however what has proven to be useful from the experience of major destination countries, is a holistic approach: a combination of qualitative analysis (e.g. case studies, focus group discussions) as well as quantitative data (e.g. surveys, skills audit, model-based projections.



 $_9$ ILO, R.Kolyshko, F.Panzica, A.Popa and N.Popova: "Research and Analysis on Vacancies and Skills Needs in the EU, Moldova and Ukraine", (2013)

In certain societies, some skills are particularly in high demand and will clearly influence labour migration policies from both the country of origin and destination (for instance workers in the health sector in societies with ageing populations). Skilled migrants from countries of origin are likely to fill part of that demand the in country of destination. To consider sustainable development at both local and national levels, the shortage of skills assessment should also take into consideration and mitigate the factors causing brain drain in the community of origin.

The actors involved in local economic development and managing local labour markets should be consulted and included in the assessments of local needs to establish the best strategy to bring and retain the necessary skilled workers or create and implement adequate vocational training. In the case of territories of origin, one of the main challenges for LRAs is to improve general living conditions, infrastructures and socio-political conditions in order to retain skilled workers and avoid **brain drain**. While in the case of territories of destination, the shortage of certain skills could have a significant impact on LED, hence the need for **brain gain**.





The different concepts behind skills and migration

BRAIN DRAIN

Departure of educated or professional people, usually for better conditions/ pay

BRAIN WASTE

Migrants taking up unskilled jobs despite having professional qualifications

BRAIN GAIN

Acquisition of highskilled migrant workers

BRAIN CIRCULATION

Circulation of knowledge and skills between countries of origin and destination

Brain drain

Brain drain is the departure of educated or professional people from one country, economic sector, or field to another one, usually for better pay or living conditions.

Depending on the circumstances, the loss of skilled personnel may impact negatively on development. When trained and highly educated persons emigrate permanently, public investments in financing their education and training are essentially lost. Furthermore, depending on the income opportunities of the educated and the trained or potential generated by them and on the tax regime, there may be a loss of tax-revenue. However, the export of skills may, if well managed, have advantages (see thinking point below).

Brain drain may lead to a lack of human resources in key areas and hamper the advancement and competitiveness of the economy and the social institutions of developing countries. This is particularly visible at local level hence the needs for LRAs to address it in particular in rural areas. There are several examples of massive brain drain; many of them related to medical professions. In such situations, there may be a perceived injustice when countries or territories have invested heavily in skills development through educational systems. In addition, the development prospects of those territories may be severely compromised by the loss of skilled workers and have a negative impact on local economic development.

Despite these potential costs, not all movements of highly skilled migrants necessarily represent a 'brain drain' in the sense of imposing a net loss. A number of governments have become sufficiently concerned with the lack of opportunities at home and the political threat that this could pose. Therefore at times will encourage and aid emigration: a situation sometimes dubbed a 'brain overflow'.13

Brain waste

Brain waste can occur in the presence of low international transferability of human capital, which takes places when skills are not transferable or exchangeable in different contexts.

If the international transferability of human capital is low, a skilled migrant has higher chances of ending up working as low-skilled. In fact, a skilled migrant can only work as a skilled worker in the destination country if his human capital level is recognized in the destination country. For example, it is very common that skilled individuals have to apply for equivalence of their university degree in the destination country and in many cases, this is not approved or they may need to carry out additional courses to fulfil the criteria of the destination country. In addition, the international transferability of human capital seems to be affected by other factors such as the working experience as well as language skills. 16

 $_{11}$ ILO, Strengthening Migration Governance: implementation of OSCE commitments related to migration by OSCE participating States, (2009)

¹² ILO, Fair migration: Setting an ILO agenda, (2014)

³ Ibid

¹⁴ Chiswick and Miller, (2007)

¹⁵lbic

¹⁶ Chiswick and Miller, (1992) and Bleakley and Chin, (2004)

Brain gain

Brain gain is the acquisition of high-skilled migrant workers in territories of destination or returnees in territories of origin. Some local, regional and national policies have to be established to facilitate the migration of high-skilled workers and offer favorable conditions, also known as pull factors. However, these policies need to serve not only to attract them, but also to retain them: brain gain usually occurs because of a combination of various *pull factors* which cause high-skilled workers to migrate or migrant workers to return to their territories of origin.

These *pull factors* are usually created when the supply of national skilled workers is low, due to an expansion of the economy, brain drain or any other reason behind a shortage of workers. Countries of destination can design selective policies to control the type of skilled migrants that will contribute to their economies without damaging the national workers' possibilities.

Brain circulation

Brain circulation is the movement of knowledge, skills and expertise that emerge through the migration of skilled workers sharing and transferring their experience and capacities with their territories of origin and their territories of destination in different ways. When skilled workers migrate, they greatly contribute to the development of the territory of origin. Through migration, the workers will develop their knowledge, skills and capacities which can then be exported back to their territory of origin.

Skilled migrant workers can become a major partner in local economic development in various domains through the transfer of skills and knowledge. A number of international programmes have sought to enlist the skills of diaspora members for short-term missions.



The 'Transfer of Knowledge Through Expatriate Nationals' (TOKTEN)

This programme launched by UNDP in 1977 enables expatriates to contribute to projects in their country of origin by returning there for a period of less than three months. Over its first 20 years of operation, some 5,000 people have taken part in projects in roughly 50 developing countries.

POINT FOR REFLECTION

DOCTORS AND NURSES ON THE MOVE: BRAIN DRAIN, BRAIN GAIN OR BRAIN WASTE?

The adequate supply of health care professionals has been a serious issue for developed countries in the last few decades. In the United States (US) a 20 per cent deficit in the registered nurse workforce has been forecasted by 2020 if current trends are not reversed. In the UK, 100,000 nurses were set to retire back in 2010. Across the European Union, more than half of the physicians were aged over 45 in 2000; in Norway, the average age of dentists was 62. Developing countries, on the other hand, struggle to produce and retain a sufficiently qualified health care workforce. Around 36 African countries do not meet targets of one doctor per 5,000 people and even in non-conflict affected countries such as Zambia and Ghana, there is only one doctor for more than 10,000 people.

Health care professionals who leave often do not return. A nurse in Uganda would typically earn US\$38 per month and a nurse in the Philippines would earn US\$380, but in the United States the average monthly wage for nurses is about US\$3,000. The difficult situation in the health system of some countries can therefore push health workers to go abroad. This has a direct impact on the quality of health care in the countries of origin of these migrants, in particular in rural areas where the lack of doctors and nurses jeopardizes the capacities of already weak health systems.



What do you think could be done by LRAs to enhance the capacities of health systems in particular rural areas? How could LRAs encourage brain circulation of skilled health workers and ensure the return of health workers? Who would be the key partners to support this?

3. LOCAL SKILLS SHORTAGE AND MATCHING SKILLS THROUGH TRANSNATIONAL ENGAGEMENT

A skill shortage emerges when the demand for workers for a particular occupation is greater than the supply of workers who are qualified, available and willing to work under prevailing market conditions.

One response is to invest in local training in order to increase the productivity of each worker. Another strategy could be to hire workers from other countries only if employers can demonstrate that they are unable to find suitable nationals to fill the jobs and that the entry of foreign workers will not have a negative impact on the local labour market. Foreign workers will have to be skilled and willing to work on the prevailing wages.

In some circumstances, hiring foreign workers is a good permanent solution to the skill-shortage needs of employers and it can be a faster way to fill emerging vacancies than to train nationals. This can have a positive impact on LED when simultaneously connected with improving the access to vocational training & education of workers locally to avoid a backlash against migrant workers.

Mapping efforts to identify both available skills among migrants and local development needs are then followed up by efforts to match them. These can foresee the transfer of capacities through transnational engagement or by setting up broader forms of institutional collaboration between organizations in the global North and in the global South.

Political answers at local level

While many political decisions regarding skills and migration are taken at international and national level, it is however important to highlight the role that local public institutions can play both in origin and destination territories in order to retain skilled workers or foster brain gain:

- Development assistance and education: the support and development of education and training institutions is certainly one of the best ways to offset local skills shortages and brain drain. Vocational training, as it will be seen further in this topic, is an effective way to manage migrants' skills and adapt them to the local market needs.
- Strengthening human rights' institutions: international, national and local efforts promoting the protection of human and labour rights will encourage skilled migrants to stay and will enhance their capacities to be actors of development in their own territory and thus contribute to the LED. Therefore, local authorities and other local actors have a vested interest in the promotion and protection of human rights, decent work conditions and living environment and conjunctures.
- Targeted local economic development: a focus on local economic development and local entrepreneurship would help create decent work opportunities and offer alternatives to labour migration. Investing in local infrastructures, while creating employment and improving decent living conditions, will also improve the possibilities of businesses and entrepreneurship and increase the positive impact on local economic development.¹⁸
- Job placement schemes for migrants and ethical employment services: Ethical employment services that assist workers in securing overseas employment are at the forefront of countries' efforts to prevent the exploitation of migrant workers. They are increasingly important also in providing cross-country job-matching services. In this role they need credible information on skills and qualifications. In some cases they are also providers of training. They may organize and assess technical training to fill specific needs of employers in the destination countries or they may provide training in employability skills, including language, culture, work practices and rights and responsibilities at work.

¹⁸ ILO, Migration Of Highly Skilled Persons From Developing Countries: Impact And Policy Responses, (2001)

Their growing role has led to increased efforts to help them follow good practices in their recruitment and job-matching work to help mitigate the potential for labour migration to undermine development.

- Just as local public institutions can play a role both in origin and destination territories in order to retain skilled workers or foster brain gain, also can private employment agencies (PEAs). Many PEAs will exploit the lack of knowledge of the local labour and market regulation of the migrant workers. But nonetheless, not all recruitment and placement agencies aim to profit in detriment to the migrant workers. PEAs can act as intermediaries to promote the skills of the migrant workers and find employment that will suit and benefit both the workers and the employee. They could also build databases of skills recognition for the countries of origin of the migrant workers who use the services and therefore facilitate their labour integration and contribute to the LED. For that matter, local authorities should:
 - establish a framework to monitor the PEAs for migrant workers;
 - make sure that PEAs operate in accordance with a standardized system of licensing or certification established in consultation with employers' and workers' organizations;
 - ensure that PEAs respect migrant workers' fundamental principles and rights and ensure that migrant workers receive understandable and enforceable employment contracts.

Strict guidelines established by national authorities and implemented with the support of local authorities, will contribute to the promotion and better respect of the rights, competencies and skills of migrant's workers.

¹⁹ ILO, Multilateral Framework on Labour Migration: non-binding principles and guidelines for a rights-based approach to labour migration adopted, (2006)

POINT FOR REFLECTION

WHO GLOBAL CODE OF PRACTICE ON THE INTERNATIONAL RECRUITMENT OF HEALTH PERSONNEL.

This Code aims to establish and promote voluntary principles and practices for the ethical international recruitment of health personnel and to facilitate the strengthening of health systems. Member States should discourage active recruitment of health personnel from developing countries facing critical shortages of health workers. The Code was designed by WHO Member States to serve as a continuous and dynamic framework for global dialogue and cooperation. Although this is a global code, it addresses concerns that are often recognized first in rural areas; therefore it can have an important impact at the local level. Local authorities and actors should therefore lobby for its adoption at the national level.



Do you know whether this code is being respected in your own context? If not, why? According to you, what could be done to better respect this code of practice? What will be the advantages at local level?



Giving migrant workers access to vocational training that meets local labour market needs is an effective way to work towards local sustainable development. Migrants' newly acquired skills will not only serve to fill an immediate market need, but also support development of the territory at the local level.

Vocational training can improve the skills and employability of migrant workers. It allows people to upgrade, update, or improve their skills, or adapt them to their new environment. Vocational training centres for migrants are the perfect example of working towards inclusive local socioeconomic development. These centres or educational providers can offer to train migrant workers in certain areas according to skills shortages and local labour demand.

National skills development policies and systems strive to meet labour market needs for skills and to improve productivity and competitiveness in all sectors in which human resources are critical for the integration of skills development into national employment and development strategies. Skills policies and systems encompass technical and vocational training, workplace learning, and informal learning, learning opportunities in the informal and rural economies and education and training for lifelong learning. At local level, vocational training centres should be made visible and accessible to migrants ensuring they also are informed of the programmes offered.

Skills development is a key factor in the employability of migrant workers and the sustainability of enterprises. One of the objectives of skills development systems is therefore to ensure that the skills acquired match the skills valued in the workplace. Skills development systems must also help migrant workers and enterprises adjust to change and handle new conditions. If applied properly, the inclusion of migrant workers into the local labour market can greatly improve local economic development across the whole territory.

POINT OF REFLECTION

INCREASING VOCATIONAL TRAINING AND RECOGNIZING THE SKILLS OF THAILAND'S MIGRANT WORKERS

Thailand has 157 areas of national skills standards, but they are not appropriate for all industries and may not always match other countries' standards, thus migrants may not be able to have their qualifications recognized to work in the sector they have been trained for. To cover this gap and ensure that migrant workers can successfully validate their qualifications, a Memorandum of Understanding between Thailand and Korea was set up under the Employment Permit System (EPS). This requires workers to complete training before migration which permits the potential migrant to better respond to the needs of the local labour market in the territory of destination. This training is offered at local level in collaboration with LRAs.



This is a **good example how international - national and local levels could coordinate their efforts**. The MoU is taken at international level (between two countries) establish among national skills standards (national level) – the training activities are organized under the responsibility of the LRAs

Would this approach be meaningful in your own context? Do you know of similar examples?

