

12th EADI General Conference
**Global Governance for
Sustainable Development**

The Need for Policy Coherence
and New Partnerships



**Capital and Human flows between Europe and Latin America.
A complementary relationship?
The case of the Andean migration in Spain**

Author:	Gemma Pinyol
Co-Author:	Anna Ayuso
Institution:	CIDOB Foundation
Address:	Elisabets, 12 – 08001 Barcelona
E-mail:	gpinyol@cidob.org
Telephone:	0034 933026495

Abstract

In the last years, the dynamism of Latin American migrations towards the European Union in general and Spain in particular has increased the research interest about the Andean immigrants in Spain. In less than a decade, residents from the five Andean countries (Bolivia, Ecuador, Peru, Colombia and Venezuela) in Spain have grown from 93,202 people to 839,505 people.

This paper aims to be a first approach to link between human and economic flows in the international migration framework, focusing on the Andean migration towards Spain to elaborate a first set of hypotheses. The first part will be an introduction to the Andean flows towards the European Union and Spain, to provide a global panoramic of these inflows. 2005 will be defined as a turning point in the Andean migration to the EU. Following carried out studies, this part will also pay attention to the dynamics of return migration and family reunification patterns.

The second part will focus –from both economic and sociological perspective– to the main characteristics of these inflows. In this sense, formation levels and training skills will be analysed, along with the (regular, irregular) ways of incorporation to the host labour market as well as the economic segments where are centred.

A third part will focus in the changing evolution of the financial flows. In it, the main characteristics of Andean emigrants' remittances from Spain will be described. Their scale and their contribution to the countries of origin's GDP will be taken into consideration. Figures will be available from previous and official databases.

Finally, in the conclusion part, this paper aims to identify links between remittances' economic flows and the main characteristics of migrants who send them. The idea is to evaluate to what extend remittances generate benefits greater than the losses of human capital that seem to affect many Andean countries. The debate of turning brain drain into brain circulation will be also discussed. The intention is to identify research topics that could be useful to response not only for the short time but also to point out the main challenges that these countries of origin will confront in the medium and long term.

Capital and Human flows between Europe and Latin America. ¿A complementary relationship? The case of the Andean migration in Spain*

Dra. Anna Ayuso, Latin America Programme Co-ordinator, CIDOB Foundation
Gemma Pinyol, Migrations Programme Co-ordinator, CIDOB Foundation

Summary. 1. Introduction. 2. Andean migration towards Spain. 3. The participation of Andean migrants into the Spanish labour market. 4. Remittances to the Andean countries. 5. Challenges to the future: remittances, development and research needs. 6. References

1. Introduction

As it could be seen in the Spanish case, most of new countries of immigration basically focus on how immigrants are integrated in the host society. Migrants' access to labour market and to social services, rights and duties of local and migrants and debates on the host society identity are, among others, main topics on the Spanish discussions on immigration.

These topics are also habitual in the Spanish public debates on immigration, and meanwhile some of them are mainly analysed by the academia, such as the identity discussions, others as migrant participation in the public social services and the labour market are also in the top of the political agenda, the media and the public opinion polls. But progressively, as long as Spain has been consolidated as a country of immigration, new questions and new debates are arising.

As migration flows are a global phenomenon, since the nineties, Spanish governments quickly understood that managing these flows required a further collaboration with countries of origin. Increasing collaboration between countries of origin and destination on managing labour flows or signing readmission agreements has also opened new questions about migration's effects not only in host ones, but also in countries of origin.

In fact, data on how are the migrants that are being incorporated in the Spanish labour market are, at the same time, data on who might be missed in the origin labour market. More, how the family reunification processes works on in host countries could be a useful instrument to analyse social effects (family composition; gender and age bias) but also economic effects (remittances) in the country of origin.

Increasingly, focusing on the social and economic effects of immigration in countries of destination should runs in parallel and involves paying attention to these elements in the countries of origin.

Andean migration in Spain has had an increasingly growth in last decades. Currently, Ecuadorians and Colombians are in the top of foreign nationalities in Spain, and their participation in the Spanish labour market and in the familiar reunification processes has also increased in last years. Meanwhile, multiple studies on the Andean nationals' integration into the Spanish society (from the labour market to health services, for example) have been done. But only recently and due to the remittances amount, studies linking migration flows and countries of origin and destination have been initiated.

In that sense, this paper aims, on the one hand, to analyze the Andean nationals who emigrated towards Spain, describing their characteristics and their participation in the Spanish labour market. On the other one, this paper seeks to describe some of the economic flows that migrants have established with their countries of origin. Linking human and economic flows and its inverse relation is also one of the objectives of this contribution.

2. Andean migrations towards Spain

In the last decades, migration flows from Latin America and the Caribbean region towards Europe and particularly Spain, have notably grown. From 2000-2001, European countries have been consolidated as destination points for these flows,

and the southern countries, mainly Spain and Italy, have become top destinations.

