



IOM NEWS

MANAGING MIGRATION FOR THE BENEFIT OF ALL



In-depth focus on migrant remittances

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Migrants send some US\$93 billion in remittances per year.

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(Photo: Héctor Mauricio Moreno)

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IOM is committed to the principle that humane and orderly migration benefits migrants and society. As an intergovernmental organization, IOM acts with its partners in the international community to: assist in meeting the operational challenges of migration; advance understanding of migration issues; encourage social and economic development through migration; and uphold the human dignity and well-being of migrants.

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The "Instant Remittance" service created by Bancafé in Guatemala allows customers to withdraw remittances received from relatives abroad with an ATM card at 600 machines or at 170 branch offices located throughout the country.

Migrant Remittances:

A Key Development Resource

The number of international migrants has more than doubled since 1970. Worldwide, one in every 35 persons is now a migrant. In 1970, remittances¹ sent home by international migrants to developing countries through official channels amounted to US\$2 billion. By 2003 the figure was US\$93 billion.² If unofficial transfers are also counted, the volume could be double this amount. These figures are staggering. Indeed, they exceed by a sizeable margin the US\$68.5 billion rich countries currently spend on official development assistance.

Migration, therefore, has major implications for development. In every region of the world remittances are raising the standard of living of millions of poor people by providing critical resources for food, shelter, healthcare and education. In many developing countries remittances represent the most important source of foreign exchange, outstripping investment, lending, and commodity and manufacturing exports.

Migrants have long been ignored as a development resource. Instead, they have often been perceived either as an economic burden on countries of destination, or as a potential loss to their country of origin through “brain drain”. There is another side to this story. Migrants are helping to maintain important social and economic linkages between the developed and developing worlds that promote



A currency exchange store in Bogota, Colombia, prepares for a busy day.

development and alleviate poverty in very significant ways. Flows of remittances and the return of migrants with new skills can offset the loss of migrants and may even lead to a “brain-gain”. Modern communication and cheaper transportation make it easier for migrants to maintain links

with their home countries, creating opportunities for investments and the sharing of know-how.

Remittances alone are no panacea for the developmental ills afflicting poor countries, and they should not be seen as a substitute for foreign aid, particularly as they are private funds.

1. The term “remittances” can be generally defined as the portion of an international migrant’s earnings sent back from the host country to his/her country of origin. It is necessary to distinguish official remittances that are transferred via official bank channels or money transfer companies, and are recorded in a country’s statistics, from unofficial or informal remittances that are sent back via private money courier systems, via friends and relatives, or are carried home by the migrants themselves.
2. World Bank, Global Development Finance 2004.

However, remittances do place migrants squarely within the development equation. The growing level of remittance flows makes it increasingly necessary for the migration and development communities to begin speaking more effectively with each other. In a recent report on migration and development, the UK's House of Commons International Development Committee acknowledged that "There is a development dimension to migration, but there is a lack of joined-up thinking at national and international levels, and some resistance to connecting the issues."³

The challenge is therefore to design coherent policies which shape and best utilize the potential benefits of migration for development. This would also be entirely consistent with the recent recommendation of the World Bank and IMF for improved policy coherence in the development arena.

There are some positive signs that governments are beginning to move in this direction. The first point of

3. House of Commons International Development Committee, Migration and Development: How to make migration work for poverty reduction, Sixth Report of Session 2003-04, Volume 1.

the new action plan to combat poverty in the developing world agreed at the recent G8 summit meeting on Sea Island, Georgia, talks about the potential contribution of migrant remittances to entrepreneurship and private sector development efforts.

There is much that could be done to enhance the development impact of remittances, such as:

- **Reduce the cost of transactions:** transfer fees for sending remittances range from 13 per cent to 20 per cent of the remittance value, although the transfer could actually be made for as little as 2-3 per cent. Increased competition among remittance service providers will reduce costs and could save hundreds of millions of dollars a year, with the benefit flowing to migrants and their family members.
- **Provide more reliable information:** so that migrants are better informed about the real cost of remitting and the different options available.
- **Increase the volume of remittances:** migrant-sending countries need to promote financial instruments to make it more attractive for migrants to remit. Greater efforts must be made to reach out to migrant communities in developed countries and their families in developing

countries to ensure access to basic banking services. Only four out of ten immigrants from Latin America in the US have accounts in financial institutions.

- **Enhance development impacts:** remittances have the greatest development potential where they create jobs. Governments should support practical remittance management solutions that facilitate investments in entrepreneurial and other job-creating activities.
- **Innovative practices:** such as the creation of micro-enterprise lending schemes, bond issuance against future remittance flows, information campaigns on remittance management, and capacity building for consular offices warrant further exploration.

In the area of migration and development, no challenge is potentially more significant than harnessing the enormous potential of remittances to the task of social and economic development in countries of origin. Creating the appropriate policy and programmatic environment to facilitate the transfer of remittances and enhance their development impact would constitute one very important step in this direction.

Brunson McKinley
IOM Director General

IOM Remittance Activities

IOM undertakes and supports research that provides factual analysis to enable policy and programme development in order to maximize the impact of remittances for development.

Past and ongoing research in Latin America is supporting the development of remittance-related policies and tools in Guatemala, Colombia and Argentina. In Asia, IOM research was used during the Ministerial Consultations for Asian Labour-sending countries to inform participants on the flow and use of remittances.

In Africa, IOM data on remittances enabled the identification of areas for policy interventions in Ethiopia and in the East African Community (Uganda, Kenya, Tanzania).

In Tajikistan, IOM will implement a pilot project to enable migrant households to access micro-credits based on future remittances. These households will be supported to promote the use of migrant remittances for the development of viable livelihoods for migrant families and communities affected by emigration.

In selected IOM missions with migrants travelling to the United States and Canada, IOM will promote the use of formal remittance channels through the provision of Financial Orientation to migrants attending pre-departure orientation and/or visiting IOM's Migrant Resource Centres.

In addition to training in financial management and information dissemination on remittance services and options available in countries of destination, these IOM offices will also be looking to develop new remittance tools, including partnerships with financial institutions, to provide services that are more cost-effective for migrants engaged in IOM programmes and elsewhere. This builds on pilot projects and research to provide alternatives for funds transfer that have been initiated by IOM in Guatemala, Colombia and Argentina-Paraguay.

Finally, IOM is envisaging supporting consular services for Latin American migrants in the United States, including the issuance of identity documents that would allow regular and irregular migrants to use formal remittance channels.