5. BOLSTERING COOPERATION AND COORDINATION AMONGST STAKEHOLDERS

Skill recognition and institutional cooperation

Skill recognition is the official recognition of the value of the acquired skills of a migrant worker, the competencies currently held, regardless of how, when or where the learning occurred. The skills are assessed through evidence such as certification, references from past employers, recognition of prior learning, work and/or life experience.

Regional and local qualifications frameworks and regional and local cooperation for mutual recognition of qualifications create a favourable condition for facilitating labour mobility and portability of migrant skills. Local actors should be part of the dialogue to improve policies and cooperation partnership to enhance the recognition of migrants' skills. This would facilitate their professional integration in the destination territories.

Recognition of workers' skills by potential employers is important for migrant workers so that they can obtain productive employment commensurate with their qualifications and experience, particularly when "Immigrants are more likely than the native-born to hold jobs for which they are over-qualified". Given the lack of information on education and training systems in countries of origin available to employers in countries of destination, it may not be surprising that between 25 and 50 per cent of skilled migrant workers are inactive or unemployed or hold jobs that require lower levels of skills than their previous occupation. Being able to recognize skills is important to employers in order to determine whether migrant workers have the ability to meet their needs hence, avoiding migrant workers brain waste.

Cross-border skills recognition is not easy because destination and origin countries' systems of occupational classification and qualifications can be very different, and employers may lack information about the credibility or reputation of diploma- or certificate-granting institutions in other countries. Local authorities in collaboration with the local actors involved

²¹ OECD, (2007b) p. 25

²² ILO, Skills for improved productivity, employment growth and development, (2008)

in LED strategy could develop partnership with other localities and region of destination, and create databases of skills recognition schemes to facilitate the integration of migrant workers.

Skill recognition is also of critical importance to migrant women since they are disproportionally affected by deskilling. Many highly skilled women migrants are unable to transfer their skills when relocating to a new territory due to gendered practice in the territory of destination and the general preconception by employers and institutions that migrants' qualifications do not necessarily meet the demands of the local job market. Therefore, despite the human capital they might bring with them, many of the professional qualifications or diplomas that migrant have, are not recognized, in turn limiting their integration into the local labour markets of territory of destination.

POINT FOR REFLECTION DESKILLING OF WOMEN MIGRANT WORKER

A large number of highly skilled women migrant workers accept low-skilled jobs with hopes of subsequent upward mobility. This deskilling tends to affect women more significantly than men migrant workers.



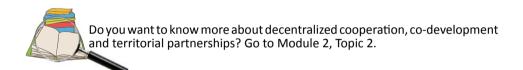
How are women migrants being integrated in your local labour market?

How can LRAs ensure that those women migrant workers are professionally and socially integrated in their territory, in turn avoiding brain waste?

Coordination among actors and the specific role for LRAS

Multiple stakeholders are likely to become involved in skills transfers, including migrants and their representatives, national and local authorities in the countries of origin and destination, aid agencies, educational institutions and institutions responsible for the recognition of qualifications and, of course, public and private-sector employers. These stakeholders generally pursue diverse objectives with different timeframes and entailing highly variable resources. It is nonetheless necessary to reconcile differing approaches and expand co-ordination amongst these stakeholders for more effective management of skill transfer and recognition.

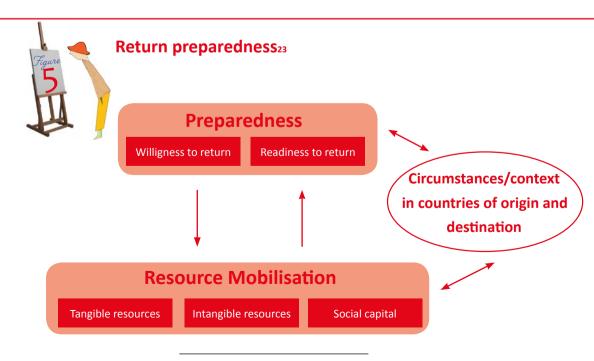
Local authorities also have an important role to play, which could be enhanced with the support of decentralised co-operation. Decentralised co-operation could offer an ideal framework for lending government support to diaspora members' development initiatives by exploiting the proximity between local authorities and associations with a local presence.



6. HOW SKILLS OF RETURNEES CAN HAVE AN IMPACT ON LOCAL DEVELOPMENT?

The return of migrants can promote development through the promotion, mobilization and utilization of productive resources that they have gained abroad. In practice however, gauging the extent to which return migrants contribute to development is complex, and much consideration needs to be given to understanding:

- the profile of returnees (age, skills, investment potential, gender...);
- the time, motivation and condition of return migrants;
- the level of preparedness and willingness;
- their ability to reintegrate and/or invest into labour markets of their countries of origin.



In order to foster the professional and professional reintegration of return migrants LRAs should:

- ensure that the skills of return migrants correspond to existing local needs (e.g. up-skilling and retraining return migrants);
- enhance job orientation and placement schemes.

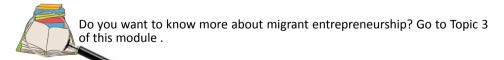
Skills recognition schemes are also helpful in aiding territories of origin to benefit from the development potential of returnees. Systems that recognize the new skills or skill levels acquired during work abroad would help returnees obtain commensurate work at home.

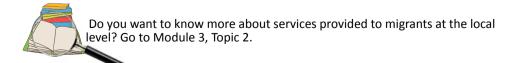
To achieve these objectives, the following non-exhaustive list of specific actions can be considered by LRAs.

Establish Migrant Resource Centres

Migrant Centres in the territory of origin provide services and jobmatching to migrants and empower them to reintegrate into society through training and re-training. Moreover, they provide a platform for entrepreneurship as a way to reintegrate socially and professionally in their territory of origin.²⁴

It should be noted that some returnees may find themselves in more vulnerable situations than others, particularly when return migration occurs involuntarily or the migrant has suffered from a failed migration experience. In this sense, such migrant resource centres can also provide much needed psycho-social and short-term humanitarian support that migrants may need before being able to reintegrate into society and professional life.



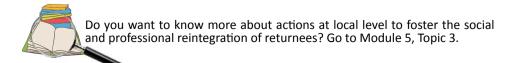


Provide up-skilling and re-training

Projects may capitalize on migrant skills by ensuring that the capacities of returnees are beneficial to local development. In these cases, migrants are offered general support in coping with intercultural challenges posed by reintegration, and they may also receive training to align their skills with the reality of local markets. The implication of local authorities and local actors in developing training projects can up-skill less qualified workers or workers who lack skills that are in demand in local markets or they can provide reintegration assistance and re-training for qualified workers who need to adapt the skills they possess to local market needs. An assessment of the skills learned in the country of destination is important to avoid brain waste upon return. In this case, brain waste is understood as the worthlessness of the acquired skills abroad in the national and local context. If the returnee is not able to use his or her skills through retraining, there is high possibility of re-emigration due to a failed social and professional reintegration.

Create a job placement schemes for returnees

Job placement is another key activity for projects targeting return migrants. Local actors (in particular local offices of public employment services or PEAs) can develop specific schemes to facilitate contact between employers and (aspiring) returnees who hold relevant skills to fill vacancies on the local market. These schemes are often matched with professional retraining to adjust migrants' individual career paths and to ensure that the skills and experiences they have acquired abroad can be exploited in the local market. Some organized information days in the countries of immigration about job opportunities at home, others took on the direct task of receiving job offers from employers and distributing them among suitably qualified return migrants. Websites are also an effective tool to host job vacancies and match them with the profiles of job seekers contained in a migrant database. Close collaboration with key stakeholders such as employers' associations, chambers of commerce, companies in the private sector is crucial for the success of this kind of activity.



KEY LEARNING POINTS

- Long-term skills forecast are usually carried out at the national level, whereas short-term skills forecasts are conducted at the regional or local levels, often through the network of Public Employment Service (PES)
- Regional and local
 qualifications frameworks
 together with regional and
 local cooperation for mutual
 recognition of qualifications
 create favorable conditions for
 labour mobility and portability
 of migrant skills. Local actors
 should be part of the dialogue
 and efforts to improve the
 policies, cooperation and
 partnerships to enhance the
 skills recognitions of migrants
 so their professional (re)
 integration can be effective.
- Local authorities in collaboration with the local actors involved in promoting LED should create partnership with other localities and regions of destination and create databases of skills recognition schemes to facilitate the integration of migrant workers. Skills recognition schemes are also helpful in aiding territories of origin to benefit from the development potential of returnees. Systems that recognize the new skills or skill

- levels acquired during work abroad would help returnees obtain commensurate work at home
- A number of strategic options can be outlined for refocusing the contributions of migrants and Diasporas to development. These options revolve around a central objective, which seeks to better identify needs and the supply of skills so that public policy actions in territories of origin and destination can be targeted more effectively
- The three main axes consist in:
 - improving access to information;
 - o supporting initiatives by diaspora members;
 - increasing the involvement of local authorities and employers.



TOPIC 3

ENTREPRENEURSHIP OF MIGRANTS: CHALLENGES AND OPPORTUNITIES

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Learning objectives

By the end of this topic, participants will be able to:

- understand the opportunities and the challenges related to migrant entrepreneurship;
- analyse how cooperatives could be an adequate solution for migrants;
- appreciate the specific role that could be played by local authorities in promoting the entrepreneurship of migrants.

Introduction

According to OECD, migrants represent a higher percentage of entrepreneurs than native people in the country of destination.²⁵ The entrepreneurship of migrants could be a great opportunity, but can also bring its load of challenges. The common reasons **why a migrant, or anyone,** might attempt entrepreneurial activity are:

- cultural and personal predispositions;
- a regulatory environment supportive of entrepreneurship;
- commercially viable business ideas;
- access to capital and;
- an alternative employment option.

All of these factors can be conducive to having a positive impact on LED, and, if well managed by the local authorities and other local actors, can promote and provide incentives for migrant entrepreneurship. These factors can have particular implications for migrants and explain why they often become entrepreneurs.

1. HOW CAN MIGRANT ENTREPRENEURSHIP HAVE A POSITIVE IMPACT ON LED?

Local entrepreneurship is an effective way to contribute to the local economic development (LED) and many migrants choose this way to integrate themselves into the labour market. As with labour migration, entrepreneurs are motivated by a similar drive: to improve their economic circumstances.

Some will start a business to compensate the low employability rate or discrimination they could face in access to employment, but others have already an entrepreneur's background prior to their arrival and are willing to start or expand a business. Some ethnic groups seems to have more of an entrepreneurial cultural background and will adjust better to a new business environment while others might find it more of a complicated challenge.₂₆

"Migrant entrepreneurs broaden the range of goods and services available, adding vitality to particular city neighbourhoods, thus preventing or even reversing deterioration. Migrant entrepreneurs often have skills that are no longer in sufficient supply in economies of destination and are willing to work long hours and use their social capital to reduce production and transaction costs"



Opportunities and challenges related to migrant entrepreneurship

Opportunities

Migrant entrepreneurs provide goods and services that might not exist or be limited in their absence (especially in regard to services)

Migrants create their own employment but also additional employment for other migrants as well as national workers

Migrant entrepreneurs
can contribute to
maintaining and
developing economic
activities in specific urban
and rural areas at risk of
economic or demographic
decline

Migrant entrepreneurs can contribute to the economy of receiving countries by expanding the host country's foreign trade using their transnational linkages.

Challenges

Finding an appropriate location

Being able to advertise business properly

Understanding national and local regulations and access to information

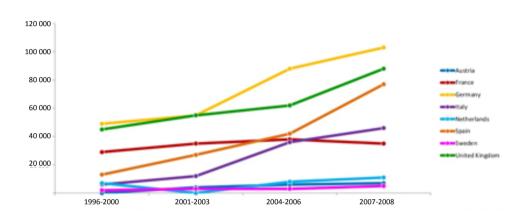
Insufficient startup capital

If we look at the trends of entrepreneurship of migrants in Europe as well as it impact on job creation at the local level outlined in the graphs in Figures 7 and 8 below,) we can see that there is an important increase of "foreign-born" entrepreneurs since 2000, contributing to job creation in most countries and thus LED.28

²⁸ Migration Policy Group (MPG), Diversity in the Economy and Local Integration (DELI), (2014)

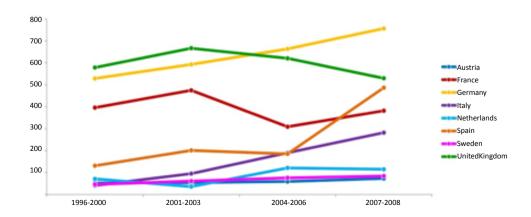


Average yearly number of new entrepreneur, foreign-born, 1998-2008 – OECD





Persons employed in firms of immigrants entrepreneurs, 1998-2008, thousands - OECD



POINT FOR REFLECTION WHAT IS SUPPLIER DIVERSITY.?

Supplier Diversity is a business programme that encourages organisations to use a wide range of supplier types, starting with SMEs and including diverse and under-represented businesses; small, local and innovative firms, third sector, social enterprises and other types of organisations which include migrant/minority-owned, businesses.

Supplier Diversity is becoming more important to potential business customers. Companies are increasingly being asked by its potential customers to supply information about its Supplier Relationship Programme, as a requirement within the bidding process.

By broadening the diversity of their supply base, companies can gain access to new ideas, increase competition, and widen their candidate pool. It also helps align supply chains and products and services with an increasingly diverse market of customers and clients.