Figure 1. Latin American migrants in the Southern Europe countries, 2005

	ESPAÑA	ITALIA	PORTUGAL	TOTAL 2005
Argentina	86.921	14.360	618	101.281
Bolivia	52.587	3.432	77	56.019
Brasil	30.242	26.975	49.678	57.217
Chile	20.397	3.346	259	23.743
Colombia	225.504	15.430	574	240.934
Ecuador	376.233	48.302	330	424.535
Perú	90.906	48.827	227	139.733
Uruguay	26.581	1.383	116	27.964
Venezuela	28.188	4.445	3.368	32.633
Otros	8.557	697	69	9.254
Total SURAMÉRICA	946.116	167.197	55.316	1.113.313
México	10.700	4.852	278	15.552
Otros	9.761	6.747	108	16.508
Total CA y MÉXICO	20.461	11.599	386	32.060
Cuba	39.755	11.323	575	51.078
Rep. Dominicana	58.126	13.475	71	71.601
Otros	458	1.232	44	1.690
Total CARIBE	98.339	26.030	690	124.369

To understand the increase of these migration flows, several push factors could be noted. Among them, high rates of unemployment, political instability or the weakness in developing the welfare state in the Andean countries. But pull factors as the economical development of the Southern Europe countries and the impact of irregular labour market in these economies also could be noted. The increasing demand for a low or non-qualified manpower, the notable role of the social and familiar networks and a favourable set of measures for nationals from the former colonies (visas exceptions, faster naturalisation processes, etc.) could also explain the magnetism of Italy, Portugal and Spain in attracting these Latin America migration flows. Finally, the 11-S events also could be understood as a turning point, because harsh measures to entry in the U.S territory makes the European one more attractive, specially for nationals who could take advantage of easy naturalization processes or dual citizenship, such as several Latin American groups in some European countries.

While migration flows from the South Cone towards Europe were dated since the fifties and the sixties, late eighties and the nineties could be defined as the decade in which Andean migration notably grew. Along to a small elite diasporas and a graduated and post-graduated students group almost always present in the European countries, these large and economic-based migration flows from Latin America clearly have changed the migration configuration in some European countries, such Spain.

Andean nationals, mainly Ecuadorian and Colombian, but also Peruvian, have become the main foreign groups in Spain, and the ones that have a large percentage of growth. Parallel to the Spain's transformation in a country of immigration, migration flows in Spain becomes more Andean compounded.

Becoming a country of immigration...

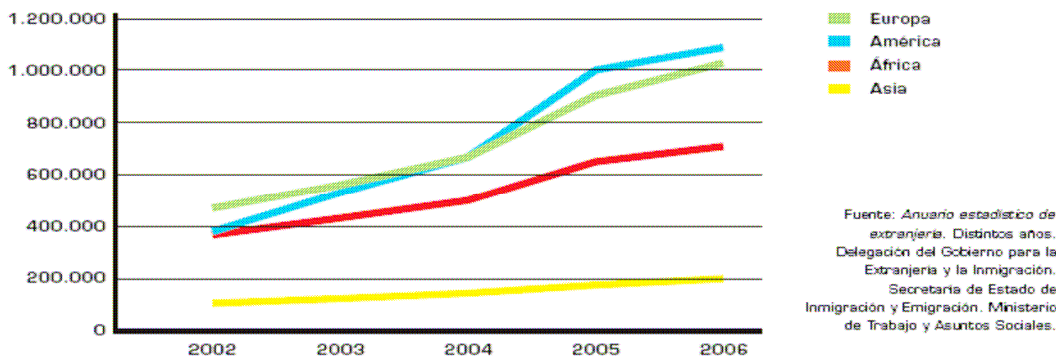
Until its incorporation to the European Community in 1986, Spain had neither an immigration policy nor an immigration law. In 1985, as a previous condition to its EC membership, the first Spanish immigration law was drawn up. It was more an immigration law to fulfill the EC standards than a necessity: during the 80ties, Spain still was an emigration country. In fact, this law was also passed in order to calm some European partners as far as they had expressed their concerns about the Spanish accession's consequences in migration matters. The Mediterranean and Ibero-American dimensions of Spain (first one by geographical proximity, the second one because historical and cultural ties) were seen for more European partners as an (undesirable) opportunity for an increased influx of new immigrants from these regions.

Ten years later, Spain increasingly became in an immigration country and into the scenario of heterogeneous and growing migration flows. The magnitude and speed of growth and also the diversity of origins (and their religious, cultural and ethnic variety) were the main characteristics of this *being-an-immigration-country* process. In mid-90's, there were around half a million of foreign nationals in Spain, and its proportion over the Spanish population was indicated by per mile. In 2001, immigration had increased by 23.82% and foreign population in Spain was over one million of people.

It is said that 2000 was the year of 'discovering immigration' in Spain. First, because the Spanish government created the main administrative structures to manage immigration and two new immigration laws were passed on with an important political controversy. Secondly, immigration was also in the social debate and in the media because the events that took place in El Éjido and the Lorca crash accident. In the small Andalusian town of El Éjido, the murder of a Spanish woman by a mentally disturbed Moroccan exploded into a brutal riot where a group of nationals attacked undocumented Moroccan workers. Meanwhile, the Lorca's accident in which 12 Ecuadorian workers died when the van taking them to work was hit by a train highlighted the precarious conditions of irregular workers in Spain. Since then, rising progressively from bottom to top positions in the list of concerns, immigration has become a key topic for political debates, but also for media and public opinions.

Figure 2. Immigration flows in Spain by continent of origin, 2002-2006

I. EVOLUCIÓN GLOBAL DE LOS RESIDENTES EXTRANJEROS SEGÚN CONTINENTE DE ORIGEN (2002-2006)					
	2002	2003	2004	2005	2006
EUROPA	470.432	560.200	667.775	906.461	1.028.678
AMÉRICA	380.343	530.648	666.086	1.003.230	1.083.025
ÁFRICA	366.518	432.662	498.507	649.251	709.174
ASIA	104.665	121.455	142.762	177.423	197.965
OCEANÍA	1.024	1.018	1.112	1.466	1.819
APÁTRIDAS Y NO CONSTA	1.019	1.028	1.049	1.101	1.147
TOTAL	1.324.001	1.647.011	1.977.281	2.738.932	3.021.808



... and becoming a destination for Andean migrations

In 1996, around 500,000 foreign migrants resided in Spain, of whom around 100,000 were from all Latin American countries. Five years later, in 2001, Latin American migrants in Spain were around 300,000 and in 2007, they were around 1,200,000 people, which mean 30 per cent of total immigrants in Spain.