New Report Highlights Importance of Migrant Remittances for Development



A migrant in Washington, D.C. sending a remittance to her family.

Remittance flows are now the subject of much public discussion and policy consideration. This article looks at the findings and recommendations of a recent report from the UK's House of Commons International Development Committee.

On 8 July, the International Development Committee published the results of its nine-month inquiry in a report entitled *Migration and Development: How to Make Migration Work for Poverty Reduction*.

The International Development Committee is appointed by the House

of Commons to examine the expenditure, administration and policy of the Department for International Development and its associated public bodies. The Committee also takes an interest in the policies and procedures of the multilateral agencies and non-governmental organizations to which DFID contributes.

The UK report suggests that remittances "are likely to amount to around US\$300 billion per year". Remittances sent home by international migrants through official channels currently amount to nearly US\$100 billion per year, but the UK report

suggests that twice as much money may be sent home through informal channels. In 1970 official remittance flows amounted to just US\$2 billion.

The UK report provides a number of examples of the rising importance of remittances. For example, today 9 per cent of the GDP of the Philippines, a major exporter of migrant labour, comes from remittances. In Mexico, remittances are as high as revenues from tourism; in Colombia they amount to half the revenues from coffee; and in Bangladesh, their value is on a par with earnings from the garment industry.

Remittance figures are now much higher than global flows of aid, which amount to US\$68.5 billion per year. But aid and remittances are not distributed evenly across the world. Of all world regions, Latin America receives the largest share of remittances. The map indicating global remittances in 2002 reported by the World Bank, shows that in Latin America remittances through official channels were more than four times higher than flows of aid. For 2003, Latin American countries' remittances reached over US\$38 billion, exceeding the combined flows of all Foreign Direct Investment and net Official Development Assistance. The map also shows that South Asia, in 2002, received the second-highest share of remittances but only the third-highest share of aid. Remittances outstripped aid more than two-to-one.

The total value of remittances flowing through official channels worldwide more than doubled between 1988 and 1999.

The total value of remittances flowing through official channels worldwide more than doubled between 1988 and 1999. By contrast, the map indicates that aid remains more important than remittances in sub-Saharan Africa, at least according to the official figures for 2002. Sub-Saharan Africa includes the poorest countries in the world and receives the lowest amount of remittances (nearly US\$4 billion). Although the aid flowing to the region is twice that received by Latin America, the documented remittances received are six times less.

There is a considerable literature on the reasons why migrants send money home, but there is less research and knowledge on how to develop mechanisms to reduce the cost of sending remittances and to ensure that remittances boost development.

Barriers to the official transfers of funds are currently the greatest obsta-

cles to maximizing the benefits of remittances. Official bank transfers are often complicated and lengthy, if not altogether inaccessible to migrants who are unable to open bank accounts in their countries of residence either because of their temporary situation, or legal status.

Frequently, the only alternatives are private companies, and these generally charge high fees. The average charge for the transfer of remittances to developing countries is around 13 per cent and often exceeds 20 per cent of the amount transferred. High transfer fees create an incentive for migrants to send their remittances through informal channels, but these are often unreliable and money can be lost or stolen in the process.

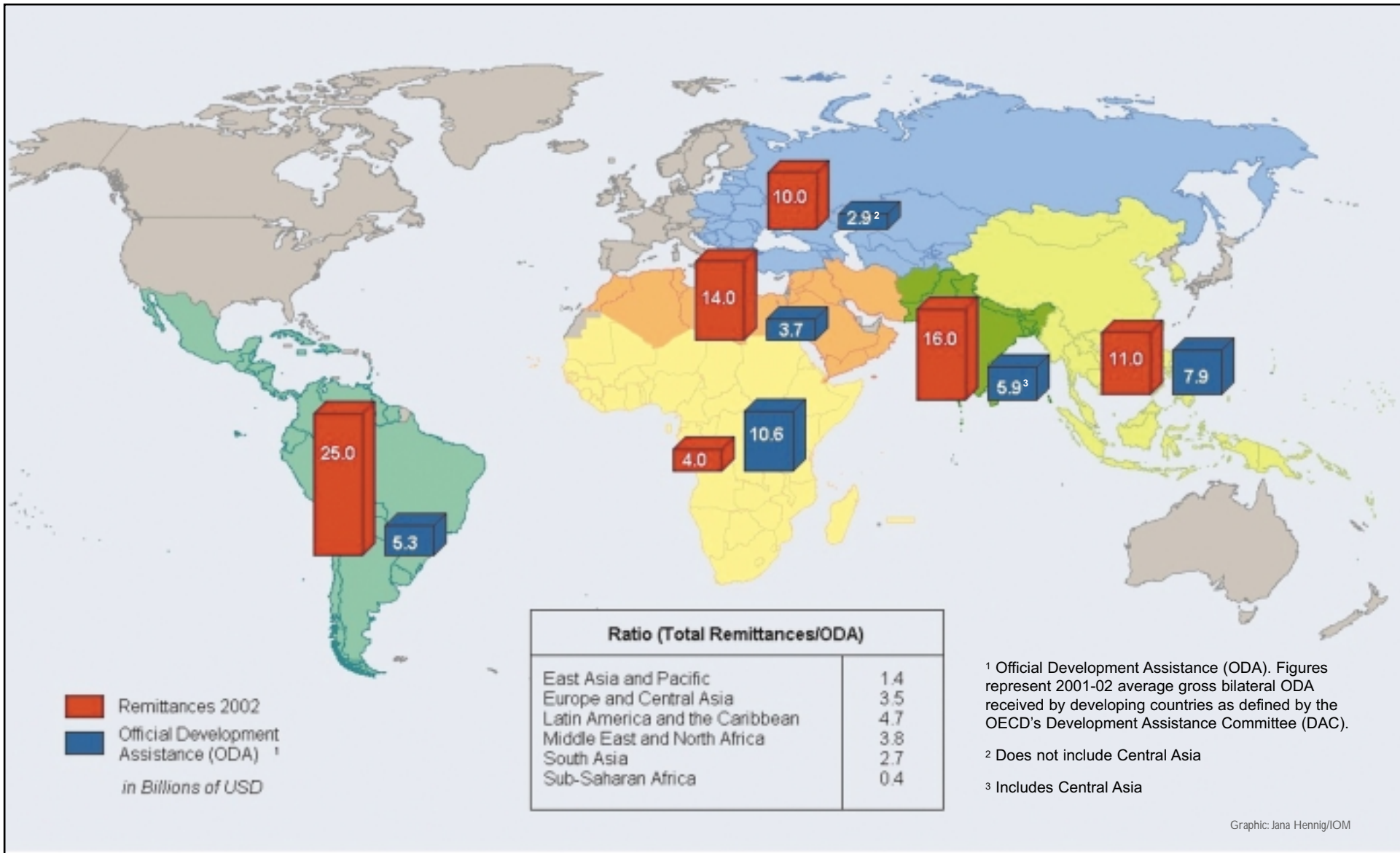
The UK report suggests a number of recommendations to improve remittance management:

- **Develop ways to gather reliable data on unofficial remittances** in spite of the difficulties of doing so;
- **Learn about remittances** and their usage in order to increase remittance flows and put them to use for poverty reduction;
- **Encourage remittances** by backing bonds issued by receiving country governments, by using tax incentives like treating remittances as charitable contributions, and by encouraging migrant associations to seek charitable status;
- **Evaluate local remittance patterns**, then use best practices to suggest whether and how to encourage migrants to remit;
- **Increase market competition among remittance service providers** to promote reduction of transaction costs;
- **Establish an Association of Independent Money Transfer Companies** so that banks cannot crowd out competition and government, the private sector, and NGOs can all ensure transparency and regulation of transactions. Also, governments may want to regulate bank remittance transactions, and NGOs may want to assist with educating consumers on costs via different services;
- **Allow informal funds transfer systems to play a key role in facilitating remittances** but guard against criminal abuse, namely by terrorists. Remain aware of the possible impacts that scrutiny of these systems has on those who rely on the remittances;
- **Learn from the diaspora's existing practices** and explore whether or not migrants want government involvement in voluntary remittance schemes, what migrants' ideas are for such schemes, and how development agencies might help. Also, governments, along with IOM or the World Bank, should ensure that lessons learned are widely shared as best practices;
- **Encourage innovative public-private-NGO partnerships** that promote and succeed in making remittances a poverty reduction tool;
- **Work on examining financial sector reform and banking systems**, particularly in rural areas, as linked to remittances;
- **Enable productive use of remittances** by ensuring a receptive investment climate and suitable infrastructure through stable exchange rates, low inflation, the absence of excessive bureaucracy and corruption, reliable power supplies, decent roads, and other communications;
- **Remove international or structural obstacles to development**, through international community and donor efforts, to improve local infrastructures and create good business environments. The primary responsibility should be borne by the developing countries to ensure that the local governments and political processes are themselves not an obstacle.

Finally, governments can play a role in creating an environment in which remittances can be used productively. However, they should be wary of managing what are essentially private transactions made by poor households in desperate situations.

Frank Laczko and Sarah Dotson
IOM Geneva

Remittances and Foreign Aid by Region



Data Sources: The World Bank, Global Development Finance, 2003; OECD, 2004; UN, International Migration Wallchart, 2002

The Human Perspective

Statistics, charts, GDP in countries of origin, and money transfers are used to describe remittances, the process of sending money, from a quantitative angle. For the people who support their families back home, these well calculated figures are secondary to what they might consider the real measure of remittances: *their ability to substantially make a difference in the lives of their loved ones.*

The following stories represent the point of view of migrants living in the Washington, D.C. area who regularly remit money to families in their home country.

Almost all of the individuals interviewed were hesitant to disclose details connected with their personal experiences on remittances, due to their natural mistrust as to how the information might be used and/or concerns about their migratory status in the United States.

The vast majority of the individuals interviewed prefer to send money directly to their families who depend on the remittances, but some were not opposed to the possibility of using a small portion of the remittance towards a community project (a school, a health clinic, etc.) in their home communities, provided that the process would be monitored by someone whom they could trust (often a family member).

Erin Foster, IOM Washington

Name: Maria
Country of Origin: Mexico
Years in the US: Three
Profession: Customer Service

"I began to send money to my family as soon as I arrived in the United States. On average I send US\$200 twice a month to my family in Mexico and to my niece in California using a bank transfer service."

Name: Njeri
Country of Origin: Kenya
Years in the US: Five
Profession: Student

"Hospital bills, school fees and funerals are expensive in Kenya and I send money when my family needs to pay these bills. I use Western Union or friends returning to Kenya to send money."

Name: Reyes
Country of Origin: Mexico
Years in the US: Eight
Profession: Fencing Installer

"The money I send home goes to my family, but I might be interested in supporting a project in my hometown if my family was involved. Using a bank transfer is the least expensive. It only cost US\$38 through the bank to send up to US\$10,000 in a single transfer."

Name: Mauricio
Country of Origin: El Salvador
Years in the US: Fourteen
Profession: Air Conditioning Technician

"Urgent Express takes two days and is slow to send money, but Banco Mexico has same-day service. The money I send supports the daily expenses of my mother and father."

Name: Nazira
Country of Origin: Kyrgyzstan
Years in the US: Three
Profession: Teacher

"I used Western Union for the first year I was in the US, but it was too expensive, so now I use a bank to transfer a large amount of money every five months. My family in Kyrgyzstan uses the bank only to receive the money at a 1% transfer fee and then takes it home because there is no trust in the financial system."

Name: José
Country of Origin: El Salvador
Years in the US: Twenty-two
Profession: Cook

"Previously, money was sent home with people traveling, but now Spanish speaking banks allow me to send up to US\$3,000 for a fee of US\$11. I have sent money once a month since I arrived to support my parents and two sisters."

Name: Pablo

Country of Origin: Costa Rica

Years in the US: Six

Profession: Artist

"I send money once a month depending on my income. I use a bank to send money. The money is normally used to pay bills or for medicine and to help my family's economic situation."

Name: Ramirez

Country of Origin: Mexico

Years in the US: Six

Profession: Cable TV Repairman

"My family absolutely depends on the money I send once a month because they have no other income opportunities."

Name: Pablo

Country of Origin: El Salvador

Years in the US: Three

Profession: Carpenter

"I normally use Western Union or Urgent Express to send money. But I think the fees are too high. I have been able to build a house for myself in El Salvador and support my family."

Name: Filiberto

Country of Origin: Mexico

Years in the US: Two and a half

Profession: Mason

"I send money once a month to support my family and provide money for my sister's education. I use a transfer company because it is the most convenient."

Name: Aguil

Country of Origin: Kyrgyzstan

Years in the US: Ten

Profession: Student

"I send US\$200 per month for the daily expenses of my mother and father, but more for holidays or birthdays. Western Union was too expensive to use every month so now I use a duplicate ATM card to send money home at US\$2 per transfer. I will continue to send money as long as I am in the US."