There are also social benefits and implications for company programmes supporting corporate social responsibility (CSR). Supplier diversity for example can help regenerate communities and encourage new entrepreneurs.

What can be done in your context by LRAs to support supplier diversity at territory level? What could be the benefits within the local and migrant communities?

Migrant women as entrepreneurs

As seen in the Core Module, Topic 2, migrant women face more grounds for discrimination in the territories of destination. Women entrepreneurship is already, regardless of the status, more difficult to achieve than for men. Nonetheless, today, more and more women entrepreneurs are starting businesses and they now account for a

quarter to a third of all businesses in the formal economy worldwide. However, the great majority are very small or micro enterprises with little potential for growth. Women entrepreneurs are under-represented in enterprises of all sizes, and the bigger the firm the less likely it is to be headed by a woman. The probability of a migrant woman to succeed in establishing an enterprise is further reduced by the discrimination ground she faces.

Societal attitudes and social beliefs inhibit some women from even considering starting a business, while systemic barriers mean that many women entrepreneurs stay confined to very small businesses often operating in the informal economy. This not only limits their ability to earn an income for themselves and their families but also restricts their full potential to contribute to socio-economic development and job creation. The World Bank's World Development Report 2011 suggests that productivity could increase by as much as 25% in some countries if discriminatory barriers against women were removed.

Removing these barriers, such as discriminatory property and inheritance laws, cultural practices, lack of access to formal financial institutions, and time constraints due to family and household responsibilities, will create greater opportunities for sustainable enterprises run by migrant women. This in turn will contribute to women's economic empowerment and gender equality as well as helping to generate sustainable growth and jobs. While removing barriers is essential, investment is equally as vital. Investing in women is one of the most effective means of increasing equality and promoting inclusive and sustainable economic growth. ³ LAscan promote and bring incentives for entrepreneurship of women migrants and therefore create pull factors, as seen in topic one, but also create an alternative to migration and retain the women entrepreneur, so the LED comes from within.

Return migrants as entrepreneurs

The possibility for return migrants to become entrepreneurs has been a recurrent topic in recent dialogue on migration, both at bilateral and multilateral levels.

Entrepreneurship of return migrants can be very beneficial for the sustainable growth of the territory of origin, since returnees often bring with them new skills and also new ideas that if managed well, can be harnessed for local development.

However, it has been highlighted in many studies on return migration that this approach should be carried out carefully. The study research published by the European University Institute (EUI) "Return and Development", highlights that "there exist preconditions in the country of origin that need to be taken into consideration to foster the credible reintegration of return migrants involved in entrepreneurship back home. Apart from the need to ensure the completeness of entrepreneur-returnees' migration cycles, access to investment opportunities in the private sector of the country of origin is a key element that cannot be ignored".

Do you want to know more about actions at local level to foster the social and professional reintegration of returnees? Go to Module 5, Topic 3.

2. CHALLENGES FACED BY MIGRANT ENTREPRENEURS

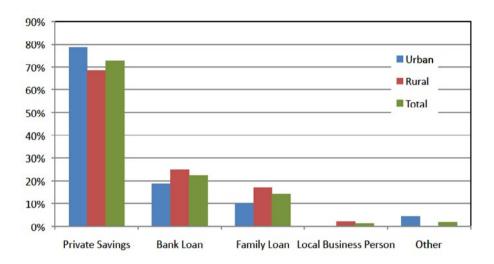
Migrant entrepreneurs play a vital role in sustaining and promoting growth in the local economy in which they live. They face many of the same barriers in starting and growing their businesses as do most entrepreneurs, which include insufficient start-up capital, complying with regulations, finding the right location and advertising. However, many migrant entrepreneurs also have to learn where to go to obtain the information needed to start a business. In addition to requesting assistance in writing their business plan, one half of the entrepreneurs need help in understanding the licensing or regulatory process. The main challenges faced by migrant entrepreneurs are outlined in more detail below.

The insufficient start-up capital and access to loans

Capital is a crucial part of the first steps of a business and the access to capital to start the business is one of the first challenges migrant entrepreneurs will have to overcome. Migrant entrepreneurs will face more difficulties than national entrepreneurs to access a loan or credit from traditional financial institutions, which can constitute the first impediment to the implementation of a small business in the territory of destination.



Example of sources of Start-up capital for Latino migrant entrepreneurs in Arkansas (USA)31



As can be seen from the figure 9 above most of the Latino migrant entrepreneurs in Arkansas start their business with private savings. Bank loans and family loans represent mostly the same percentage and are clearly less utilized.

This shows two important aspects:

- the nees for migrants to have capital before setting up the business which could retain most of the migrants to make the necessary step forward;
- migrants' economic and social success as entrepreneurs is clearly impacted by the presence and utilization of their social capital.

The lack of financial capital implies that many migrant entrepreneurs are funnelled towards markets for which only small inlays of capital are needed, where growth is more difficult, and where they resort to informal credit systems which can be very risky for the migrant.

³¹ University of Arkansas, United States Department of Agriculture, and County Governments Cooperating, "Challenges Faced by Latino Immigrant Entrepreneurs", (2009)

Other sources of capital and resource mobilization are available like microfinance or crowdfunding. Resource mobilization and access to capital also depends on the environment in which the migrant wants to establish the business and the value of the enterprise; is it highly innovative? Is there a lot of risk involved? Is there a market for the service or product offered?



The NARWI platform₃₂

Narwi –which means "to tell a story" in Arabic - is a crowdfunding platform that seeks to create business opportunities for young Arabs. By providing a revolving donation to Narwi, donors can empower micro-entrepreneurs to launch businesses, create jobs, and make positive changes in the region. This initiative has been especially created to address youth unemployment in the Middle East and North Africa which is the highest in the world and is a leading cause of instability in the region. Youth unemployment also is a push factor for many young people to emigrate towards Europe.



 The difficulty to understand regulation and to access to advice and information services.

A significant obstacle for any new entrepreneur is their lack of familiarity with regulations and procedures upon start-up of their business. Migrant entrepreneurs are, however, particularly disadvantaged in this regard due to lower education levels and language barriers. As these problems may be overcome through the diffusion of information, many cities provide some kind of advice and information services on entrepreneurship, and some services which directly or indirectly target n migrant entrepreneurs.



Workers Unions in Breda and its special department advising entrepreneurs

Workers' unions, such as the one in Breda, The Netherlands, sometimes have a special department advising entrepreneurs without staff, offering lower rates for insurance and administrative services, legal advice and support, and lobbying for people who work independently.



The Vienna Economic Chamber and the Turkish Information Sheet for Grocers

Example

The Vienna Economic Chamber provides special information sheets in different and for different migrant languages business areas about many aspects of everyday business operations. An illustrative example is the Turkish Information Sheet Grocers (Türkisches Infoblatt Lebensmitteleinzelhändler), which is also available in a number of other languages.



This folder supplies information about all relevant aspects of conducting a grocer's business: from the acquisition of a trade licence and formal business registration to the legal opening hours, hygiene regulations (cleaning and disinfection plan, staff training, pest control, service of cooling appliances, cooling temperature ranges) and details about contracts of employment, registration at the regional medical insurance company, and the legal regulations about the employment of foreign citizens.

The need to get advertising and marketing skills

Finding the right position in the market and building a sufficiently large (and diverse) customer base is key for any entrepreneur. There is a rather general sentiment that migrant entrepreneurs tend to cater to a comigrant demands rather than diverse clientele, and therefore should be encouraged to break out of these more limited markets.

Improvements in establishing closer contact with a wider variety of customers can be accomplished in many ways, for instance by:

- moving to a different location;
- o changing business sector;
- increasing the product range;
- establishing connections to mainstream businesses;
- embarking on a different marketing style.



Project Promotion of Small Businesses' Competitive Power and Marketing Activity in Zagreb

A comprehensive initiative focused on entrepreneurs in general to improve marketing skills is found in Zagreb, where the Croatian Ministry of the Economy runs the project Promotion of Small Businesses' Competitive Power and Marketing Activity. This initiative provides training courses and workshops as well as facilitates participation



in trade fairs and exhibitions, paying the rental fees for halls, assisting with advertising material and market research, and helping with the creation of a corporate identity and corporate design.

The challenge to find an appropriate location

A practical challenge for many migrant entrepreneurs is finding a shop, office space or manufacturing space. When looking for such a space, they have to take into account their customer base, the costs, and local rules and regulations. LRAs can support entrepreneurs to find a business location, either through help in finding premises such as office spaces, locations for trade, storage space or plant areas, or through the provision of premises within business incubators (see more on the role of LRAs below).



The Wolverhampton India Project₃₄

Tapping into the potential of immigrant communities and business networks to connect local economies to emerging markets is a smart local development strategy for cities. This was the impetus behind the Wolverhampton India Project (WIP), which was launched at the Houses of Parliament in 2007 by the Wolverhampton City Council,



the University of Wolverhampton and local partner organizations. The Wolverhampton India Project helps Indian investors thinking of locating to Wolverhampton to find business premises.

3. THE COOPERATIVE OPTION

Definition: What is a cooperative?

A cooperative is an autonomous association of persons, united voluntarily to meet their common economic social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise.

Cooperatives exist in all sectors of economic and social activities and are found in almost all countries of the world. They bring together over one billion people as members including migrants and their families.

With over 100 million jobs provided worldwide, the role of cooperatives as employers is significant.³⁶



Cooperatives put people at the heart of their business. Since they are owned and democratically controlled by their members, the decision taken by cooperatives balance profitability with the needs of their members and the wider interests of the community. Cooperatives come in various forms, serving many different needs, resilient to crises and thriving with diverse societies.

Whether men and women migrant men and women join existing cooperatives, or create cooperatives exclusively of migrants, they take part in an enterprise that caters to economic, social and cultural needs. They participate in democratic decision-making and have an equal voice. They can also benefit from education and training as cooperative members and/or employees, improving their business and leadership skills.³⁷

³⁵ ILO Promotion of Cooperatives Recommendation, 2002 (No 193)

³⁶ ILO Cooperatives (COOP) unit.

³⁷ Ibid

Like other forms of enterprise, cooperatives may often include migrant workers in their workforces. Many provide integration programmes for migrant workers, including language and skills training. *Viaggi Solidari* has trained migrant workers in major cities to be tour guides, leading to some joining the cooperative as member-employees₃₈. In the United Kingdom, The Co-operative, the largest farming business in the UK, runs special training and follow-up in relation to their social integration efforts that has resulted in a number of seasonal migrant workers being promoted to Line Supervisors and Managers.₃₉

Migrants can create their own enterprises through cooperatives, in their host countries, but also upon return to their home countries. Some choose to form worker cooperatives. In this form of cooperative, members are both workers and owners of their enterprises determining the goods or services provided by the enterprise. As worker-owners, members can create jobs on their own terms where they have a say in the workplace and the terms and conditions of work.

Returning migrants who share a similar background and experience are also forming cooperatives. With some accumulated savings, they choose to create their own business in their home countries, starting workers' cooperatives. In Indonesia a group of return migrant workers, consisting mainly of women, established a savings and credit cooperative to provide services for former Indonesian migrant workers and their families, including business management and start-up training. The membership of the cooperative which consists of workers who could not access services from conventional banks, has reached 29 members covering 100 migrant families who hold assets of USD 13,000 (as of 2009)₄₀

³⁸ www.viaggisolidari.it

³⁹ ILO, issue brief, "Cooperatives offer migrant workers options for better lives"

⁴⁰ ILO, "Migrant workers' cooperatives as a crisis response". 4 July 2009



Migrant Mine Workers' Cooperatives

The Bella Rica Cooperative in Ecuador formalized artisanal and small-scale gold mine workers. The miners' main objectives informing the cooperative were to formalize their work and obtain rights to the minerals mined. The cooperative consists of 141 members grouped into 56 mining societies. One of the many achievements is formalizing migrant temporary workers and offering more stable contracts to those interested in staying.41



It is important to note that mining industries also produce a lot of contamination which can have serious negative consequences for the environment. It is therefore key to ensure that such cooperatives also integrate practices in environmental protection into business planning.

POINT FOR REFLECTION

What could be the role of LRAs to encourage a green economy? Could cooperatives be useful?



Cooperatives can also offer tailored services to migrants in order to encourage their membership. Different ranges of services have so far been proposed by cooperatives to migrants in different regions of the world from financial services (including tailored insurance products) to recruitment services.



A cooperative of migrant domestic workers

Si se puede!, Amigos y Mujeres Unidas is a domestic workers' cooperative established in United States (USA). Its membership consists predominantly of immigrant women from Central and South America, it provides worker-members and prospective employers job-matching or recruitment services while protecting their members' rights. This effectively removes the workers' dependence on private



recruitment agencies that may charge excessive processing fees or expose them to exploitative terms and condition of work.42

Cooperative enterprises can provide significant opportunities for specific groups such as informal workers by facilitating the transition to the formal economy. They can help others, such as migrant and domestic workers, move away from poverty and find decent work opportunities.

Therefore, cooperatives are already serving the needs of migrants around the world, but the potential of this model to improve the lives of the ever increasing number of people who are migrating is under-utilised and continues to be hampered by a lack of knowledge and understanding of the cooperative business model and how cooperatives can respond to the specific needs of migrants.