Two main changes could be noted from these figures. On the one hand, this considerable increment has transformed immigration in Spain: until 2001, African migrants, mainly the Moroccan nationals, were the main group of extra-European migrants in Spain. In 2001, Latin American nationals overlapped the African ones, and in 2005, they exceeded the European nationals. In just five years, Latin America was became the main origin of foreign immigration in Spain.

On the other hand, the origins of the Latin American immigration have also changed. Traditional groups such as Argentines, Venezuelans, and Chileans decreased as a relative share of the Latin American population, while others such as Peruvians, Dominicans, and Cubans saw their numbers grow more quickly. During the sixties and the seventies, Argentineans and Chileans were the main national groups in Spain; meanwhile Caribbean nationals from Cuba or the Dominican Republic were the main nationalities in the migration flows during the eighties. In the late nineties but mostly at the beginning of the XXI century, the Latin American immigration in Spain came mostly from Andean countries.

Figure 3. Andean migrants in Spain

	1987-89	1996	2000	2003	2007
Bolivia	779	955	1.390	7.053	69.109
Colombia	4.111	7.865	17.321	107.459	254.301

Ecuador	997	2.913	29.342	174.289	395.808
Perú	2.563	18.023	23.009	57.593	116.202
Total IBEROAMÉRICA	57.109	104.049	122.044	514.485	1.215.351

Because that, the Spanish government listened to its EU partners and progressively imposed visa requirements for Andean nationals. In 2002, Colombian nationals were requested to ask for a visa to entry in Spain, and in 2003 the same requirements were asked to Ecuadorian nationals. In early 2007, an entry visa was implemented to decrease the huge increment of Bolivian migration flows.

Andean migrants in Spain

Andean migrants in Spain share similar socio-demographic characteristics among them; some that are distinctly clear from other national groups. Age, gender, geographical distribution and irregularity are some of the characteristics detailed below.

Similarly to other immigrant groups, Andean migrants in Spain are active labour people, with an age average of 32 years old. In 2007, nationals from Colombia, Ecuador and Peru were around 62% of Iberoamerican migrants from 15 to 64 years old, and a bit less than 20% of total migrants between these age parameters. Distinctly of other national groups, Andean nationals under 15 years old were an important group of population: 21% of migrants under 15 years were from Colombia, Ecuador and Peru in 2007.

Andean migration in Spain is mainly feminine: a 53,6% that is a bit more than the total migration average (around 45%). In all Andean countries, women population is higher than men one, and in the Venezuelan and Colombian cases, this women proportion is around 60%. While feminization is a global process affecting major migration flows, the Andean migration in Spain is currently under a process of 'equilibration'. During the first years of Andean migration towards Spain, flows were mainly conformed by individual women who rapidly were incorporated in the domestic service. Due to the familiar reunification, mainly husbands and children have arrived in the last years, decreasing the proportion of feminine migration in the Andean national groups.

Meanwhile Andean migration was firstly centred in Madrid; progressively Andean nationals were distributed in other Spanish territories as Catalonia or Valencia, both of them main regions of immigration in Spain. In 2001, as an example, around a forty per cent of Ecuadorian migrants lived in Madrid, while in 2007, a 26.1% was centred in the Spanish capital and a similar 20% was in Catalonia. Because their labour participation in some economic sectors, Andean migration in Spain mainly resides in urban areas.

According to the EPA (Active Population Survey) data, immigrants have, in general, a higher level of education than Spanish nationals, and that is especially significant for the European and Latin American immigrants. In general, foreign population and Spanish population have similar proportion of primary education, but the first one has a higher proportion on secondary education (57,5% over

44,9% in 2007), meanwhile the Spanish population has a higher rate of post-secondary education.

Finally, Andean migration has been characterised for an important level of irregularity. Contrarily to what is commonly believed, irregular migration in Spain (and in general in the European Union countries) is not because an irregular entrance but a visa overstaying. Although estimations on irregular population are always inaccurate, participation in regularization processes could be a regular indicator to estimate the irregular volume on certain national groups. In that sense, in 2001, Ecuadorian nationals were in the top five nationalities in the regularization process, and around 24.000 residents were also regularised in a special process established by the Spanish government for Ecuadorian nationals.

On the other hand, the number of Andean citizens' readmissions has increased in last years. Readmission agreements with Andean countries were signed in past years, and visas, as noted below, was also required to these nationals.

Fecha	País	Tipo
21/05/01	COLOMBIA	Regulación y ordenación de flujos migratorios laborales
29/05/01	ECUADOR	Regulación y ordenación de flujos migratorios
06/07/04	PERÚ	Para la cooperación en materia de inmigración

3. Andean migrants in the Spanish labour market

In 2002, around 28% of foreign manpower in Spain were from Latin American countries. Of these 176,921 foreign workers, 119,000 (67.3% of these Latin American workers and 19% over total) were from Ecuador, Colombia and Peru. One year later, these national groups have increased considerably: Colombian workers in Spain augmented a 124.8% and Ecuadorian ones a 87.8%. Since then, annual increments were around 20-30%, so the Andean migrants participation in the Spanish labour market is remarkable and only surpassed by the European workers' participation. In 2007, annual increases from Andean nationals were around 5%.