Name: Edgar

Country of Origin: Guatemala

Years in the US: Six

Profession: Cook

"I send money home twice a month using a money transfer company. My parents keep the money in the bank in a savings account."



A currency exchange store in Bogota, Colombia, does a brisk business paying remittances sent by migrants abroad.

Interview

with Ambassador and Permanent Representative of Honduras to the United Nations in Geneva, His Excellency Mr. J. Benjamín Zapata



His Excellency Mr. J. Benjamín Zapata

The impact of remittances for Honduras is fundamental

According to Honduran President Ricardo Maduro, remittances are constant and not cyclical. Whether it is summer or winter, they are always there. They are generated by Hondurans for Hondurans; and most important, for the most needy of Hondurans.

During my years at the Honduran Embassy in Washington we worked long and hard to try and convince all political spheres to find a solution to irregular migration. We knocked on many doors always with the same message, "We're not looking for citizenship for Honduran migrants, but for the United States and for the migrants it is important, in order to avoid and reduce criminal activities, the smuggling of human beings, drug trafficking, and to guarantee migrants' rights, that we find a programmatic and not a political way to manage migration."

When the US Government decided to award TPS¹ (Temporary Protected Status) in January 1999 to Honduran migrants, 105,000 Hondurans who had arrived in the United States after

Hurricane Mitch and were in an irregular situation, applied and received TPS. This scheme gives the migrants legal status, albeit temporary, as well as a work permit, which is also temporary.

TPS confirmed that legal status and a work permit implies a better salary and less possibility of abuse. And that translated into an increase in remittances – from approximately US\$300 million in 1998, to some US\$1.1 billion in 2003.

Before 1998 and Hurricane Mitch, migration from Honduras to the United States was not as significant as it is now. It was the devastation caused by Hurricane Mitch, the lack of opportunities, and the difficult social conditions that prompted thousands of Hondurans to leave the country. It is estimated that between 600,000 and 700,000 Hondurans are living in the United States; there are others in Canada, Europe and other countries.

My government's main concern is to optimize all of our resources, and remittances have become the number one source of foreign currency for Honduras.

Long-term planning is key

In order to optimize the impact of remittances, the government could act as facilitator in an education process. IOM could play a big role by organizing and managing educational activities so that Hondurans can understand and learn to appreciate the benefits of remittances. It's always better if an international organization plays a central role as the government's partner in these types of efforts.

IOM could support the government's efforts by showing examples of other countries in the region where remittances have been used for community development. Then we could work with IOM to target Hondurans from specific regions, who are cur-

1. TPS is a temporary immigration status granted to eligible nationals of designated countries. TPS beneficiaries are granted a stay of removal, and work authorization for the designated TPS period and for any extensions of the designation. TPS does not lead to, and cannot be used to obtain, permanent resident status.

(Source: US State Department)



rently living outside the country, to create a sort of common fund to rehabilitate schools, churches, roads, etc., in their places of origin.

While on the subject of education, we could also consider including remittances in the high school curriculum. This would give Hondurans, especially young people, the tools to better understand this phenomenon and how it impacts on family life and on the country as a whole. This would certainly lay the foundation for better planning and utilization of these resources.

There are Hondurans who have started small businesses using the remittance money they receive from relatives abroad. For example, some women have set up very small businesses selling tortillas and other foods. But for this to have a multiplying effect, we have to educate and inform the public about planning and long-term benefits.

Another role for IOM would be to work with all concerned governments to reduce the political factor that is today part and parcel of migration. IOM's expertise could be used as a catalyst. Also, its presence in the region, in Washington, and in other countries, could be the link between governments to better manage migra-

tion. IOM can also participate in interagency discussions to determine the best way to harness the impact of remittances. This could be done in cooperation with the banking sector.²

Remittances and development

During a speech in Tegucigalpa last year at the International Forum on Remittances and Development, President Maduro said that the housing sector, because it creates employment, could be linked with remittances. We can use housing and remittances to foster development in an area where there is urgent need, especially for the poorest families. If we could bring down the cost of sending remittances by one per cent, this would mean, if we base it on an estimate of US\$1.1 billion, that we could make the down payment for some 2,300 new homes per year under the ongoing programme "Vivienda para la Gente" (Homes for the People).

The school feeding programme is another example where remittances could play a vital role. This programme benefits children in primary

school and directly impacts on their learning ability and education. If we could apply that one per cent to the school feeding programme, we could feed an additional 55,000 children during the 200-day school year.

A great deal of work lies ahead

Migration is here to stay; it is not going to disappear. Furthermore, migration is positive and beneficial to migrants and societies. The Hondurans who have emigrated have had the opportunity to see and learn first hand how things are done in other countries. And this generates new ideas. Those who have gone to the United States have learnt from what that society has done in its 228-year history.

When people travel to a more advanced society, it is inevitable that they will learn new things. But in order to really absorb and benefit from this experience, migrants must be fully integrated into the host society, which includes having legal status and a work permit.



Receiving remittances from a family member working abroad.

2. Ficohsa Express, a subsidiary of the Honduran bank Ficohsa, has so far opened six offices in the United States, in the states of Florida, Georgia, North Carolina and Virginia. Their expansion plans for 2004 include new offices in California, New York and Texas. Ficohsa Express allows Hondurans in the United States to send money home to their families. The money can be retrieved at any Ficohsa branch in Honduras.

Bridging Gaps Between Marginalized Populations and the Authorities

“Our main priorities are sanitation and security,” says Joel Corneille, the young and newly appointed Mayor of Cité Soleil.

Cité Soleil is a shantytown wedged between the sea and one of the main roads in Port-au-Prince. Built on heaps of garbage, this stretch of land provides precarious shelter for some 150,000 people.

Despite its formal establishment as a municipality in 2002, the involvement of the central government has remained extremely low. Except for one public school, basic services such as education and health are provided exclusively by NGOs.

The paradox is that, capitalizing on the vulnerability of the population, political leaders have manipulated idle youth – providing weapons and money – to intimidate residents and potential opponents.

Since President Jean Bertrand Aristide left the country in February 2004, an interim government has been established to redress the situation and prepare the ground for elections in 2005. In support of these efforts, IOM, relying on funding pro-

vided by the USAID Office of Transition Initiatives, is implementing the Haitian Transition Initiatives (HTI) in order to assist the authorities, relevant ministries and municipalities in attending to the basic needs of the population.