Policy and legislation continue to limit the formation and growth of cooperative enterprises especially in areas such as insurance and other social service provisions. In some destination countries the continued limitations on the rights of migrant workers to form their own businesses can have an impact on their ability to join and form cooperatives. Existing migrant education programmes for departing and returning workers, entrepreneurship education and business support services also neglect the cooperative option. Cooperatives face other challenges; even when the cooperative form of business is introduced to potential members, their promoters often underestimate the need for capacity building, business management skills, and specific training in cooperative governance (see section below).

⁴² ILO. "Global Mapping of Domestic Worker Social and Solidarity Economy Organizations", (2013).



Temporary migration and corporate social responsibility: The Coopetarrazú example

Coopetarrazú has been working in Los Santos since 1960. It is a cooperative of coffee producers that processes and sells this product sustainably. Coopetarrazú also manages supermarkets, sale of agricultural materials and funding for harvest. It also provides technical assistance to producers. Coopetarrazú has several certifications, including fair trade, thanks to their better social and environmental practices. It is dedicated to the export of the coffee Tarrazú feedstock and serves as a supplier of transnational companies like Starbucks. Coopetarrazú carry out quality management



processes with Fair Trade and Rainforest Alliance for example.

In 2014, Coopetarrazú launched a joint project with the Pastoral Social Caritas (Catholic Church) and private enterprise DEMASA to tap into the domestic market with its own brand of coffee. It is a partnership which includes the Coopetarrazú Caritas seal on the packaging and through DEMASA distributes coffee in supermarkets across the country. Both companies give back to Caritas a percentage of sales of coffee sold. For example, by purchasing a 500 gram packet of gourmet coffee, they will be donating about 110 colones (US \$ 0.20).

Since Coopetarrazú depends on many temporary workers for harvesting the coffee, as part of the area of corporate social responsibility, Coopetarrazú provides accommodation for temporary migrant workers each year between November and February (especially indigenous Ngäbe-Buglé of northern Panama). This experience is developed in partnership with the Catholic Parish Church of San Marcos.

4. WHAT CAN BE DONE AT THE LOCAL LEVEL TO ENCOURAGE MIGRANT ENTREPRENEURSHIP



MIGRANTS' S.T.E.P. (SUPPORTING TOOLS FOR ECONOMIC PROJECTS)

All migrants with an interest in investing in Senegal are free to approach the helpdesks and access the services offered, which sparked considerable interest among the target population. Migrants are assigned to a business coach or to other expert staff who assist them during identification, elaboration, formalization and enterprise creation. The project also mapped existing services that support migrant entrepreneurs, including sources of financial assistance and technical support. CAIM helpdesks are



strategically linked with other key institutions (chamber of commerce and Regional Agencies for Development in Senegal), therefore, enhancing their visibility and favouring potential future buy-in. The project was enriched by the complementarities of all partners. In particular, partnering with organizations providing micro-credit facilitates access to funding for migrant entrepreneurs and chances of buy-in. In addition, although their future depends on securing additional funding, the sustainability of CAIM desks benefitted from the project's strong 'training of trainers' activity.



POINT FOR REFLECTION

What do you see as advantages for migrants to have business coach? Do you know other similar examples in your local context? How is it organised? Would a similar example transferable in your own context? Why?

LRAs recognize and often publicly communicate on the importance of a strong, growing entrepreneurial and small business community which will embrace the diversity of the community and therefore foster the entrepreneurship of migrants as well. Yet, when it comes to supporting migrant entrepreneurs in practice, many local authorities are unsure of how they can make a real impact.

To encourage migrant entrepreneurs, LRAs need to examine how they can contribute to an entrepreneurial eco system by partnering and connecting with external stakeholders.

Policies of inclusion and welcome which help foster opportunities for integration into a local area are important at the local level. In particular access to language and cultural competency learning information about local resources and civic engagement opportunities are important components of integration processes. The main tools and manners in which LAs can support migrant entrepreneurs are outlined below in figure 10.

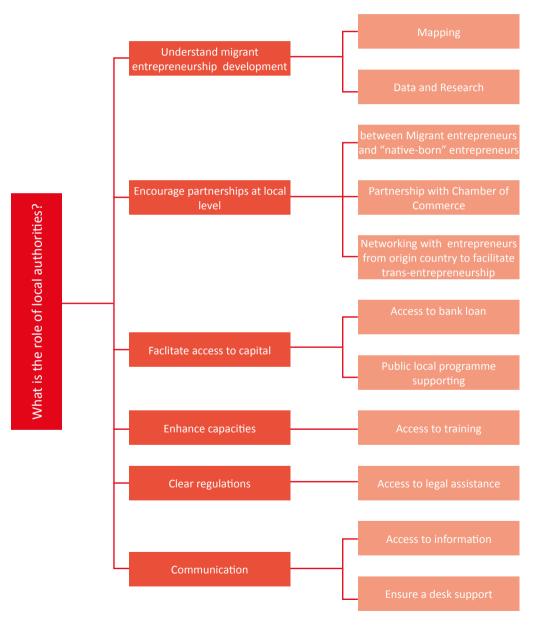


The European Commission Communication (2012) Entrepreneurship Action Plan 2020

This EC Communication explicitly recommends EU member states to propose policy initiatives to attract migrant entrepreneurs & facilitate entrepreneurship among migrants, using the best practices developed locally aiming to remove legal obstacles to establishment of businesses by migrants and to facilitate their access to information and networking.



The different roles for local authorities in supporting migrant entrepreneurs





Support for Immigrant Small Business in New York

In March 2011, Mayor Michael Bloomberg launched three initiatives to make it easier for immigrant owned businesses to start and grow: a business plan competition for innovative strategies to provide assistance to immigrant entrepreneurs; new, free small businesses courses in Chinese, Korean. Spanish and Russian: and a business expo to showcase locally-based immigrant food manufacturing businesses and linking them to consumers nationwide (NYC Office of the Mayor, March 3, 2011). It is the first time that the city's Department of Small Business Services (SBS) and the



Economic Development Corporation (EDC) were strategically aligned with the Mayor's Office on Immigrant Affairs (MOIA) to develop and provide services for immigrant small businesses.

This new set of initiatives requires extensive collaboration and communication both internally among the city's department and externally with community partners. In this capacity, the MOIA serves as the representative to immigrant communities and as the connector between communities and government. MOIA's strong relationship with community based groups allows it to be the trusted mediator to help introduce government services to the immigrant small business community.

Further key aspects to consider by LRAs when fostering migrant entrepreneurship:

Understanding migrant entrepreneurship development and filling the information and intelligence gap

While businesses as a whole look incredibly diverse, research suggests entrepreneurs and businesses move through stages of development that reflect a high level of uniformity of management and technical, and financial challenges. As they grow, entrepreneurs face new challenges and will likely need different resources and relationships to support them and this is also true for migrant entrepreneurs.

Understanding migrant entrepreneurship is important for LRAs, because it will allows them *in fine* to provide services better adapted to migrant entrepreneurs' needs. LRAs should be careful to not classify migrant entrepreneurs in one single category; indeed migrant entrepreneurship is not limited to small business/shop and restaurant but can also be important firms which have a key role in the development of the territory by creating for instance jobs for other migrant as well as national workers.

POINT FOR REFLECTION



Who are the migrant entrepreneurs established on your territory? Are their needs the same as those of national entrepreneurs? Where do they differ? Is there a risk of proposing programmes/ actions which are out-dated and not reflecting the real needs of current and futures migrant entrepreneurs?

In many cities there is a lack of basic data on migrant entrepreneurship in the integration departments. LRAs should consider investing in targeted and efficient ways of gathering information and providing policy-relevant analysis of migrant entrepreneurship (e.g., structural features and future developments). This should be regarded as an important contribution to the economic and social development of the territory. To achieve this in a cost-effective way, local policymakers should strengthen their cooperation with the numerous general or sector organisations such as the chambers of commerce, employers' organisations, tax authorities, local banks and private consultancies. The local level could also benefit from the use of larger databases managed either at the regional or even national level to obtain the necessary information.

Include migrant entrepreneurship in the overall LED strategy

LRAs should bear in mind the role and importance of migrant entrepreneurship within their overall integration, social inclusion and community cohesion strategy for migrants. Migrant entrepreneurship often does not feature prominently in the overall objectives of most cities and that paid employment is seen as the main element of integration into employment. LRAs should increase their awareness of how the development of the migrant entrepreneurship may positively impact on a number of factors including:

- job creation for migrants themselves and for other members of society including migrants from both the;
- social integration opportunities for upward mobility and the creation of community leaders;
- urban development programmes the revitalisation of poorer, deprived and often segregated neighbourhoods.

• Recognise migrant entrepreneurship in the overall economic strategy

LRAs in particular should reflect on the growing economic importance of migrant entrepreneurship. The available data shows that one of the distinctive features of migrant entrepreneurship is its continuing growth in most cities (see figure 7). This is also reflected in the large numbers and high proportion of business start-ups by migrant entrepreneurs, where in some cities over 50% of all start-ups are initiated by migrant entrepreneurs. Local authorities and especially economic departments should recognise and foster this trend by, for example, strengthening local competitiveness through the improvement of external trade links based on the formal and informal networks and intercultural capabilities of migrant entrepreneurs. More variation in local service provision by migrant entrepreneurs can promote a dynamic and vibrant image of a cosmopolitan city. In order to capitalise on these potential economic gains, the relevant LRAs departments should ensure that existing mechanisms to support entrepreneurship are accessible and friendly to migrants in order to help to sustain the existence of migrant enterprises.

POINT FOR REFLECTION

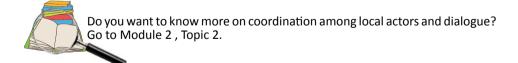


Due to the rapid growth of communication technologies, having access to internet or free or low priced international calls is becoming more abundant. This affects some entrepreneurs and in particular migrants who were for instance managing *internet coffee* shops.

With new sectors and jobs appearing (for instance in communication) and with the new trends in economy (such as the green economy). What do you think migrant entrepreneurship will look like in the future? Are these aspect already taken into consideration in the overall economic strategy of your territory?

Improve cooperation between different local administration departments

LRAs should be an example to other partners at the local level in developing a comprehensive strategy towards the promotion and the development of migrant entrepreneurship. All departments – statistics, economic and integration but also those responsible for urban planning and education – should work more closely with each other. In order to ensure an effective interdepartmental exchange and full cooperation, the top-level local policymakers must be convinced of the importance of migrant entrepreneurship and should provide leadership that gives the same strong signal to all layers of local administration. LRAs should involve and engage in regular dialogue with prominent local migrant entrepreneurs and use their knowledge to further develop local policies to promote migrant entrepreneurship.



Ensure that a coherent, comprehensive policy approach reaches all relevant stakeholders

LRAs should, where appropriate, facilitate and promote cooperation between different stakeholders by initiating, managing and sponsoring programmes and initiatives between mainstream and migrant business organisations, trade bodies, media, trade unions, professional training organisations and the wider public. LRAs could also act as a starting point or even as a central nucleus for a regular dialogue with migrant entrepreneurs and the aforementioned actors In this sense, LRAs can bring together service providers and business groups to help identify gaps, encourage collaboration and be a centralized information source.

In all territories local business associations are involved in several ways in political decision-making procedures, through formal or informal consultations, advisory committees or through membership of their representatives in political parties or even local parliaments. LRAs should encourage ethnic entrepreneurs to become active members of mainstream (general or sector) business associations in order to increase their involvement in local policymaking and to maximise other opportunities, for instance, to increase and broaden their client base.

LRAs could play an important role in encouraging the partnerships between the migrant and native-born business and entrepreneurship community are important for ensuring that migrant business owners are aware about the business resource available in a place such as the local chamber of commerce and other business organisations.

LRAs should also increase their effort to convince mainstream associations to be more proactive and open to embrace more diverse members (for instance, by actively seeking new members and by waiving membership fees for the first year). Business associations should reflect on the role and the potential economic significance of ethnic entrepreneurs for the local economy. Improved membership of this growing group of entrepreneurs could also support the organisational strength and influence of business organisations in the future. In a number of cities migrant entrepreneurs set up migrant or sector associations that address their specific concerns and challenges. LRAs should do more to support these organisations by helping them to cooperate with mainstream business organisations, providing them with office space and by engaging with them in a continuous dialogue. LRAs should also be more involved in promoting employees' rights in these businesses and should promote the establishment of works councils and the recognition of trade unions.

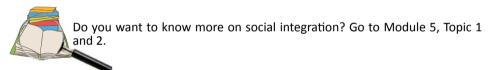


POINT FOR REFLECTION

Would employers' organisations also ensure the representation of migrant entrepreneurs within their organisation?

Facilitate links between different sectors such as education and training

Migrant entrepreneurs should be encouraged to collaborate with schools and to offer more places for apprentices. In the current economic climate, with high levels of youth unemployment, and in the context of migrant youth suffering double discrimination, this could offer young migrant workers opportunities to up-skill and gain a new set of qualifications. It also provides a major path for the successful societal integration of young migrants.



• Ensure efficient use of available tools supporting entrepreneurship

CLIP (European network of cities for local integration policies for migrants)⁴³ research shows that currently local authorities directly and indirectly offer a large number and variety of programmes and tools to help potential or existing entrepreneurs. However, due to many barriers (lack of awareness, unsuitable ways of delivering information, cultural distance of migrants from the activities of the mainstream society, lack of language knowledge, and lack of contact with intermediary organisations in mainstream society, such as chambers of commerce), there is a limited use of programmes by migrant entrepreneurs.⁴⁴ LRAs should think of a more tailored and targeted approach to reach migrant entrepreneurs in general, or even specific groups such as migrant females. This could include sector-specific training, mentoring programmes, use of migrant organisations in spreading information about programmes, or using successful role models. Special attention should be paid to training that

⁴³ CLIP is a network of 30 European cities working together to support the social and economic integration of migrants. The CLIP network composition is threefold. It operates under the aegis of a number of European organisations, it comprises a network of European cities and is supported by a group of specialist European research centres.