Peruvian participation increased mainly in 2004, and since then, the annual grown was around 25-30%, meanwhile Bolivian nationals' participation highly rises in 2006, with a 415.3% increment. From 8,529 workers in 2005 to 43,946 in 2006, the Bolivian participation in the Spanish labour market is the one with the largest growth in just one year.

Figure 4. Foreign workers in the Social Security System by origin

	Enero 2005		Enero 2006		Enero 2007	
	Total	% de mujeres	Total	% de mujeres	Total	% de mujeres
Unión Europea	268.997	38,0	307.028	37,4	379.021	36,9
Resto de Europa	120.060	37,1	267.154	43,8	289.578	42,4
Bulgaria	22.533	33,9	44.239	39,7	47.095	38,6
Rumania	63.926	33,0	159.649	41,6	175.817	40,2
Ucrania	19.701	44,3	38.146	49,4	39.604	48,3
África	259.484	16,0	356.480	17,3	384.891	17,6
Argelia	14.744	8,4	18.845	9,7	20.539	9,7
Marruecos	186.785	16,6	253.331	18,0	273.497	18,5
Latinoamérica	405.410	49,0	705.969	51,9	741.214	50,6
Argentina	32.423	40,3	55.371	42,9	57.804	42,7
Bolivia	8.529	44,9	43.946	56,3	46.089	53,5
Colombia	82.192	54,6	135.170	56,2	143.311	54,7
Cuba	16.617	47,3	21.798	46,3	23.439	47,2
Ecuador	154.547	46,1	277.666	50,8	277.674	49,5
Perú	48.885	50,0	62.291	49,1	71.386	47,4
R. Dominicana	19.848	62,8	26.539	61,3	30.505	58,6
Norteamérica	5.810	44,8	6.539	45,1	6.801	45,4
Asia	79.059	31,6	112.046	31,0	123.097	31,2
China	37.049	37,9	53.636	38,6	59.143	39,1
Total	1.140.426	36,4	1.757.081	39,7	1.930.260	38,8

Elaboración propia

FUENTE: Observatorio Permanente de la Inmigración (Secretaría de Estado de Inmigración y Emigración).

As it could be seen in the migration flows, the women's proportion in the Andean workers is nearly 50%. In fact, women workers were the major group in the Andean migrants, but familiar reunification processes may explain the current symmetry in both sexes.

Figure 5. Women's proportion of foreign workers in the Social Security System by origin

	Enero 2005		Enero 2006		Enero 2007	
	Total	% de mujeres	Total	% de mujeres	Total	% de mujeres
Unión Europea	268.997	38,0	307.028	37,4	379.021	36,9
Resto de Europa	120.060	37,1	267.154	43,8	289.578	42,4
Bulgaria	22.533	33,9	44.239	39,7	47.095	38,6
Rumania	63.926	33,0	159.649	41,6	175.817	40,2
Ucrania	19.701	44,3	38.146	49,4	39.604	48,3
África	259.484	16,0	356.480	17,3	384.891	17,6
Argelia	14.744	8,4	18.845	9,7	20.539	9,7
Marruecos	186.785	16,6	253.331	18,0	273.497	18,5
Latinoamérica	405.410	49,0	705.969	51,9	741.214	50,6
Argentina	32.423	40,3	55.371	42,9	57.804	42,7
Bolivia	8.529	44,9	43.946	56,3	46.089	53,5
Colombia	82.192	54,6	135.170	56,2	143.311	54,7
Cuba	16.617	47,3	21.798	46,3	23.439	47,2
Ecuador	154.547	46,1	277.666	50,8	277.674	49,5
Perú	48.885	50,0	62.291	49,1	71.386	47,4
R. Dominicana	19.848	62,8	26.539	61,3	30.505	58,6
Norteamérica	5.810	44,8	6.539	45,1	6.801	45,4
Asia	79.059	31,6	112.046	31,0	123.097	31,2
China	37.049	37,9	53.636	38,6	59.143	39,1
Total	1.140.426	36,4	1.757.081	39,7	1.930.260	38,8

Elaboración propia

FUENTE: Observatorio Permanente de la Inmigración (Secretaría de Estado de Inmigración y Emigración).

Gender bias could be easily noted in relation with participation in economic sectors. Service sector (which includes domestic services) has a highly

proportion of women's workers (89.7% in 2006), and around 15-30% of Andean workers are employed in the domestic service. In the last five years, a small increment on the Andean women's participation in the agriculture sector could be mentioned: in the Ecuadorian female workers, the proportion grew from 8% to 12%. Male foreign male workers are mainly concentrated in construction and services (which also includes the tourism sector), where major proportion of Andean male workforce are in a job.

Contrarily to other national groups with a higher proportion of self-employers, the vast proportion of Andean workers (around 90% in 2007) are employees while less than 10% of them are self-employed. Andean women have a higher index of self-employ than Andean males, as it could be seen in the table below.