The HTI focuses on bridging gaps and creating opportunities so that a meaningful dialogue can take place between the Haitian Administration and the population. Based on a participatory approach and through consensus seeking, the population, municipality and the central government will identify projects meeting basic needs, which IOM will strive to implement. The HTI will support projects such as potable water, public lighting, playgrounds, public squares, anti-erosion structures, and roads and bridges in local communities.

Each project is an opportunity for participants to become intimately involved in the development and improvement of their neighbourhoods, and offers the opportunity to share common experiences, responsibilities and ownership. The overall objective of the HTI initiative is to increase the involvement of local populations in the development process and restore faith in govern-



ment, thus paving the way for the upcoming elections.

Cité Soleil has the difficult task of managing idle youths in an area where weapons have not yet been seized and where no income is available. And considering that armed robberies in the Port-au-Prince metropolitan area have increased significantly in the past months, this is becoming a priority concern.

“Why would someone come to Cité Soleil? There is no good reason to come here,” says Thomas, a young man living in this shantytown.

“Without hope, there is no future.” It is in these terms that the Deputy Mayor of Cité Soleil, Renal Jolifils, introduced the municipality’s policy regarding disaffected youths.

Commenting on the rehabilitation of a soccer field, based on his experience as a coach for the National



Cité Soleil, a shanty town near Port-au-Prince, is home to some 150,000 people.

Soccer Federation in Cité Soleil, Jolifils explains that prevention is by far more valuable than repression when attempting to reduce violence.

Resuming dialogue with the youth of Cité Soleil and increasing the municipality's legitimacy to handle social conflicts is an obvious priority. This may well be the only practical measure as it is beyond the capacity of local police to monitor Cité Soleil. Streets and alleys are in such a state of disrepair and garbage heaps are so abundant, that circulation is virtually impossible. And there is no public lighting.

The rehabilitation of a soccer field, a basketball court and a public square are the first projects proposed for funding by the HTI programme. This reflects quite well the determination and the focus on youths of the current municipal leaders. Providing alternatives and social activities is a key in

the shifting of attitudes. The rehabilitation of such public infrastructures also serves to increase the visibility of City Hall and underlines its role in the prevention of conflicts.

Beyond the physical rehabilitation comes the process by which authorities leverage the participation of youths and the general public in attending to community needs. Building on successful interventions, new projects are identified and consequently participation can be extended to new sectors. Throughout the process, committees are formed to include various segments of the population to design the project and oversee the activities. Decisions are taken in consensus when it comes to the hiring of labourers, masons, carpenters, and other workers. The job creation aspect of these projects constitutes a vital element for the community. Special attention is given to the rein-

tegration of former gang members by providing job opportunities as a means of drawing them out of their nefarious world into a more constructive and positive existence. And to further help restore the legitimacy of municipal authorities, the direct management of the projects is channelled through City Hall. Consequently, NGOs no longer appear as the only agent of development answering to community needs. Using this approach, the municipal government is at last seen as an active and important player responding to the community.

"But a municipality on its own does not constitute the central government. Despite the fact that we have been named by the Interim Administration, we still have very limited contacts with ministries and the government as a whole," laments Mayor Corneille. Historically, the central government's interest has not extended much outside of the capital. This challenge is being tackled by the HTI, as one of its primary goals is to involve relevant ministries, not only in the process of identification and oversight of projects, but also to leverage in-kind cooperation such as heavy machinery, as well as sustained technical support, to ensure that projects are recorded and meet government standards and specifications.

At present, IOM has established a strategic presence in three areas, Port-au-Prince, St-Marc and Petit-Goave, which are recognized as potential "hot spots". The HTI Programme is currently planning on extending the water supplies and electrification, as well as creating a cultural centre in Cité Soleil. The HTI is about dialogue – dialogue between the central government and the population – and about bridging gaps between people. The HTI is focusing on areas where insecurity is high and where conflicts have traditionally sprouted.

**Christopher Gascon
and Philippe Branchat
IOM Port-au-Prince**

IOM Quito, at the Forefront of Migration Management

Labour migration, assisted voluntary returns, and technical cooperation, three areas of concern for the IOM office in Quito.

In the past two years, 1,475 Ecuadorians have travelled to Spain with employment contracts after successfully completing a recruitment process carried out by the Selection Unit managed by IOM Quito and the

Ecuadorian Government. During the same period, some 40 Ecuadorians who were in the United Kingdom voluntarily returned to their country assisted by IOM's Voluntary Assisted Return and Reintegration Programme (VARRP).

Following an agreement between IOM and the Ecuadorian Government, Ecuadorians can obtain one of the most modern and secure passports in the world in just 20 minutes.

Selection Unit for Labour Migration

Today is a happy day for María Estévez, she has been chosen to travel to the Murcian fields, in Spain, to work in agriculture, an activity that she has been doing in her native country but that has not enabled her to overcome poverty. She says she is very happy with the service of the IOM Selection Unit in Quito, because



she is leaving her country with full guarantees. "It's a good idea that they do everything legal. If you travel legally you are secure. I've heard that if you go without papers you cannot even go out in the street," says the 47-year-old.

Sitting next to her is her 23-year-old daughter, Alicia Flores. Although she has a degree in Mass Media Communication, she was encouraged by her mother's luck, so has filed an application and hopes to join her mother in Spain in the near future. Alicia says, "It's important to travel with the security of knowing that you will have a job upon arrival."

Along with María and her daughter, some 20 Ecuadorians wait restlessly in the reception area for the moment when they will be told if they have been selected for one of the vacancies. Although the group is very diverse, different ethnic backgrounds, ages and levels of education, they have all gone through a thorough recruitment process. They're hoping that they will be able to join the 1,475 other Ecuadorians previously selected who are already working and living in Spain.

This labour migration initiative follows an agreement signed in 2002 by the Spanish and Ecuadorian governments. José Ramón Aparicio, of the Spanish Embassy in Ecuador, says it is important to have a mechanism in place for organized labour migration. "This is a reliable, well managed project that fulfils all the expectations of Spanish employers. It should be implemented in other countries," says Aparicio, a man with more than 20 years experience in migration management.

Although the IOM-created database containing some 30,000 names has been an indispensable tool for the success of the programme, Guillermo Bluske, who runs the IOM Selection Unit says, "One of the greatest advantages of this process is the face to face contact that we have with the candidates. This makes the process more human, reliable and transparent."