⁴⁴ CLIP, Promoting ethnic entrepreneurship in European cities, (2011)

covers all phases of the entrepreneurial process, including planning, marketing, taxes or personnel management.

Support better access to credit

As seen above, one of the most common barriers for all entrepreneurs, particularly for migrant entrepreneurs, is access to finance with reasonable interest rates and conditions. Improving migrants' access to finance is a key way to improve the success of migrant enterprises. LRAs may consider providing the necessary guarantees for obtaining loans and even granting microloans. LRAs may also utilise their position of working with state-owned (local) banks to negotiate that these banks offer preferential loans for start-ups. LRAs can also engage with commercial banks to convince them to become more financial advisors with an ethnic background and providing information in attentive to the way they provide credit services (for instance, by employing languages) or to provide necessary training for bank employees on dealing with migrant clients.

LRAs could also facilitate for migrant entrepreneurs the access to credit and capital through microloan program, business incubators in local communities and other methods can also help spur migrant small business grow and foster job creation at local level.

Act as proactive agents in regulatory and structural support

LRAs have limited room for manoeuvre as far as the regulatory and structural environment for companies is concerned; responsibility for this lies mostly at the national level. However, they should be actively involved and promote the efficient implementation of rules, the abolishing of redundant bureaucracy measures and the introduction of effective support services, e.g., through the introducing one-stop service provision for entrepreneurs. LRAs should do more to emphasise and promote the sensitivity of diversity issues amongst those dealing with regulatory or other support matters by providing diversity and intercultural awareness training for existing staff and/or employing more staff from various ethnic backgrounds. LRAs should also actively try to liaise with and consult with the national policymakers and convey the message that they get from the local level. They should be an active interlocutor between the national level, which sets the laws, and the migrant entrepreneurs, who must comply with it.

Unclear regulations with confusing steps are especially burdensome on any new and small businesses. Successful review and improvement of the provision of business permits and regulatory functions hinges on communication with internal and external stakeholders and committed political leadership. LRAs need to provide an accessible way for migrant entrepreneurship to interface with regulations and can create for instance legal assistance that will provide concrete information to migrants interested in becoming entrepreneurs.

KEY LEARNING POINTS

- Migrant entrepreneurs broaden the range of goods and services available, adding vitality to particular territories, thus preventing or even reversing deterioration
- Migrant entrepreneurs
 often have skills that are no
 longer in sufficient supply
 in economies of destination
 and are willing to compensate
 by working harder than the
 average person and by using
 their social capital to reduce
 costs. are willing to work long
 hours and use their social
 capital to reduce production
 and transaction costs
- Cooperatives put people at the heart of their business.
 Since they are owned and democratically controlled by their members, the decision taken by cooperatives balance profitability with the needs of their members and the wider interests of the community.
 Cooperatives come in various forms, serving many different needs, resilient to crises and thriving with diverse societies and can be an effective option for migrant entrepreneurs
- Migrant entrepreneurs play a vital role in sustaining and fostering growth in the local economy in which they live. They face many barriers in starting and growing their businesses. as do most entrepreneurs, which include:
 - insufficient start-up capital;

- o complying with regulations;
- finding the right location and advertising;
- o obtain the information needed to start a business.
- In order to support migrants overcome these barriers and encourage migrant entrepreneurship LRAs should take into the account the following (non-exhaustive) list of key considerations:
 - o understand migrant entrepreneurship development and the needs of migrant entrepreneurs;
 - encourage partnerships and networking at local level (between migrant entrepreneurs and "nativeborn" entrepreneurs but also with the Chamber of Commerce and other relevant actors;
 - facilitate access to capital through bank loans and local public programs that provide loans public local programme;
 - enhance capacities of migrant entrepreneurs and provide access to training;
 - ensure clear regulations and provide access to legal assistance;
 - enhance the communication strategy by providing access to relevant information and setting up a desk support.

TOPIC 4

REMITTANCES AND MIGRANT INVESTMENTS FOR LOCAL ECONOMIC DEVELOPMENT?

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Learning objectives

By the end of this topic, participants will be able to:

- describe the positive and negative impacts of remittances on LED;
- appreciate the possibilities and challenges related to channelling remittances for LED purposes and recognize the role that can be played by local actors;
- explain the gender perspective of remittances.

Introduction

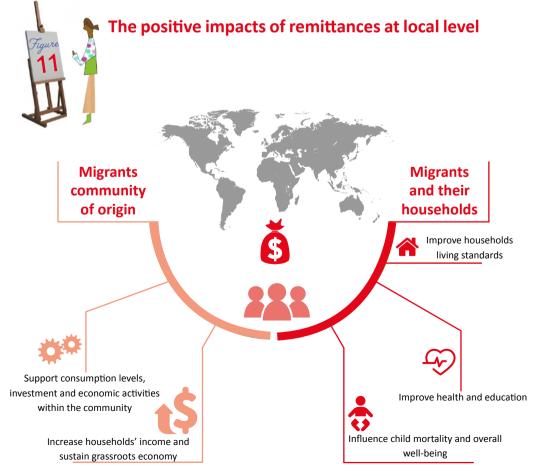
Remittances are understood as cross-border, private, voluntary monetary and non-monetary (social or in-kind) transfers made by migrants, individually or collectively, to people or to communities not necessarily in their country of origin and are often seen as the expression of migrants' solidarity with their families and communities. For the purpose of this Topic, remittances will be considered as financial remittances.

Remittances are mainly used for consumption (food and improved housing), productive investment (entrepreneurship) and social investment and protection (education and health care). Remittances are clearly international in nature with US\$ 410 billion being sent in 2013 according to the World Bank. Moreover, remittances are the most tangible and evident form of financial capital that migrants possess but which have a clear impact at the *local level* with migrants sending their remittances, as a private resource, directly to family members and friends and their communities of origin. Remittances can increase purchasing power; enhance access to education and health care; facilitate entrepreneurship and investment and generally improve living standards and social cohesion; as well as provide support in emergency times of need; all of these potential aspects can clearly support local authorities' efforts in fostering local development. In this sense, local authorities, have a clear

role in capitalizing on the potential these remittances have to foster local development for the benefit of the whole community. It is also important to note that local authorities in *both host and origin* territories of origin and destination can and should play an essential role in this and can do so by working together to facilitate safe and affordable transfer and receipt of remittances at both ends and to support both migrants in host communities and the communities back home territories of origin and destination to channel remittances into productive and sustainable development initiatives supported by LRAs.

1. REMITTANCES WITHIN DEVELOPMENT AND THEIR SOCIO-ECONOMIC IMPACT AT LOCAL LEVEL

As aforementioned, remittances can impact local economies through increased consumptions of goods and services and also through local investments and business creation due to the effect that remittances can have on migrants' households and migrants' communities of origin.



Analyse of the economic impact of remittances at local level on migrants' household

The economic impact on remittance recipient households is quite obvious and the most direct. Most of the time remittances are used for direct consumption. Remittances therefore can improve households' living standards, contribute to poverty alleviation and act as insurance against shocks (economic crisis, drought, natural disasters). But remittances are also used to improve the health and education of the family and in particular the children. By giving access to health and education, remittances can have a positive influence on child mortality and overall well-being.45

Analyse of the economic impact of remittances at local level on migrants' communities of origin

The impact of remittances is not limited to the migrants and households, but is also beneficial for the communities of origin. The short-term impact is an increase in households' income and an improved grassroots economy but, directly or indirectly, remittances undeniably boost consumption levels, investment and economic activities within the community.

In the long run, an improved local economy and society would increase community autonomy and decrease dependence on external sources of income, but the major risk would be to rely only on remittances and continue to base logic on increasing local economic development through remittances. Therefore, while there are direct positive impacts on LED, a sustainable approach to enhancing LED needs careful consideration so as to avoid remittance dependency.



The economic impact of remittances at local level in Laos

In a study conducted by the ILO in the Mekong Sub-region₄₆, which aimed to analyse the impact of remittances of Lao migrants working in Thailand on LED, the significant role played by remittances not only to the individual migrants, but also to their families and communities was evident.

The Lao households have received, on average, cash remittances of 28,465 bahtar and in-kind remittance worth 6,391 baht.



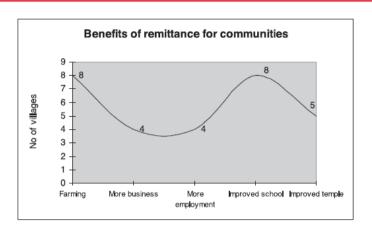
Moreover, 92% of the sampled respondents stated that Lao migrant workers have sent money for the benefit of their families and that only 17% sent money for their own benefit.

The majority of remittances are spent on home-repair and daily farming, with less than 2% being spent on investments. Moreover, 94% of households confirmed that their livelihood had changed for the better because they had more financial resources to spend on their housing, daily expenses and means of transport. Only 3% of households attempted to invest in new business, **but none of them were successful.**

At the community level, the survey also confirmed that 8 out of 10 villages which took part in focus group discussions were able to improve their farming and community schools mainly because of remittances sent by their community members working in Thailand. In terms of employment in 4 out of 10 villages there were job creation thanks to remittances.

 $_{46}$ ILO, Somphone Sisenglath "Migrant workers remittances and their impact on local economic development". (2009)

⁴⁷ USD 1 equates approximately THB 33



However, the same study also highlights the fact that migrant workers encounter many problems before being able to successfully send money home. Before departure, the majority of migrants are unaware of official procedures to become a regular migrant and in most cases, they cross the border without the proper documents. The perspective of sending money back home to contribute to the household or the community was more crucial than the legal channel that might exist to emigrate and therefore putting migrant workers in a vulnerable situation.

Crossing irregularly not only increases the risks of being arrested, but also adds to the expenses for migration. Even when a migrant has arrived in Thailand, they could still face all kinds of problems finding safe and suitable employment and they must remain hidden from authorities on a daily basis. When it comes to sending money home, Lao migrants do not feel confident using formal services, especially given their irregular status. This situation requires that they send large sums of money home with friends make trips home themselves. Often, migrants are arrested on their way home and fined by Thai police and even local Lao authorities, thus left with little money for their families.

Yet economic migration could be very beneficial for the grass root economies of local villages as well as for the national economy of Laos if effectively managed and regulated. Given the estimated size of remittances sent home by Lao migrant workers from Thailand, there is still more scope for the Lao government to promote the productive use of remittances by, for example, providing entrepreneurship training, assisting in setting up local businesses and marketing the products, expanding the micro-credit scheme to all villages along the borders with Thailand, and promoting the establishment of financial institutions and safer and less costly remittance services to the sub-district or district level.

POINT FOR REFLECTION

GENDER PATTERNS IN REMITTANCE SENDING AND SPENDING48

Case study research by UN-INSTRAW revealed gender patterns in the sending, receiving and usage of remittances. These, in turn, may impact possibilities for development at the household and local levels.

Ф 0	Sending remittances	Receiving remittances	Usage of remittances
	Gender influences volume, frequency and persistence over time	Women are the main receivers and administrators of remittances	As the main receivers and administrators of remittances, women mainly use the financial resources for the well-being of the household
	Women and men tend to send similar amounts, but this usually represents a greater proportion of the women's salary, affecting their overall wellbeing	Women are more likely to respond to unexpected expenses and emergency in the household, acting as a sort of insurance policy	The remittances are mainly used to cover basic needs such as food, housing and clothing, leaving little room for productive investment
	Men tend to reserve more money for personal expenses than women	Often, when the sender is male and the receiver is female, the male retains decision-making power on how the money is going to be used	Remittances are also used to cover the deficiency in health coverage and quality education and also serve as a substitute for social protection
	Men tend to send to fewer family members than women		Male receivers tend to use a part of the remittances for personal expenses

The volume of female remittance outflows may be less than those of men, considering also that men tend to earn higher wages than women. However, the women tend to send more proportionally to their earnings and for longer periods of time.

⁴⁸ Petrozziello UN WOMEN, Gender on the Move: Working on the Migration-Development Nexus from a Gender Perspective. (2013)

Men and women remittance senders and receivers may also have different needs in terms of financial literacy and access to credit, which should be taken into account in any initiative to facilitate savings and investment at the local level.

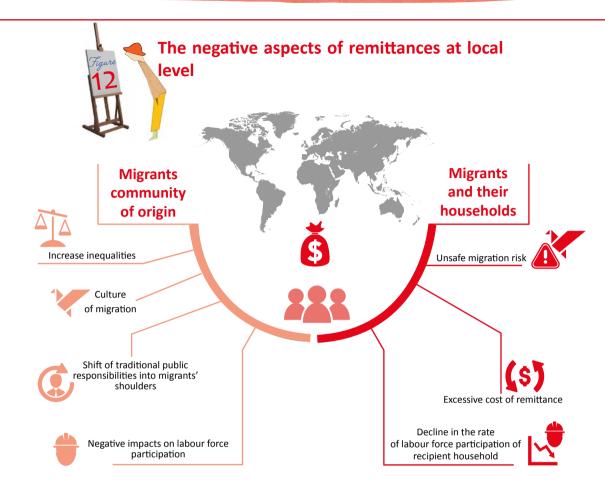
From the table above, can you see how the motives to remit and the use of remittance incomes vary from women to men?