Figure 6. Employees and self-employers by origin, 2007

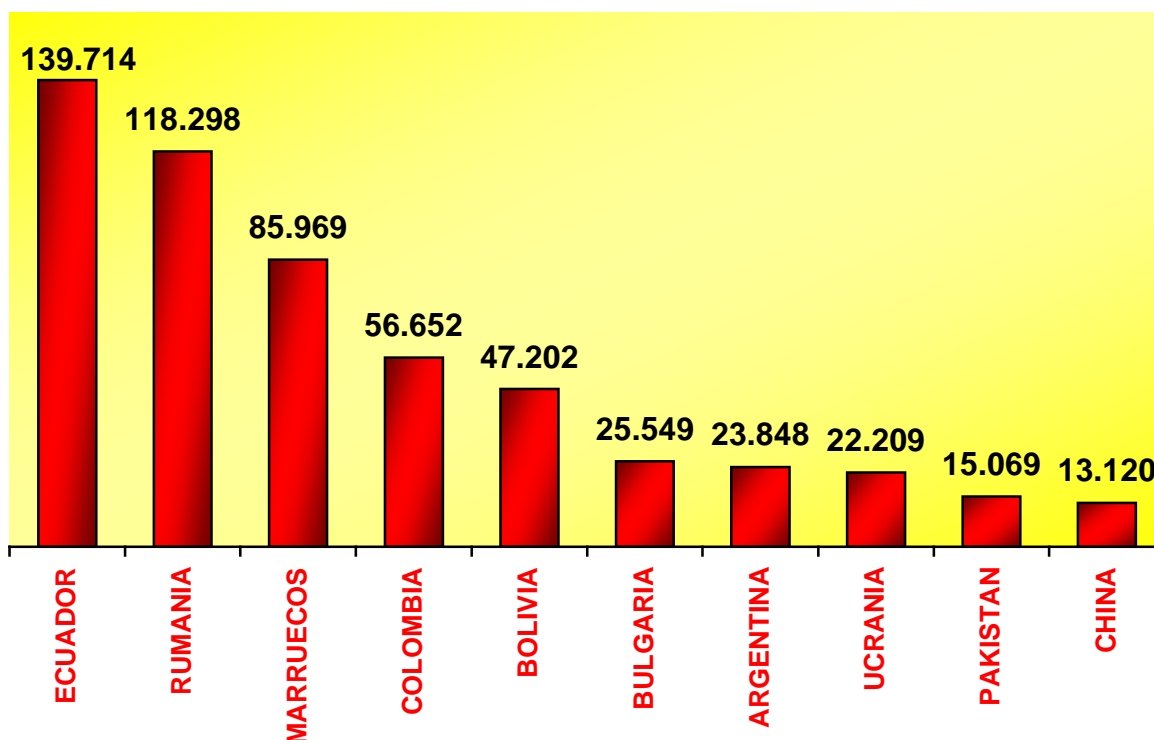
	Women				Men			
	Employees		Self-employers		Employees		Self-employers	
Bolivia	20,338	85.4%	4,334	17.6%	20,872	97.5%	545	2.5%
Colombia	67,437	86%	11,022	14%	61,282	94.5%	3,570	5.5%
Ecuador	122,155	88.8%	15,408	11.2%	135,725	96.9%	4,386	3.1%
Perú	31,691	93.6%	2,152	6.4%	36,147	96.3%	1,396	3.7%
TOTAL	639,588	85.4%	109,600	14.6%	1,059,591	89.7%	121,481	10.3%

The unemployment rate of Latin American workers¹ shows that these national groups have a higher proportion of unemployment (11.4%) than Spanish nationals (8.3%), but lower than the total foreign population's rate (12%). The Latin American female's unemployment rate (13.8%) is also higher than Spanish female's rate (11.4%), but also lower than foreign female workers (16.1%). Contrarily, the unemployment rate for Latin American males (8.9%) is higher than the Spanish one (6.1) and also a bit higher than foreign male workforce (8.8%). It could be explained by a more recent incorporation to the Spanish labour market. This differential could be explained by a more recent incorporation to the Spanish labour market.

Moreover, irregularity has been also a main characteristic of Andean workforce in Spain. As it has been noted before, Andean nationals were in the top of nationalities in several regularization processes. In the last regularization process, that took place in 2005 and was only for irregular workers, Ecuadorian nationals were the main nationality in applications, and Colombian and Bolivian were also in the top five. These three national applications summed 243,568 applications, and represented around 35% of total applications.

Figure 7. National groups in the 2005 regularization process

¹ There is not desegregation by country origin.



Finally, according to a study on the labour conditions of the Colombian migrants in Barcelona (Roa, 2007), Colombian workers in particular, and Andean ones in general, have more temporary contracts and have lower-paid and long-hours jobs than the Spanish employees. In some cases, mainly in irregular situations, foreign workers have less social protection than regular and local workers. This study offers a Labour Precariousness Index, that from 0 to 10 (less to more precariousness) pointed a 1.46 points for local workers and 3.52 points for immigrant ones.

In sum, Andean workers largely contribute into the Spanish labour market, with a high rate of participation and a relatively low rate of unemployment currently². Labour participation of women workers is notably considerable, although genre distinctions in economic sectors are evident. Furthermore, since 2005, irregularity in workplace has decreased in these national groups. But on the other hand, working conditions for Andean nationals are more precarious (lower salaries; long hours and more temporary contracts) than for local workers.

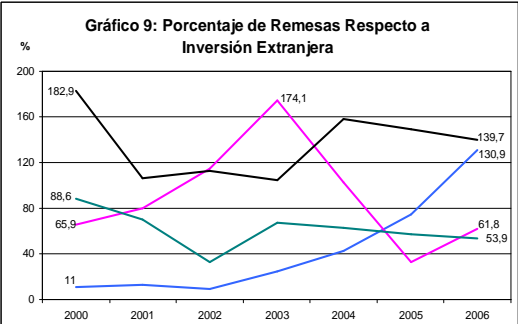
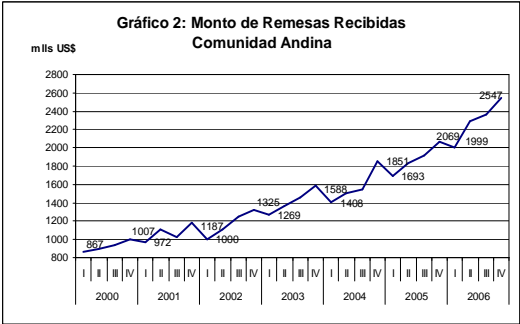
4. Impact of Remittances from Spain to the Andean countries.