New, machine-readable passports processed by IOM Quito

Effective and Sustainable Reintegration

On 7 November 2003, Elena Fernández arrived in Quito leaving behind a difficult life as an asylum applicant in Great Britain. She applied to the IOM office in London and returned to Ecuador under the VARRP. But she did not return empty-handed. She had two dreams: the chance for her seriously ill mother to meet her baby and to establish a small grocery store; dreams that became true with the help of the economic support provided by the programme.

And Elena is not the only one. Since VARRP started in Ecuador in 2003, a total of 35 persons have returned from London and reintegrated into their communities of origin. But just as important as helping migrants to return, is the possibility for effective reintegration. "Returning with a project helps to alleviate the feeling of failure that a migrant may have when going back to their place of origin," explains Daniel Ruiz, in charge of VARRP in Quito.

Social acceptance and economic assistance are two variables that explain why the number of returnees has doubled since the programme began providing reintegration assistance, sometimes more than US\$1,000 to start a small business.

Migrants from 84 countries have so far participated in VARRP. IOM is working with the British Home Office and the European Refugee Fund to help migrants return to their communities in dignity and with tangible hope for the future.

Modern, High-security Passports in 20 Minutes

María, Elena and Julio all have new, state-of-the-art passports. Julio visited the IOM office to obtain the new high-security document for a planned trip to Chile. In just 20 minutes, record-breaking time, he leaves the building that houses the IOM office with a new passport in hand. "Before, I had to wait a long time," Julio says. And he is right.

For example, obtaining a passport in one of the provinces meant as much as 14 hours of travel and a three-day wait for processing. Coupled with the long wait, each province and/or consulate used to decide unilaterally if they would incorporate fingerprints or if the finished passport would be handwritten. "They even gave blank passports to be filled out later," says José Sandoval, the IOM Programme Coordinator. And there was no official registry. This led to cases of false identity, which were discovered when the document was used fraudulently. A new database that connects passport processing centres and consulates will diminish or even rule out fraud. In October 2003 the first computerized passport, with over 40 security mechanisms, was issued in Ecuador.

All three IOM-managed programmes have received very positive evaluations. Ecuador's passport programme is being looked at as a possible model for other countries engaging IOM for this purpose. Ministers of CARICOM member nations have expressed their interest in the passport initiative.

Dolores Cortés, IOM Lima

The names of the persons interviewed have been changed to protect their privacy.

Culture Shock, Warm Welcome Await US-bound Hmong Refugees

As elder siblings grappled with luggage on the escalator in Tokyo's steel and plexi-glass Narita airport, KaDiate Yang, 7, and ChuaDreng Yang, 5, paled, balked and dragged their mother towards the stairs.

For the 24 members of the ethnic Hmong Yang and Xiong families, 11 of them aged 10 or under, the 24-hour journey across up to 13 time zones from Thailand to California and Minnesota respectively, may have seemed closer to time travel than a conventional long flight.

For the children, many of whom had never travelled beyond the perimeter of the muddy lanes and corrugated iron shacks of the closed refugee village adjoining the Wat Tham Krabok temple north of Bangkok, nothing could have fully prepared them for the trip to new lives half way around the world.

Accepted for resettlement in the United States by the State Department's Bureau of Population, Refugees and Migration (PRM) under the US Refugee Admissions Program (USRAP), the Yangs and the Xionsgs were the first of some 15,000 Hmong refugees expected to leave Wat Tham Krabok for the US with IOM over the next two years.



The Hmong are an ethnic minority originally from Laos, who fought with the Americans during the Vietnam War and subsequently, together with other refugees from Laos, fled to camps in Thailand and the Philippines.

Many were resettled, and between 1977 and 2003 IOM helped some 260,000 refugees from Laos to leave camps in Thailand and 40,000 living in camps in the Philippines to start new lives in 29 countries, mainly the US, France, Canada and Australia. Over 240,000 went to the US, more than half of them ethnic Hmong.

Left: Kia You, aged 1, arrives in America.

Above: Family and friends greet the Yangs at Sacramento airport.

Right: Children play in the rain at Wat Tham Krabok.

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But as refugees from other camps were resettled abroad, Wat Tham Krabok and its welcoming Abbot, the late Phra Chamroon, became a magnet in the early 1990s for Hmong refugees who hoped to stay on in Thailand. The population of the camp adjoining the temple, which is well known for its drug rehabilitation programme, mushroomed, and two years ago the Thai military assumed control of the site.

With Thai government pressure and the renewed offer of resettlement in the US, the new consensus in the camp now seems to be in favour of resettlement, although tales circulate of violent disagreements, families split and even a suicide triggered by the issue.

"Younger people are generally keener to go to the US than older people, women often seem happier to go than men, and most people agree that it will be best for the children,

who now account for more than half the population of the camp," says Rachin Weannara, an IOM doctor who works with Thai Ministry of Public Health staff providing primary health care in the camp.

Family members already in the US agree that relatives in the camp, particularly the children, will be better off in the US. Tong Xee Xiong, who arrived in Minnesota with his wife Chong Thao in 1991 and is sponsoring 21 relatives from Wat Tham Krabok, including the Xiong family, believes that the move will offer the refugees "a chance to start a new life" and give the children "an opportunity to have an education and go to work and get money."

When the Xiong family – parents and seven sons aged between three and 15 – arrived in Minneapolis-St. Paul on 21 June, Tong Xee Xiong and Chong Thao were there to meet them. Chong Thao embraced her

Thamara





Above: Each refugee is allowed 20kgs of checked luggage and a 5kg carry on.

Below: KaYing Yang explains US rights and responsibilities.

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younger sister Ma Thao for the first time in 13 years in front of a cheering Hmong crowd representing the city's 60,000-strong Hmong community, amid flowers, tears, American flags and frenzied local media coverage.

But despite the culture shock of their trip from Thailand, their first experience of air travel, transit in Tokyo and Los Angeles airports, exhaustion, jet lag and the avalanche of new experiences, the new arrivals are probably better prepared for life in America than any previous generation of Hmong refugees, according to KaYing Yang, herself a former Hmong refugee resettled in the US in the 1970s, and now the IOM official responsible for providing pre-departure "cultural orientation" at Wat Tham Krabok.

"IOM's 25 hours of cultural orientation for everyone in the camp over the age of 15 provides the basics for survival. But this generation has a far better idea of what to expect in America from their knowledge of Thai society and through television. There is also a more sophisticated infrastructure to provide support on arrival, particularly from the Hmong American community," she says.

Under the USRP, integration is shared between the sponsors and a local voluntary agency or "affiliate" nominated by the programme. As sponsors, or "anchor relatives", Tong Xee Xiong, who works as a machine operator, and Chong Thao, who works as a health care aide, have already been working closely with the Minneapolis-St. Paul-based International Institute of Minnesota (IIM).