In your own context, can you analyse whether/ how these differences may influence migration policies?



2. THE DARK SIDE OF REMITTANCES

Remittances have been long considered by international cooperation and assistance agencies throughout the world, as the main entry point for linking migration to development. This 1990-2000s' vision was built on the assumption that huge and increasing global flows of remittances could be oriented towards development actions rather than consumption. However, there are **many negative aspects** to remittances in general that need to be seriously considered and that could have a negative impact on the LED in particular on the territory of origin, as outlined below. Moreover, remittances are but one financial capital that migrants possess. In this sense, in order to truly benefit from migration, an integral approach harnessing the various and complementary capitals migrants possess (social, financial, cultural etc.) as outlined across this module is more likely to contribute to sustained local development and mitigate the dependency on or negative consequences of remittances.



- Remittances can increase the inequalities between those who receive and those who do not in the same territory. As is generally observed, the economic behaviour of recipient households usually tends to increase the prices of goods and services in the local domestic market, potentially affecting the entire community, including non-recipient households. It is clear therefore, that remittances do not necessarily imply a financial benefit for all population and especially the poorest people.
- Some territories develop a "culture of migration", in which the majority
 of working-age people migrate to be able to remit. In such cases, the
 local labour market is disrupted and needs to be filled by migrants
 coming from regions where the wages are lower. The disruption of the
 labour market in areas of high emigration has a major impact on local
 development, and cannot be compensated by the financial effect of
 the remittances.

- As the Lao example shows above, migrants, especially the lower skilled, often take considerable risks in order to be able to remit.
 From resorting to unethical recruitment to irregular migration, to the acceptance of poor working conditions in order to be able to reimburse debts and remit, several risks are encountered all along the migration cycle.
- Excessive reliance on remittances can **shift traditional public responsibilities on migrant shoulders**, at the national level (for instance education, health national policies) as well as at local level (for instance development of infrastructure necessary to implement national policies such as access to proper schools or hospitals infrastructures). In this case, remittances then become a way to cope with these weaknesses. Moreover, remittances cannot solve the problem related to brain drain or labour shortages: if migrants, through remittances, invest in the development of infrastructure (i.e.: schools or hospitals), but there is a lack of sufficient skilled/high-skilled workers (education workers or health workers) to work in these infrastructures, the investment will be futile.49
- The transfers of remittances have a cost which sometime will greatly undermine the action of remitting. This important cost can discourage migrants to remit through formal and safe channels, preferring informal channels which can be unsafe as there is no guarantee that the recipient will receive the money. It can therefore be a risky operation for migrants who might lose all their savings.
- Remittances can also have negative impacts on labour force participation⁵⁰. In the neoclassical model of labour supply, individuals allocate time to market work and non-market activities maximizing utility subject to a budget constraint. This budget constraint is determined by the individual market wage, the individual time budget, and the individual's non-labour income. An important concept underlying the labour force participation decision is the notion of the reservation wage. This reservation wage indicates how much extra earnings the individual would require to be induced to give up one unit of leisure, when he or she is not working at all. An increase in the reservation wage, would reduce the probability that an individual participates in the labour force. One of the determinants of the reservation wage is non-labour income, which for an individual is a function of his/her own assets and the amount of income of the other household members.

⁴⁹ As a concrete example the case of Beguedo; a village in Burkina Faso: vidéo (http://surprisingeurope.com/tv-series/episode/under-pressure)

⁵⁰ Kozel and Alderman (1990)

Remittances as an increase in non-labour income could lead to a reduction in labour force participation of recipient household members. According to this view, which we call "discouraged participation" – the presence of persistent remittances would result in a decline in the rate of labour force participation of recipient household members left behind.

POINT FOR REFLECTION THE LINK BETWEEN REMITTANCES AND REAL EXCHANGE RATE

A doubling of remittances leads to a 22 percent appreciation of the real exchange rate. 52 Stagnation in the export market can slow down growth in employment and lead to further pressure for emigration.



Can you think of any country corresponding to these criteria?

⁵¹ Alejandra Cox-Edwards & Eduardo Rodriguez-Oreggia "The Effect of Remittances on Labor Force Participation: An analysis based on Mexico's 2002 ENET", (2006)

⁵² C.Amuedo-Dorantes and S.Pozo (2006)

3. WHAT CAN BE DONE AT LOCAL LEVEL TO OVERCOME THE NEGATIVE ASPECTS OF REMITTANCES AND OPTIMIZE THEIR IMPACT?

The action of remitting has much potential but as seen above, also brings further challenges which need to be mitigated in order to ensure the potential of remittances can be harnessed.

The LRAs, if there is an existing enabling national framework, can be the starting point of various improvements to overcome the negative impacts and challenges of remittances and incentivize the use of a portion of locally received remittances for diverse activities leading to local development.

The following is a non-exhaustive list of solutions that local actors both from territory ies of origin and destination, can promote and implement.



Actions to overcome the negative aspects of remittances both in territories of origin and destination

- Informing about remittances transfer prices
- Building a service of money transfer comparison
- Managing money transfer services
- Encouraging links between returning migrants and diaspora to create transnational connections
- Promoting financial literacy of migrant women and men
- INITIATIVES IN TERRITORIES OF

- Providing access to financial mechanisms in rural areas
- Promoting ethical recruitment
- Providing pre-departure information and training
- Encouraging financial inclusion of women & men
- Promoting financial literacy of families stayed behind
- Building mechanisms to inform about local development priorities & investment opportunities

VES IN TERRITORIES OF DESTINATION INITIATIVES IN TERRITORIES OF ORIGIN

- Fostering transfer of remittances, investment and enterprise development through cooperatives
- Financing micro-insurance and extending access to social protection for migrants and their families

INITIATIVES IN BOTH TERRITORIES OF DESTINATION AND ORIGIN

In the territories of destination

- Informing about remittance transfer prices: As mentioned above, the transfer of remittances have a cost and sometimes will greatly undermine the action of remitting. Many options are available for money transfers, but the information and documentation on them may be non-existent or difficult to access for a majority of migrants. LRAs working with various actors, such as banks, migrants' associations etc. can make sure that information are available in different languages through on various channels. These information campaigns should also inform migrants about the risks of remitting through irregular channels and the benefits of safer remitting through regular channels.
- Local authorities in territories of destination can also build a service of money transfer comparison so the senders of remittances can choose accordingly with their needs and avoid unnecessary fees. By doing so, local authorities, also then contribute to fostering competition and transparency in money transfer services. This will ensure lower prices but also provide migrants with responding variety of options to better suit their needs.



An Italian website providing comparative information on the costs of sending remittances.

mandasoldiacasa.it an Italian website which provides comparative information on the costs of sending remittances with the aim of ensuring greater transparency and clarity of information and encouraging those operating in the market to improve the products and services offered to migrants.



- There are incipient but interesting examples of money transfer services managed in territories of destination by providers from the migrants' territory of origin. In some cases, as in Morazán department, El Salvador, local authorities are strategic partners of the Local Economic Development Agency that manages, through its own financial branch in the USA, a huge portion of remittances sent to Morazán and is able to compete with big global service providers in terms of cost, personalised services and territorial coverage in rural areas.
- LRAs and local actors as promoters of financial literacy: Local
 authorities can promote and provide much needed documentation
 and training in financial literacy and management, thus improving the
 ability of all members of the community to use financial services and
 make the most out of remittances. Financial literacy can be done in
 collaboration with migrants' association as well as trade-unions.
- LRAs can also be the promoters of links between returning migrants and Diaspora to create transnational connections, aiming at, not only knowledge and capacity transfer, but also the advantage created by migrant transnationalism to link local production in territory of origin with the local and national needs of the territory of destination, and consequently improve the social and economic development in both territories of origin and destination. This can also be done in collaboration with the local authorities of the territory of origin.

In the territories of origin

• Access to financial mechanisms in rural areas is an important challenge for local authorities: Sending remittances to rural areas can also represent a great challenge. Often, the financial structure to retrieve the remittances will not be available in such territories, and therefore, the recipients have to travel to other more urbanized areas to access the money, spending money and time. Local authorities can facilitate financial inclusion of these communities and enable local financial institutions to provide remittance services, either directly or as the agent of commercial banks and money transfer operators. LRAs can also encourage the use of new technologies which allow a new market penetration and liaise with mobile operators to facilitate such means to send remittances. For instance in India, Kenya and the

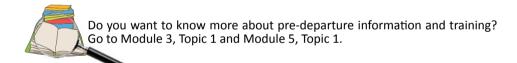
Philippines, mobile technology is already a widely accepted means for money transfer, and its use is growing exponentially.54

• Promote ethical recruitment: If the legal framework exists at the national level, local authorities can provide more information and support on ethical recruitment, the rights of the migrant workers, recruitment procedures and steps, so as to mitigate risky irregular migration and the use of unsafe remittance channels. Local authorities interritories of origin can therefore provide training and documentation to those wishing to migrate for labour purposes. If migrant workers are better informed on fair and ethical recruitment, the tendencies to get involved in expensive and/or irregular recruitment procedures could decrease and consequently also decrease the possibility of indebtedness and increase the ability of the migrant workers to remit.



Do you want to know more? Go to Module 4, Topic 2. Also, add the proper symbol that goes along.

Pre-departure information and training could be facilitated by LRAs.
 Better information systems for the workers willing to migrate and remit could decrease the risks, both human and financial, linked to irregular migration, and consequently increase the possibility to remit.



- LRAs could encourage financial inclusion and allow its community to have access to appropriate financial services and therefore enabling the population to manage their financial resources (access to affordable and responsible credit, to a bank account and saving schemes.) Special attention should be paid to the specific needs of women and men in terms of financial literacy and access to banking services, including credit. LRAs can play an important role in promoting the development of financial services for vulnerable groups:
 - o Indirectly, by ensuring an environment favourable to the establishment of locally responsible financial service providers (but this requires a national legal framework as well as a financial governance set-up which are strong enough to protect the interests of the savers);

 Directly, either by reaching specific agreements with service providers on certain conditions related to access, cost of the service, interest rates, or by setting up their own services in terms of, for example, financial literacy, cooperatives, etc. (see below.)

By doing so, the LRAs will improve the social and economic well-being of the community and therefore foster local economic development.

Local authorities and local actors as **promoters of financial literacy**: In the same manner, local authorities in the territory of origin can also promote and provide documentation and training in financial literacy and management. This would encourage the recipients of remittances to use them in a more effective and sustainable manner, benefiting from remittances in the best and most suitable way for them, as well as for the community.

- LRAs can also build, with the help of IT tools, mechanisms whereby migrants are informed about local development priorities of their territories of origin or the available investment opportunities. Migrantscanthereforevoluntarilydedicateaportionoftheirremittances to supporting such priorities, hence contributing to local development (i. e. Agence Régional de Développement de Sedhiou, Senegal).
- LRAs and local actors should create partnership with financial institutions that:
 - o are committed to the community;
 - offer flexible operating procedures (interest rates, payment schedules, collateral required, size of loans) that respond to the needs of both male and female beneficiaries;
 - integrate financial and nonfinancial services (such as training, investment advice, etc.).
- Develop remittance and publicly-funded initiatives related to reproductive activities such as child care cooperatives.
- Design and implement interventions to secure as rights to items on which a large part of remittances are spent: health and education. It is impossible for microcredit and micro businesses to become a motor of local development if the population does not have access to quality health care and education. People must be considered first and foremost as social subjects, before being able to become entrepreneurs.



MIGRANTS' S.T.E.P. PROJECT AND ITS IMPACT ON REMITTANCES

The project contributed to reduced costs and duration of transfers as well as improved access and distribution of resources to disadvantaged population. The enhancement of management, the channeling of transferred found and a positive impact on socio-economic development of Diourbel Region, have been fore seen.

Conventions have been signed with 15 mutual and/or rural banks which can provide financial services of micro credit and money transfers to rural population who could



not access such services, before the implementation of the project and thus five new desks have been opened guaranteeing the full coverage of Diourbel Region (4770 km²). A saving of 90.000 euro on transfers' costs was made.

POINT FOR REFLECTION

How do you see the saving on transfers' costs impacting on LED? What are the direct impacts of saving cost for the migrants? What are the indirect impacts?



In your context do you know if some initiative have been taken to reduce the cost of remittances?

What is IRNET?

The International Remittances Network (IRnet) was developed in response to credit union members and potential members' demand for money transfer services and to counter the exorbitant fees being charged to use these services. IRnet is not limited to "credit union-to credit union" transfers. People have the option to make a transfer from a "credit union to a non-credit union" or from a "non-credit union to a credit union". The Network currently provides service in 103 countries in the 6 continents. It is operated by the World Council of Credit Unions (WOCCU).



Remittances into action: Innovative measures for local authorities to maximise development

 Foster transfer of remittances, investment and enterprise development through cooperatives.

Savings and credit cooperatives (SACCOs) can provide migrant workers with safe and affordable financial services including money transfers to their countries of origin for remittances. The financial cooperative network is the second largest banking network, and the services they offer also reach unbanked and underserved populations, providing access to a range of financial products and services including savings, credit, and insurance. Remittances channelled through SACCOs make credit available at the local level which in turn creates growth opportunities in local communities. Some remittances are sometimes also used directly by migrants' families in their country of origin to start or finance existing small enterprise including cooperatives.