In the last 5 years the amount of migrant remittances to the Andean countries increased in all the Andean countries regularly in a 14% during the period 2000-2006. In Ecuador and Bolivia remittances outstrip foreign direct investment and the Official Development Aid (ODA). As the following figures elaborated for the Andean Community General Secretary³ show, the importance of remittances en relation to the main economic flows to the Andean countries increased in most of

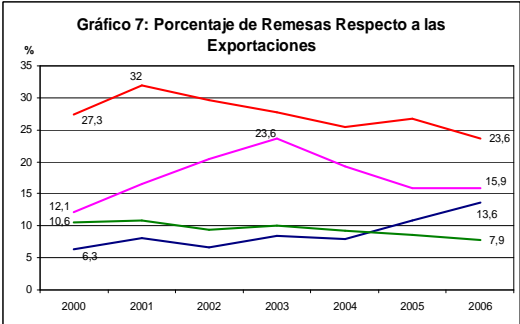
² The current economic slowdown, which mainly affects the construction sector, could easy change this rate.

³ CAN "Estadísticas de remesas en los países de la Comunidad Andina 2000-2006" SG/de 195, 16 octubre de 2007

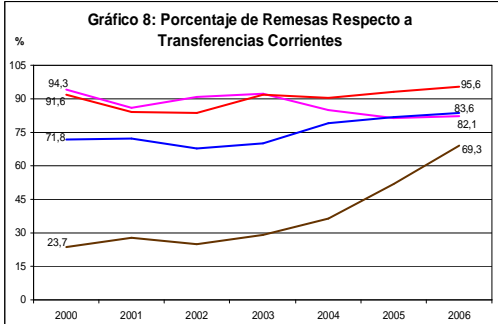
them. This is notably in the case of Bolivia, and only Colombia experimented a slow decrease in the relation with GDN. The remittance flows proved to be more stable than other economic flows and had a countercyclical effect because they don't decrease during financial or economic crisis.



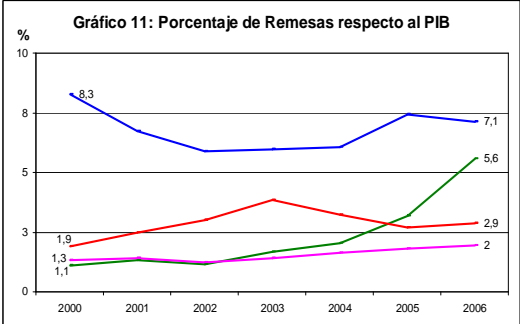
Ecuador, Colombia, Perú, Bolivia



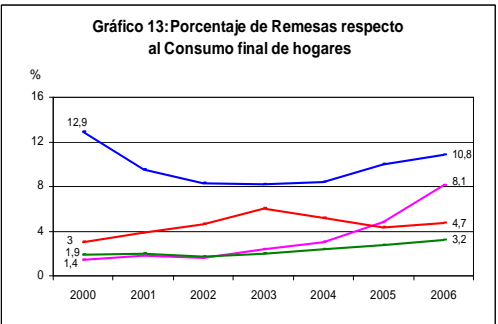
Ecuador, Colombia, Perú, Bolivia



Colombia, Ecuador, Perú, Bolivia



Ecuador, Colombia, Bolivia, Perú



Ecuador, Colombia, Bolivia, Perú

The importance of remittances have attracted the attention of scholars and International institutions in order to analyse their effect on poverty reduction and the consequences in the economies of the recipient countries and their potential to finance the economic development. There is a common agreement that remittances have beneficial effects to the direct recipients in the short term but the consequences in mid term and on the macro-level are not clear. The effects depend, not only on the volume of the flows, but on the use of them and their relative weight in the national economy. For example, Colombia is the main recipient, but the relative importance for the balance of payments or in relation with the population and family income is lower than for Ecuador. For the first,

remittances amount only 90\$ per capita comparatively with 136\$ for the second mentioned.

Total Remittances and key economic indicators in 2005

Country	Remittances			
	Per capita(\$)	Cost per transfer (%)	Average transfer(\$)	Annual volume (\$ millions)
Bolivia	94	6	235	989
Ecuador	136	4	293	2.900
Colombia	90	5	220	4.200
Perú	89	5	169	2.869

Source: Second report of Inter-American Dialogue Task force on remittances

The volume of remittances from Spain increased faster than the number of migrant people. This seems to be connected with the effects of the last regularization process in 2002 and 2005 and the improvement of the labour conditions and life of the migrants. But it is due also to the revision of the methodology used to count them by the Central Bank of Spain, the main source of information, that included some consignments before non counted⁴.