"What we do is sit down with the sponsor at the outset and go through a checklist of everything that the arriving family is going to need and who is going to provide it – the sponsor, ourselves or another refugee service provider such as a mutual assistance association. There is also an initial (government) grant of US\$400 per person," says IIM Associate Director John Borden.



“The checklist starts with airport reception and goes right through initial housing and utilities, essential furnishing, food, home orientation, basic necessities like kitchen items and bedding, clothing, social security application, school registration for the kids, community orientation, health screening, job search, public assistance like food stamps, repayment of their travel loan, permanent housing, immigration assistance and so on,” he says.

But the following morning, their first day in the US, the younger members of the Xiong family had more important things on their minds than basic survival skills. When they emerged bleary eyed from their new temporary home – Tong Xee Xiong’s clapperboard house in suburban St. Paul – into the dry Minnesota sunshine, their cousins produced an American football and they tore off around the garden shrieking with joy.

Chris Lowenstein Lom
IOM Bangkok



Above: US supermarkets represent a different world for the refugees.

Below: Vang Xieng and family at the Capitol, Sacramento, CA.

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Small Businesses

– Big Opportunities

The current economic situation in Armenia is marked by high unemployment and little, if any, business prospects. People living in remote regions are more vulnerable to being pushed into irregular migration or to being trafficked abroad for labour and sexual exploitation.

Helping people help themselves, that has become the mantra for Martin Wyss, IOM Chief of Mission in Yerevan, and his staff. “The most realistic alternative for these impoverished people is the small business sector. IOM believes that an effective form of assistance is the promotion of individual self-sufficiency through micro-enterprise development projects.”

IOM’s Micro-enterprise Development Project (MED) has a seven-year record of creating jobs for vulnerable people and working with small businesses in many regions of Armenia.

Since 1997, IOM-MED has helped more than 2,230 families of vulnerable persons, returnees, refugees, persons displaced by the earthquake, and victims of trafficking to achieve economic self-sufficiency through micro-enterprise training, business credits and employment opportunities.

Over 1,600 participants have been trained and loans amounting to US\$2,250,000 disbursed. Women comprise the biggest part of the beneficiaries.

Project business advisors monitor all businesses and loan repayments. The IOM-MED project also provides assistance in marketing, taxation and expansion for participants.



Elmira Gulyan is proud of her store's success.

The Sweet Taste of Success

Elmira Gulyan was 10 years old when her family was forced to leave their home in Baku, Azerbaijan, and flee the country. The family arrived in Yerevan in 1988 with little more than the clothes on their backs. They were taken to the village of Byureghavan and given a room in the dormitory of a boarding school, where they still live today.

Elmira is proud of her parents' strong work ethic. “My parents always worked very hard.” But war between Armenia and Azerbaijan over the enclave of Nagorno-Karabach had a negative effect on the economy. Many factories were closed and her parents lost their jobs. Elmira’s brother was a student at the university when he was called to serve in the

Armenian army and did not finish his studies. By the time Elmira graduated from the Polytechnic Institute in 2001, she was the sole provider for her family.

During her years as a student, she worked as an English teacher, but eventually was forced to quit her job because the salary was so low she couldn’t make ends meet.

Smbat Badalyan, a local shop owner, offered her work as a shop assistant for 1,000 Armenian Drams (AMD), less than US\$2 per day. Again, for a family of six, this was not enough to meet their basic needs. Elmira says, “I was contemplating starting up my own business, so I found a recipe for spice cake, and with my mother we started making them. To get started, I bought a

small oven for 15,000 AMD and used 5,000 AMD to buy the products I needed. My first attempt to sell the cakes was a success. Armed with this new confidence, I decided to develop my business."

Elmira and Smbat mobilized a group of five small entrepreneurs and applied to the IOM MED office in Byureghavan. After meeting all requirements, each received a loan of US\$300. Smbat enlarged his shop and offered Elmira a small corner where she formally set up her spice cake business.

Today Elmira recalls, "I gradually expanded the production of my cakes and began developing a small retail business. After a successful first phase, we took out a second loan. There's a lot to be done to improve our living conditions, but now at least we are able to cover our basic needs. We're happy and feel at ease, because we know this project is there to support us with advice, training and financial means."

From so-so to sew-sew

Mesrop was an experienced production unit manager at the state textile factory. But in the period of crisis,



many factories, including the one he worked in, were closed and he became unemployed.

He learnt about the IOM-MED project from friends who had received support for their small enterprises. They told him this was a viable opportunity for those who wanted to put their business ideas into action. Mesrop developed his first business plan with the IOM business advisor's assistance and guidance. Now he is

the proud owner of a textile business and says with confidence, "I'm sure that with good quality and competitive prices and further support, I will be able to expand my business. I will increase my earnings and, very important, will be able to employ more people."

Helping father time

Samvel Boyan began repairing watches as a child. His father was a well known watch repairman in the city of Gyumri. So, as long as he can remember, he helped his father in the shop while dreaming of owning his own watch repair business one day.

Sometimes things change much faster than expected and don't always follow the expected pattern.

When his father's ill health forced him to stop working, Samvel visited one of the IOM-MED offices to ask for help. He successfully finished the business training course and with his approved business plan, Samvel bought a kiosk in the centre of Gyumri and opened his watch repair business.

After he paid off the first loan, he applied for a larger amount. Now he is well equipped to run his business; the business of helping people be on time.

**Jemma Mouradyan
and Khachatour Kazazyan
IOM Armenia**

Above: Mesrop's textile business provides employment for local women

Below: Samvel Boyan at his watch repair shop in Gyumri

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A Traditional Ruler Intent on Saving his Community



Chief Togbega Mortor Kwadjo Hadjor VI surrounded by his townspeople

IOM's Joseph Rispoli recently interviewed the Chief of Bakpa Traditional Area, Togbega Mortor Kwadjo Hadjor VI, at his home in Ghana. He has assisted IOM in many ways, including lending his full support to IOM's ongoing Yeji Trafficked Children Project. His efforts to reintegrate the rescued children into the community have been extraordinary. He is constantly

encouraging them to attend school and devote time to their studies, while telling their parents to take their obligations as parents seriously.

In mid-June, he travelled to Washington to receive the 2004 US Department of State Anti-Trafficking Heroes Award for his extensive efforts to combat child trafficking in Ghana.

How long have you been a chief?