Do you want to know more about the use of remittances to start or finance existing small enterprises? Go to Topic 3 of this module.

LRAs have a key role in supporting cooperatives and/or incentivizing such initiatives through migrants' associations through funding, awareness raising and supporting development initiatives that arise from the cooperatives.



Do you want to know more about the use of remittances to start or finance existing small enterprises? Go to Topic 3 of this module.



The Sorosoro Ibaba Development Cooperative (SIDC)₅₆

One of the largest cooperative in the Philippines is the Sorosoro Ibaba Development Cooperative (SIDC), a multi- propose cooperative engaged in manufacturing, agri-based production and marketing, services and consumer retailing. Filipino migrants can save and invest with the cooperative, which in turn supports



agricultural, aquaculture and sustainable tourism activities in rural areas, thus contributing to LED.



Costa Rica - The cooperative COOPEALIANZA₅₇

COOPEALIANZA is a credit union in Costa Rica, founded in 1971 and has become a benchmark in the country to combine work and commitment to human development, with a balance between financial and social initiatives. Initially created in San Isidro del General, its work has spread throughout the country and now operates with 52 offices in 31 counties.



COOPEALIANZA periodically conducts studies to map Costa Ricans abroad, especially those that send some kind of remittances.(...) this type of mapping allows the entity not only to understand the characteristics of emigration and return, but also to identify alternatives by which the cooperative could impact positively on the quality of life of the partners involved and their families through the provision of financial and non-financial services.

Financing micro-insurance and extending access to social protection for migrants and their families

Often remittances are dedicated to enhancing access to health and medical care. Many micro-insurance schemes in different countries allow migrants to pay the contribution of the members of the family left behind through remittances in order to ensure them access to health care, medication and treatment. These mechanisms allow transnational families to use a portion of their remittances to contribute to an insurance system which extend access to social protection in particular for family left behind and thus help to reduce their vulnerability. Local authorities can play a role by promoting this option towards migrants and their families. In the territory of origin, local authorities can facilitate partnership between the insurance scheme and local hospitals in order to facilitate access to health care.



The cooperation between Congolese catholic hospital and French based diaspora

Catholic hospitals from Kinshasa and the diaspora from Democratic Republic of Congo based in France launched the initiative *«SUNGA FAMILLE NA MBOKA»*. Through this scheme, Congolese migrants can sponsor members of their family left behind by contributing to the microhealth insurance scheme *«SUNGA FAMILLE NA MBOKA»*. Sponsored members of the family will



benefit from health care in affiliated medical centres as well as catholic hospitals in Kinshasa.

The idea of such micro health insurance came from the association "Aidons le Congo" based in France .From a study this association carried out on its members, it appeared that members of the association preferred to contribute to an insurance scheme for their families left behind rather than receiving emergency calls every time someone from the family was sick in order to remit money.

The micro-insurance scheme provides access to its members to different affiliated medical centres in different neighbourhoods of Kinshasa as well as an affiliated hospital for more serious treatments. It also delivers generic drugs to its members when required.

The micro-insurance scheme has been launched in 2013. It therefore is too soon to analyse the long-term sustainability of such a scheme. However, what is innovative « SUNGA FAMILLE NA MBOKA » is the approach to link access to social protection with remittances through a social finance instrument directly driven by the diaspora community.



SegurCaixa's Repatriation and Accidental Death Insurance

SegurCaixa's Repatriation and Accidental Death Insurance, in Spain, offers two migration-linked insurance products that have become used on a reasonable wide scale. In 2008, 66,000 regular migrants, mostly from Africa and Latin America, were insured with SegurCaixa Repatriación and 14,000 were covered by SegurIngreso. SegurCaixa Repatriación pays €30,000 upon the death



of the migrant and covers the repatriation of the migrant's body to their country of origin from any country in the EU, as well as travel expenses for an accompanying family member or friend. Premiums start at €6 a month. Through SegurIngreso, beneficiaries receive a payment of €6,000 as well as regular monthly income for five years in the event of the migrant's death. The monthly payments start at €7. Total premiums for the two products in 2008 were €6 million.

KEY LEARNING POINTS

- Remittances are understood as cross-border, private, voluntary monetary and non-monetary (social or in-kind) transfers made by migrants, individually or collectively, to people or to communities not necessarily in their country of origin and are often seen as the expression of migrants' solidarity with their families and communities.
- Most of the time remittances are used for direct consumption. Remittances therefore can improve households' living standards, contribute to poverty alleviation and act as insurance against shocks (economic crisis, drought, natural disasters).
- Motives to remit and the use of remittance incomes may vary from women to men; women would mainly remit to assist and ensure the wellbeing of their relatives, whilst their male counterparts are more likely to remit for productive investment purposes. The local authorities, if there is an existing enabling national framework, can be the starting point of various improvements to overcome the negative impacts and challenges of remittances and incentivize the use of a portion of locally received remittances for diverse activities leading to local development.





Activity 1: The differences between Local Development (LD) and Local Economic Development (LED) Activity 2: Factors leading to migration	Topic 1
Activity 3: Case study on returning Polish workers	Topic 2
Activity 4: Addressing challenging faced by migrant entrepreneurs in starting up a business	Topic 3
Activity 5: Benefits and challenges of remittances Activity 6: Actions to overcome remittance related challenges	Topic 4

Activity 7: Wrap-up

Review and conclusion of Module 4



If you are starting your training course with Module 4, make sure that the first Activity you propose to your participants is Activity 0, available in the Core Module. Activity 0 will enable the creation of a conductive learning environment.

Activity 1: The differences between Local Development (LD) and Local Economic Development (LED)

Brainwriting



Brainwriting is a nonverbal idea-generating methodology. Like brainstorming, brainwriting allows a group to collectively build ideas.s9



 to explore the differences between Local Development and Local Economic Development.

Ask participants to sit in a circle.

Explain that the objective of this activity is to reflect on the differences between Local Development (LD) and Local Economic Development (LED).

Establish the three rules of this activity:

- 1. There are no bad ideas. Now is the best time to think outside the box;
- 2. Judgments are not acceptable at this stage of the activity;
- 3. This exercise is intentionally silent and has to stay that way.

Distribute cards and pencils to the participants and tell them they have two to three minutes to list:

- two characteristics of LD
- two characteristics of LED

Highlight this is an individual work.

When time is up, ask participants to pass their card to the person sitting to their left. Participants read the card they received and complete it with their own ideas. Ideas must not be repeated.

Repeat the process at least one more time, meaning that each participant writes at least on three cards in total.

Collect the cards and stick them on a whiteboard/flipchart.

Ask participants to come to the whiteboard and place stars/dots next to the ideas they find the most decisive.

/	
Characteristics	Characteristics
of LD	of LED
1	1
2	2
3	3
etc	etc
(

Summarize the main ideas, highlight the differences between LD and LED and answer any questions participants may have

Tips	 Organize this activity at the very beginning of the topic, as it will allow participants to have a better understanding of LED and how if differs from LD If stickers are not available, ask participants to tick the most relevant ideas Explain participants that there is no need to repeat notions already written on the card they receive. Rather, they should concentrate on generating new ideas
Materials	 One paper/card and pencil for each participant Stickers such as dots or stars Flipchart paper or whiteboard
Time	 5 min to explain the activity and set up the room (preferably in a circle) 15 to 20 minutes to generate ideas 20 minutes debriefing

Annex: fundamentals of LED and LD

FUNDAMENTALS OF LOCAL ECONOMIC DEVELOPMENT

LED means more than just economic growth. It is promoting participation and local dialogue, connecting people with the resources available in their territory for better employment, social equity/cohesion and protection strategies for sustainable development that will result in in a higher quality of life for both men and women.

LED is a **locally-owned**, **participatory development process** undertaken within a given territory or local administrative area **in partnership with both public and private stakeholders**. The LED approach makes use of and leverages on local resources and competitive advantages to create decent employment and sustainable, inclusive economic growth, while ensuring social and environmental protection.

LED can be generically defined as a strategically planned, locally driven partnership approach to enable employment growth, poverty reduction, energy, water and quality of life gains through improved and inclusive local economic governance.

As such, although primarily an economic strategy, LED simultaneously pursues social goals of poverty reduction and social inclusion. Its design and implementation structures create space for dialogue between different groups, representing the diversity of interests and values within the territory, and enable them to actively participate in the planning and decision-making process. Stakeholders at various levels are involved, such as local/regional authorities and administrations, employers' organizations, trade unions, the local business community, and other partners, such as cooperatives, migrants' associations, or civil society organizations representing women and youth among others.

Entry points and the specific balance of fields of interventions included in a LED approach will depend, by definition, on the specific context and priority needs and potentials as identified by the actors involved.

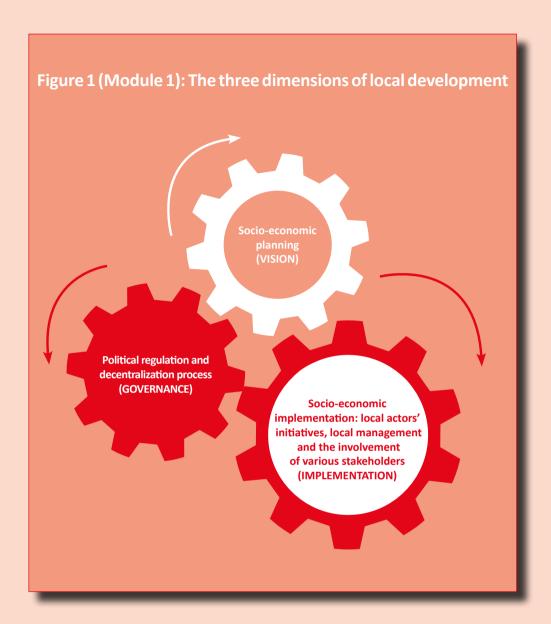
FUNDAMENTALS OF LOCAL DEVELOPMENT (see Module 1, Topic 1 for further details).

Local development is usually referred to as a process of diversification and enrichment of socio-economic activities, within a sub-national territory scale. By the mobilization of actors and networks, but also through the coordination of material and immaterial resources, local development can be a process of innovation and transgression led by different actors and stakeholders.

Local development is an action and a result of this action. Local development refers to notions of **integration and participation**, in order to encourage the constitution of networks by an integrated and global conception. The strategy is to adopt a coherent and shared vision that enables to organize choices and sensitize target populations.

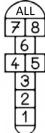
Local development can be considered as a "transaction of proximity" 61 between actors and resources, on three different levels inter-related, as shown in Figure 1.

Local development should therefore be understood as a process that can impulse, build and comfort local dynamics, by enabling a substantial improvement of the way of life. Thus, local development exceeds this idea of economic growth in order to adopt a sustainable development approach, by associating economic, socio-cultural and environmental dimensions that are essential within the effectiveness and the durability of development. This phenomenon implies coordination among **local**, **national and international policies**, building on the capacities of an important variety of actors, researching local solidarities and implications. Local development is both an answer to the growing globalization and to the centralized territories' development.



Activity 2: Factors leading to migration

1-2-4-ALL



This fast idea-generating method involves all participants. Learners individually reflect on a topic, then work in pairs, then in groups of four, to share and build on ideas.62



 understand how migration impact on LED and how LED might impact on migration (push/pull factors).

Explain participants they are going to reflect on the factors pushing towards migration, and that we will do so through an activity called "1-2-4-All"

Participants have to 2 minutes to list the factors pushing people towards migration. This is work is done individually and in silence.

When time is up, participants pair up with someone. They put their findings in common and continuity their reflection. They have 5 minutes for this phase.

When time is up, participants gather in groups of 4. They share their findings, highlight similarities and differences, group common ideas with the objective to have a final list of factors. They have 12 minutes for that process.

The facilitator now asks **each group**, one by one, to **share one important idea** with all, not repeating insights already shared. Each new idea is captured on a flipchart/ Whiteboard

Repeat the cycle as needed

When all ideas related to the first question have been presented, now ask participants, in plenary to reflect if migration impact on LED the same way LED impact on migration

Tips



- If participants need to be energized, participants could be standing during the activity
- Before the end of each sequence, ask participants whether they are also ready. Allow a little more time is needed (time permitting)

Materials



- Flipchart/ whiteboard
- A4 paper sheets and pen

Time



- 2 to 4 minutes for individual reflection
- 5 to 7 minutes for work in pair
- 12 to 15 minutes for group work
- 15 minutes debriefing

Activity 3: Case study on returning Polish workers

Case Study





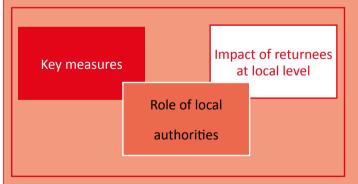
• reflect on the conditions leading to migrants return.

Divide participants into groups of 4 or 5 persons. Give a copy of the case to each participant and a set of 3 different color Post-its for the group.

For each question, the group will write their findings on large Post-it. Explain that they should only write one idea per Post-it and use different colors for the different questions (example: yellow for question 1, green for question 2 and pink for question 3)

Groups have 40 minutes to read the case and discuss the three questions.

While participants are working, divide a flipchart paper or a white board in 3 spaces, and write the following titles:



Once preparation time is up, **one by one**, ask each group to come to the board, to briefly explain their discussion, to read aloud the information they have on each Post-it and to place them on the board in the corresponding sections.