Remittances from Spain			
Banco de España (million €)			
1999	910		
2000	1.446	+58,9%	
2001	2.221	+53,6%	
2002	2.844	+28,0%	
2003	3.475	+22,2%	
2004	4.189	+20,5%	
2005	4.936	+17,8%	
2006	6.807	+37,9%	

Source: www. remesas.org

With this new information Spain became the second largest provider of emigrants remittances to the Andean countries. But, as the Second EU survey on workers remittances explain, there are relevant disparities in the statistical methodology about migration remittances used by different countries and problems of underreporting and misreporting. It seems that Spain made a stronger effort to improve the quality of data than others did⁵. Observing the last statistics, Colombia continues to be the principal recipient country in absolute terms, but the impact is bigger in Ecuador, the second one. The most relevant effect of the Spanish remittances is the case of Bolivia, where the amount is 8,5% in relation with the GNP. Even if it is not the main recipient it is the one whose remittances increased more because Bolivians profited the last years better conditions to travel to Spain than the other Andean countries. The least dynamic country in relation with Spanish remittances is Peru and this is

⁴ However it doesn't include informal transfers.

⁵ "Second EU Survey on workers' remittances from EU to third countries" European Commission. Directorate general Economic and financial Affairs, Brussels October 2006

consistent with the better evolution of the national economy that was growing faster than any other country in South America in the last 5 years.

Spanish Remittances to the Andean countries (million €)

	2003	2004	2005	2006	% PIB 2006
Ecuador	720	942	932	1157	3,50%
Colombia	732	892	969	1341	1,25%
Bolivia	80	229	429	735	8,50%
Perú	62	100	166	231	0,31%

Source: www.remesas.org

According to the research done in 2007 by Bendixens and Associates for the Spanish ministry of Economy ⁶ Ecuadorians are the Andean migrants that sent more money home; 86% affirm to send regularly money, for 82% of Bolivians, 80% of Peruvians and only 72% of Colombians. In general the percent of people sending money increases after the first three years of their arrival, when people can accede to a better jobs and increase their income. The average amount of the remittances is between 100 and 300€ euros and migrants use to do 10-12 transfers per year. In general the Latin-Americans immigrants in Spain send approximately 15% of their annual income home. That means an important amount of transaction cost that decreases the value of the remittances. In the last years that was object of the attention of governments, agencies and the financial sector in order to reduce the cost of the remittances for senders and recipients.

One of the beneficial effects associated with the remittances is the contribution to the development of the financial sector and the extension of the credit access based on the remittance guaranties. Nowadays, the average rate of remittance senders in Spain that has a bank account in the country is 77% and increase to 91% in the case of workers with an annual rent up to 10.000€. The same 77% is the percentage of people sending remittances without an account in Latin-America. It is said that access to the formal financial sector contributes to modernize the economy and improve the capacity to increase the national saving rate. But, on the other hand it is pointed that this could be another source of inequity in recipient countries between people with access to remittance and credit and other totally excluded.

Something similar happens with the better access to education and health services of the remittance recipient families, as some empirical studies based on household surveys seem to evidence⁷. On the one hand, the increase of school attendance is an opportunity to promote the social mobility, the access to better

⁶ "Remesas de España a Latinoamérica" 5 junio de 2007

⁷ As examples in the region the case studies made recently in FLACSO Ecuador like "El impacto de los ingresos por remesas en el gasto de salud de los hogares" de Paul Guerrero Lara or "Impacto de las remesas en la calidad de la Educación" de Angel Pacheco Torres presented in the "Congreso 50 aniversario de FLACSO", 29-30 october 2007, Quito

jobs and the rise to national productivity. But on the other hand, due to the Andean migrants don't use to be part of the poorest class, the positive effects in the level of welfare of the recipients of remittances increase the break with the needy people. Other possible undesirable economic systemic effects is the rise of prices due to the increase of consume, and so the inflation pressure for the lower rents (the Dutch disease). And as other collateral effects, recent studies demonstrate the larger impact of unemployment in families that receive remittances, as the revenues disincentive the need to work. But on the positive way it is observed the reduction of child labour in the recipient families. In relation with the possible lose of human capital (brain drain) it is true than the proportion of migrants having secondary education is bigger than the national average, but only 10% of them have post-secondary education.

5. Improving the knowledge and the use of remittances.

The contradictory effects of migrant remittances in development and in micro and macro variables lead to a debate about what should be the role of the state to influence the way in witch remittances are used. There are still little experience in this way but first attempts tend to work in several directions:

One firsts question is how to reduce the transactions cost of the remittances. In this direction the Spanish parliament approved in December 2006 a decision to urge the government to facilitate agreements with the financial sector in order to reduce the cost of remittances and make the transactions more transparent. The monitoring of this market done by the Spanish organization remesas.org shows that the costs in the last three years decreased and now is between 5,5% and 6% depending on the country. But transfers are not the only cost, there are other related to the commissions for account maintenance in recipient countries. This problem should be addressed by national regulations promoting a fair competence with clear regulation.

In a different way go the measures adopted by recipient countries like Colombia and Bolivia introducing a tax over the remittances (0,4% in Colombia, 1% in Bolivia, but in this case only for remittances over 1.000\$). Theoretically the idea is to increment the fiscal revenue to implement social policies with more redistribution effects. It is too early to know the potential effects of this measure, but there are at least two evident dangers. The first is the increase of the informal transfers to avoid the taxes, that seems already to be happening in the case of Colombia. The second is to disincentive savings in bank accounts and reduce the extension of financial services. There is also a question of fiscal justice, because this revenues are already taxed in the origin country. So, it could be considered a case of double taxation that should be regulated with bilateral o multilateral agreements.