I was enthroned as a chief over 30 years ago while working in Accra as an officer with the Accountant General's Department.

Togbega, we can see that your town appears deserted. Where are the people, especially the children?

Well, this is a good question. The people of this town are farmers and formerly when we were near Lake Volta, a lot of them were fishermen. When the Akosombo Dam was constructed in the 1960s, the river became infertile and my people had to travel to the north to places like Yeji to go fishing. As you can see for yourself, the children of this community have been given away or sold by their parents to work for others so that they will become rich.

Why do you think parents in your community sold their children?

I think it is because the people here are poor and they cannot meet the needs of their children. There are also too many children in their compounds and that means many mouths to feed. So, some of them send their children away in exchange for money.

Do you have members of your family who have sent their children away?

Oh yes, my own sisters (referring to mothers in his community) have sent their children away. I do not like it, but they say others are doing it so they must do it too.

How do you feel about your classrooms being empty and many of your community's children in slavery somewhere?

In fact, the situation is bad. I feel sorry for the children. That is why I am trying my best to help you to bring them back home.

What have you been doing to bring them home?

During my Bakpa Klokpo Festival, I urged the parents in the community to try and bring their children home to stay in the community because without children this is a dead town. You can see that the village has been coming back to life since the children started coming home. I have been trying very hard to make sure that all the children are attending school and behaving themselves. I'm also monitoring the parents to see if they are treating their kids well and taking proper care of them. It is a big job to be a parent and I want them all to know that their children should come first. I have seen the difference that

IOM has made in the last few years just by educating the parents about the evils of selling their children to fishermen in Yeji, and I want to continue to work with you to stop this crime. I think the government must also come to help combat this crime against the children.

How did you first come by the issue of child trafficking?

I first saw it some years back when I was a young man. My relatives and extended family would send their children to unknown places to work for them. When IOM came to identify some of the parents last year, I was very happy that something good was going to happen in my village, so I decided to follow their plan.

Are you a politician?

No, I am a traditional ruler. I am happy that IOM came to me and respected me and took my advice to find ways to bring the children home.

You were recently asked to visit the United States to receive an anti-trafficking award. How do you feel about it?

In fact, I cannot express my happiness; if I do, you will not understand it. To travel to the US to meet big men

like Mr. Colin Powell was a great honour in my life. It has encouraged me to work harder to bring my children home. America is nice and I thank IOM for getting me there. I am a proud man. Look at my certificates and the medal from the US State Department. I dedicate them to all the people of Ghana who feel the plight of these trafficked children.

As a chief, how do the people in your community feel about you now that you have returned from your trip to the US?

They are proud of me because they now see that the village was coming down and I wanted to bring it up. I must thank God that I am alive to rebuild my village by helping the children who have come back from Yeji. It will take a long time, but we will be able to see to it that all the children of New Bakpa will get a proper education and training for their careers, so that they can have a bright future. As long as we continue to stick together and the parents here assist each other in their daily activities, children will not be sold again. They will have the lives that they deserve. I plead that IOM should assist the children so that they can stay in school, especially the girls.

IOM has registered a total of 1,002 school-aged children who had been trafficked for slave labour in fishing communities in the Volta and Central Regions of Ghana. Most of the children are between 6 and 14 years old. The boys are forced to work in the fishing industry, and the girls are forced to cook, or act as servers and porters. The children are poorly fed and never paid. Sometimes the nets get stuck at the bottom of the lake and the children have to dive to release them. Some have drowned.

In late June 70 children were reunited with their parents in the town of New Bakpa. The children, who had been sold by their impoverished parents to local fishermen for up to 1.5 million Cedis (US\$180), stayed at the IOM transit where they were given medical examinations and counselling before returning home.

This brings to 298 the number of children who have been freed and reunited with their parents under IOM's US-funded programme. All of the children are back in school or have joined vocational training programmes.

In return, the fishermen receive training and micro-credits to help them improve their fishing techniques or engage in other income-generating activities. IOM also identifies the needs of parents to help them undertake income-generating micro-projects through the provision of training and micro-credits. The parents have received business training and community revolving loan funds to start or expand small businesses.

New Online Reports!

Migrant Remittances as a Development Tool: The Case of Morocco

In 2003, the World Bank's Global Development Finance report took formal notice of remittances as an important source of global development finance and listed Morocco as the fourth-largest recipient of remittances among developing countries. Despite the high level of remittances, Morocco remains characterized by considerable regional developmental disparities and poverty. Emigration potentials remain high in the north, closest to Spain, one of the European Union's chief front-line states.

Research tends to show that it is often difficult to mobilize different forms of repatriated capital such as remittances, skills and new socio-cultural and political values for home country development because of enduring economic and infrastructure barriers.

This paper examines how this type of resource mobilization has been attempted in the case of Morocco.

To view the entire report visit the IOM Website:
<http://www.iom.int/iomwebsite/Publication/ServletSearchPublication?event=detail&id=3291>

Migrant Remittances as a Development Tool: The Case of Somaliland

This paper examines the relationship between migration and development in the case of Somaliland, where an estimated 25-40 per cent of the population receive regular remittances from family members abroad.

Remittances constitute a critically important source of income for poor households throughout Somaliland and the Horn of Africa. Although a substantial share of remittances are spent on immediate consumption needs such as food, shelter and healthcare, they are also invested in entrepreneurial activities. New evidence suggests that the Somali diaspora is increasingly funding development-related projects such as hospitals, schools and universities as well.

The dramatic impact of remittances – and more generally of Somali diaspora activities – on poverty alleviation and local development in Somaliland, is the focus of this paper.

To view the entire report visit the IOM Website:
<http://www.iom.int/iomwebsite/Publication/ServletSearchPublication?event=detail&id=3293>

The Development Dimensions of Migrant Remittances

It is now widely recognized that migrant remittances represent one of the most important flows of global development finance for poor countries. Remittances outstrip official development assistance and capital market flows and represent more than half of foreign direct investment.

Lower middle-income countries receive the largest share of remittance flows, but remittances constitute a higher share of the total international capital flows to low-income countries.

In every region of the world, remittances are helping to lift millions of people out of poverty by providing critical resources for food, shelter, healthcare, and education. However, despite this evidence, we still do not fully understand how remittances are used, or can best be used, to promote development, especially given that existing policy incentives are not always thought to have been effective. This observation underscores the fact that the focus on remittances as a development tool is recent, and many questions of how to exploit their full development potential have yet to be answered.

This report addresses some of these fundamental questions on the role of remittances in the context of the migration-development nexus.

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