Tips	Organize this activity at the end of module
Materials	 Copies of the case in annex for each participant Large post-its and markers
Time	 30 min group work 10 min presentation per group 15 min wrap-up and discussion

Annex: lessons learned from the return migration of skilled Polish workers

Under the European Union's free movement regime, Poland witnessed major waves of emigration over the past decade. On the whole, migrants, and especially younger ones, were more highly skilled than those who stayed at home. Although many of these migrants took up jobs abroad for which they were overqualified, they nevertheless upgraded their expertise in terms of organization and the working environment, improved their productivity, developed their entrepreneurial drive and in some cases set up or helped to set up businesses, not to mention the earnings they amassed that were well above wages in Poland. Until 2008 the most developed countries of the European Economic Area were proving to be such a magnet that Poland suffered from shortages of skilled labour. The ensuing national and economic crisis hit Polish emigrants particularly hard, and some found themselves out of work. Consequently, more and more migrants decided to return to Poland, especially since the country was enjoying above-average economic growth rates compared to the other European OECD countries. Poland then decided to introduce measures to make facilitate the return of large number of skilled Poles living abroad. The following key measures helped create conditions conducive to the return of those wishing to do so:

- the setting-up of services to assist migrants in areas such as vocational training, investment advice and business activities;
- obstacles in the path of returnees were removed: some taxes were abolished, qualifications obtained abroad are now better recognised, and other facilities were made available with regard to the family and schooling of children;
- in certain agencies, civil servants have been trained to increase their awareness of issues faced by returning migrants;
- general information about economic activity in Poland was made available to migrants considering returning home.

Surveys have been carried out, both in Poland and among Polish families residing in other EU countries, to gain a clearer understanding of the expectations of potential returnees. Initial findings show that, as a rule, economic conditions in Poland are the determining factor. Those wishing to return are looking for stable and well-paid jobs, and their expectations about returning home are heightened by the fact that they had taken up occupations abroad for which they were overqualified. Furthermore, the highest return rates are not being recorded in regions where emigration rates were the most

pronounced. Finally, the share of returning migrants in independent occupations is growing, and in some regions, they outnumber Poles who did not emigrate." 63

Questions:

- Analyze how each of the key measures introduced by the Polish government have helped create conditions conducive for skilled migrants to return?
- What do you think is the impact on the LED? How do you think returnees were able to transfer their skills once back home?
- What could be the role of local authorities in facilitating returnees' reintegration and maximizing the use of their acquired skills for the local communities? With whom local authorities need to work to ensure this maximization?
- Do you think also about potential negative/positive aspects regarding the use of skills of workers who never emigrated?
 Which ones?

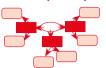
⁶³ OECD, Harnessing the skills of migrants and diasporas to foster development: policy options, (2012)

Activity 4: Addressing challenging faced by migrant entrepreneurs in starting up a business

Group work **Objective:** investigate the challenges most commonly faced by migrant entrepreneurs in setting up a business. Divide participants up into four groups: Group 1 has 20 minutes to analyze the challenges faced by migrant to understand national and local regulations and to have access to information regarding entrepreneurship in the territory of destination Group 2 has 20 minutes to analyze the challenges faced by migrant to find the sufficient startup capital for his/her business Group 3 has 20 minutes to analyze the challenges faced by migrant to find an appropriate location for his/her business Group 4 has 20 minutes to analyze the challenges faced by migrant to Being able to advertise properly his/her business When the time has elapsed each group has five minutes to present its analysis in the plenary (using a PowerPoint or Prezi presentation, flip chart, etc., depending on the participants' preferences). **Tips** Organize this activity before presenting the section on "Why entrepreneurship of migrants can impact on LED?", as it will allow participants to explore the main concepts discussed in this section When organizing the group work it is your role as a facilitator to circulate between the groups, ensuring that the instructions are understood and, as necessary, guiding the participants in their discussion and/or assignment of tasks **Materials** Flip charts and markers 20 minutes for group work Five minutes of presentation per group (five minutes x four groups = 20 minutes) 15 minutes for Q&A

Activity 5: Benefits and challenges of remittances

Concept Map



A concept map provides learners with a visual image of what a topic is about. It will enhance comprehension and long-term retention of information.



- reflect on the impact of remittances on the local development in territories of origin;
- reflect on the negative aspects of remittances.

Divide participants up in groups of 4 to 5.

Each group has 45 minutes to draw a concept map (see annex 3 for examples) to represent the different impacts of remittances (at different levels). Let participants organize the information the way they want.

When time has elapsed, each group has 8 minutes to present and explain their concept map in plenary

Tips



- This activity should be organized before the section on "Remittances within development and their socioeconomic impact at local level"
- Avoid creating groups larger than 5 participants, as individual participation decreases when groups get too large
- During all stages of the activity, walk around the groups to make sure they have understood the instructions and facilitate the discussions as needed
- To present the concept maps in plenary, ask participants to congregate around each concept map while the group who has designed the map presents it. (One presentation at a time so that all participants can attend the presentation). This way, no risk to damage concept maps while moving them. Moreover, participants remain standing and moving, hence the class remains more dynamic

Materials



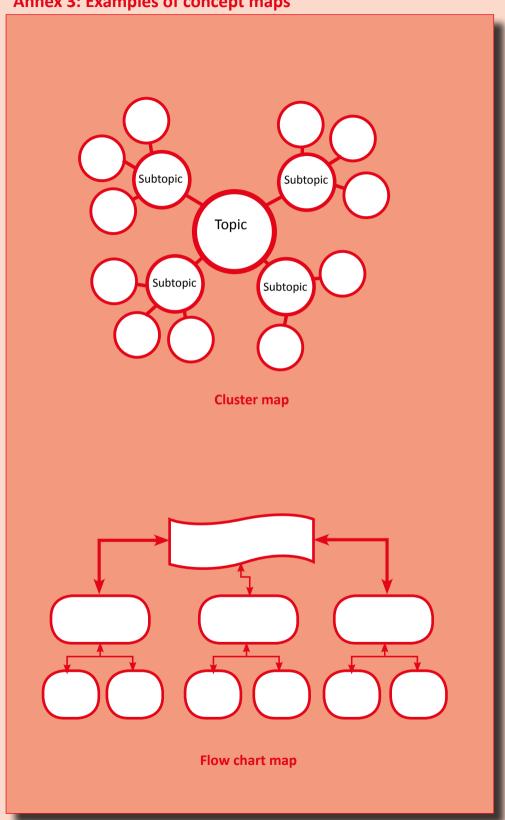
- Flipcharts and colored pens, pencils, markers, colored paper, colored stickers, dots, etc, for each group
- A greater variety of material help enhance participants' creativity

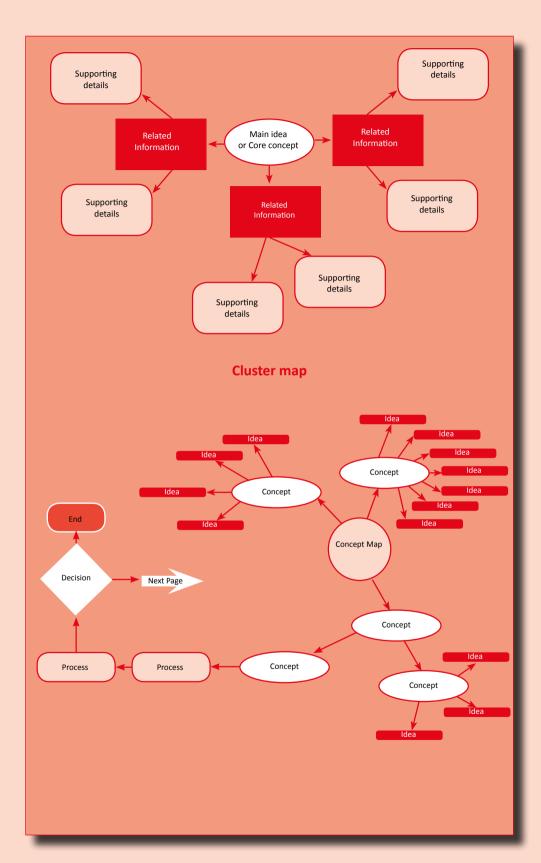
Time

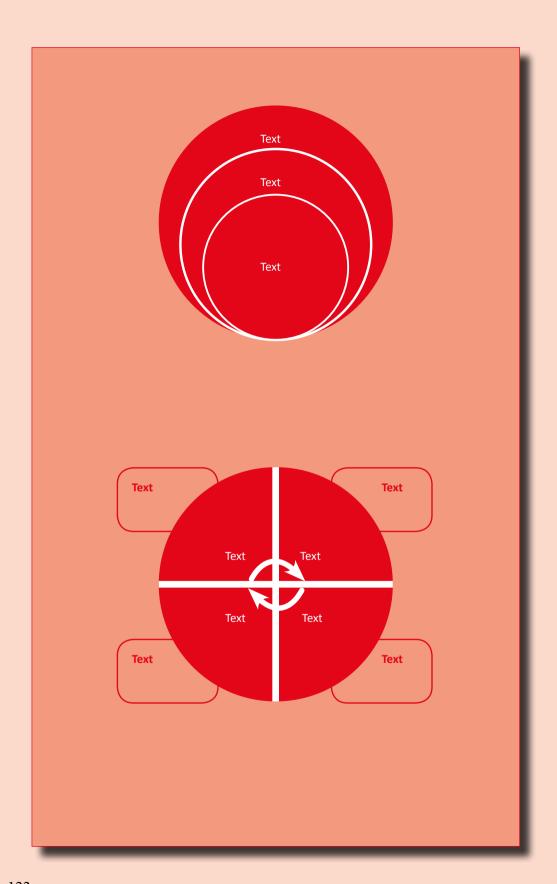


- 45 min group work to prepare the concept map
- 8 min per group to present the concept map
- 15 min Q&A

Annex 3: Examples of concept maps







Activity 6: Actions to overcome remittances related challenges

Structured brainstorming





 to reflect on the actions that can be undertaken by local actors, both from territories of origin and destination, in order to overcome the negative impact of challenges of remittance and to leverage local development.

Before the activity:

Reproduce figure 13 on a large flipchart (forms only, no text except for 'initiatives in host territories and 'initiatives in territories of origin and destination')

Print **one list** of the different actions that can be undertaken by local actors, both from territories of origin and destination, in order to overcome the negative impact of challenges of remittance and to leverage local development (see annex) **for each group** and **cut out the different ideas** (in the end, you will have 12 pieces of paper for each group)

During the activity:

Divide participants up in groups of 4 to 5.

Each group has 20 minutes to reflect on the different actions that can be undertaken by local actors, both from territories of origin and destination, in order to overcome the negative impact of challenges of remittance and to leverage local development, and decide where they should be positioned on the figure you have drawn earlier.

When time is up, ask each group, one by one, to come up to the flipchart/whiteboard and stick the actions where they think they belong on the figure, and briefly explain their decisions.

Close up the session by showing the original figure.

Tips



 Make sure to prepare the material for the session in advance in order to time waste and stress

Space



 Copies for each group of the list of the different actions that can be undertaken by local actors, both from territories of origin and destination, in order to overcome the negative impact of challenges of remittance and to leverage local development (see annex)

Materials	Flipchart paper or whiteboardA pair of scissorsScotch tape
Time	20 minutes group work preparation20 minutes debriefing

List of the different actions that can be undertaken by local actors, both from destination and origin territories, in order to overcome the negative impact of challenges of remittance and to leverage local development

- 1. Fostering transfer of remittances, investment and enterprise development through cooperatives
- 2. Informing about remittances transfer prices
- 3. Managing money transfer services
- 4. Encouraging links between returning migrants and diaspora to create transnational connections
- 5. Promoting ethical recruitment
- 6. Providing access to financial mechanisms in rural areas
- 7. Providing pre-departure information and training
- 8. Promoting financial literacy of women and men
- Building mechanisms to inform about local development priorities
 investment opportunities
- 10. Encouraging financial inclusion of women & men
- 11. Financing micro-insurance and extending access to social protection for migrants and their families
- 12. Building a service of money transfer comparison

Activity 7: Wrap-up

Grab that spoon!



Grab That Spoon is a quick review game with a dash of friendly competition. Learners sit in small groups and take turns in asking each other questions for points.64



- to review the most important topics of Module 4;
- to clarify doubts and concerns;
- to complement information.

Divide participants up in groups of 4 to 6 persons and ask them to sit at tables. Place a spoon (or other unbreakable object) at the center of the table. The spoon must be within reach of all learners.

Give each learners one paper/ card and explain them that they have 10 minutes to prepare:

- two or three review questions related to module 4,
- the answer to each question;
- a point value for each question (according to the scale explained in the tips below);
- one person volunteers to read his/ her question aloud.
 The first group member to grab the spoon answers the question and gets the point(s) if the answer is correct, but loses the point(s) if the answer is wrong.

The activity continues until all questions have been answered.

At the end of the activity, each learner adds up his/ her points. The one with most points is the winner.

Tips



- This activity should be organized at the end of this module 4
- The scale of point is the following:
 - o easy question = 1 point;
 - o moderately hard question = 2 points;
 - o challenging question = 3 points.
- Prepare a small prize for the winner of each group

⁶⁴ Adapted from , Sharon L.Bowman, "The Ten-Minute Trainer: 150 Ways to Teach it Quick and Make it Stick", (2005)

Materials	
	 One or two paper sheet (size A4) for each participant One small price (chocolates, sweets, T-shirt project, etc)
Time	
11 12 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	 10 minutes to prepare the question and explain the activity 20 minutes for all questions to be discussed in groups
l	

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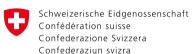
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