Other policies proposed to improve remittances impact via the re-direction the use of remittance from consumption to productive or social investments. The first could consist in credit or tax incentives to start productive activities, this includes the use of micro-credit services or seed capital. The second include experiences

of social programmes for the origin community, some times linked with conditional funds from the state and some others with ODA. The experience in Spain with this kind of policies linking Andean Diaspora communities with their origins is still very limited. Even though the debate about the so called co-development is intense in the last years and the interest of Spanish local authorities to participate is growing. In general the way to promote the positive returns from the migrants to their origin countries is to maintain social, economic and political connections and to facilitate the return. In this sense contribute the maintenance of political right to participate in elections or the facility to a circular temporal migrations maintaining acquired rights. One step in this way is the Iberoamerican multilateral Convention on social security signed in the XVII Iberoamerican Summit in Santiago the Chile in November 2007 to guaranty the benefit of the pensions from contributions paid in different countries.

To go forward in the direction to a better comprehension of remittances impact it will be required to improve the quality of the available data and produce evaluating and comparable information. It seems necessary to analyse the effects country by country (or better, region by region), but using a common methodology to perform cross-country/region comparisons. Due to the multiple dimension on micro and macro level it seems essential to involve a huge core of relevant public and private actors, coordinate the activities and build networks. The migration policy is a relatively new issue in the Spanish political agenda with Latin American countries but it will stay for a long period of time.

6. References

ALBEROLA, E. (2007) "Un nuevo canal interoceánico entre América Latina y España: las remesas y su importancia para el desarrollo económico y financiero" pp. 49-64, en Anuario Iberoamericano 2007

APARICIO, R. (2007): "Las 'segundas generaciones' en España: marroquíes, dominicanos y peruanos". *Cuadernos europeos de Deusto*, nº36.

CACHON, L. (2004) "Los acuerdos bilaterales celebrados por España con Ecuador y Colombia" pp. 23-92 en E. Geromini, L. Cachon y E. Teixidó "Acuerdos bilaterales de migración de mano de obra: Estudio de casos" *Estudios sobre Migraciones Internacionales* 66, Ginebra.

CEPAL (2006) "Migración Internacional, derechos humanos y Desarrollo. Síntesis y conclusiones" 9 marzo, pp. 62

COLECTIVO IOÉ, GÓMEZ CIRIANO, E.J. and TORNOS, A. (2007): "Ecuatorianos en España. Una aproximación sociológica". *Documentos del Observatorio Permanente de la Inmigración*, nº15. Madrid: Ministerio de Trabajo y Asuntos Sociales.

FAJNZYBER, P y J.H. LOPEZ (2007) "Close to home. The development Impact of remittances in Latin America". Conference edition, World Bank, Washington, pp. 73

GALLINA, E. (2007): *Migrations and Development Linkage in Ecuador*. Research Report 3/2007.

GÓMEZ CIRIANO, E. (2001): "Ecuatorianos en España: historia de una inmigración reciente". *Ecuador Debate*, nº54.

HERRERA, G. CARRILLO, M.A. and TORRES, A. (2005): *La migración ecuatoriana. Transnacionalismo, redes e identidades*. Quito: FLACSO

Inter-American Dialogue (2007) "Making Most of Family Remittances" Second Report of the Task Force on Remittances, may, pp17

IOM (2004): *Migration from Latin America to Europe: Trends and Policy Challenges*. Geneva: International Organization for Migration.

KING, R., LAZARIS, G. and TSARDANIS, C. (Ed) (2000): *Eldorado or Fortress? Migration in Southern Europe*. London: Macmillan.

LOPEZ-CORDOVA, E. y A. OLMEDO(2006) "International Remittances and Development. Existing Evidence, Policies and recommendations" INTAL-BID, Ocasional paper 41, pp. 47

MONTOYA ZAVALA , E. (2006) "Experiencia internacionales en el uso productivo de las remesas" pp.131-150 en *Migración y Desarrollo, primer semestre 2006*

MORE, I (2005) "Las remesas de los emigrantes en España: una oportunidad para la acción exterior" Real Instituto Elcano DI 3/2005, pp.25

PADILLA, B. and PEIXOTO, J. (2007): "Latin American Immigration to Southern Europe". Migration Information Source, june 2007. <http://www.migrationinformation.org/Feature/display.cfm?id=609> [last access on March 2008]

PAJARES, M. (dir) (2005): "Inserción laboral de la población inmigrada en Cataluña. Informe 2005. Barcelona: CERES-CCOO

PAJARES, M. (2007): "Inmigración y mercado de trabajo. Informe 2007". *Documentos del Observatorio Permanente de la Inmigración*, nº14. Madrid: Ministerio de Trabajo y Asuntos Sociales.

OROZCO, M. y R. FEDEVA (2007) "Apalancando esfuerzos sobre remesas y la intermediación financiera" pp. 225-256 en *Integración y comercio* nº 27, julio-diciembre

PEIXOTO, J. (2005): "A socio-political view of international migration from Latin America and the Caribbean: the case of Europe", paper presented in the Expert Group Meeting on International Migration and Development in Latin America and the Caribbean. United Nations, Mexico City, 2005.

ROA, M.G. (2007): "Condiciones laborales y precariedad de los inmigrantes: El caso de los colombianos en tres comarcas de la provincia de Barcelona". *Documentos CIDOB Migraciones*, nº14. Barcelona: Fundación CIDOB.

RUIZ SANDOVAL, E. "Latinoamericanos con destino a Europa: migración, remesas y codesarrollo como temas emergentes en la relación UE-AL" ICEI, PP 02/06, pp.26

SELA/CAF(2005) "Las remesas de migrantes en América latina y el caribe: ¿una alternativa de desarrollo?" , Caracas, Venezuela, pp. 245

VICENTE TORRADO, T.L. (2005): "La inmigración latinoamericana en España", paper presented in the Expert Group Meeting on International Migration and Development in Latin America and the Caribbean. United Nations, Mexico City, 2005.