

Migrants and financial inclusion

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Introduction

The first part we are presenting studies about migrants and their access to financial services and overindebtedness. Starting with Germany, there will be exposed two quantitative studies which include a special part focusing on other countries (Great Britain, the Netherlands, Spain). Afterwards we will present one study which brings two districts in Berlin in the focus and one qualitative study, two interviews with two overdebtetd migrant women living in Germany. Brief descriptions of some quantitative studies from the 'North' of Europe, United Kingdom, Northern Ireland and from the 'South' of Europe, Italy and - in a very short summary - Spain and 'Europe' follow. The second part will present choosen literature for some further aspects (saving behavior, remittances and microcredit).

Germany: Access to financial services and overindebtedness

The paper "Migranten und Finanzdienstleistungen" (migrants and financial services) by Dieter Korczak analyses decisions of financial investments, of credits and of insurances through an example of the major in Germany living foreign population group, the Turkish migrants. This sector is not explored satisfactory in Germany according to Korczak. According to the SOEP (socio-economic panel) Turkish migrants receive lots of credits (19.8%) but less than the German population (24.4%). Turkish credit institutions don't play an important role (2% of the Turkish Migrants credit volume), probably because there are few branch offices in Germany. The most significant difference between Turkish and German behaviour of receiving credits is that the Turkish migrants use their family networks more often and paying the money back is a "question of honour". The percentage of foreign clients is above average to the German clients but the percentage of Turkish migrants is not shown separately. It is asserted that Turkish migrants often do investments if they get interest for it. 78% of the Turkish migrants do have a savings book (German population: 74%, SOEP), 20.3% own

fixed-income securities (German population: 18%, SOEP) and 43.9% possess a building savings agreement (German population: 39.9%, SOEP). Concerning to the behaviour of taking insurances it is assumed that Turkish migrants have more insurances than they need. One reason for that may be the missing information for consumers in the Turkish media. At the end of his paper Korczak compares in an excursus the behaviour of receiving credits of migrants in Great Britain and in the Netherlands. In Great Britain 52% of the Pakistani and the Bangladeshi don't own a current account. So they are excluded from financial services. In the Netherlands the differences in the behaviour to use financial services between migrants from Surinam and the Antilles as well as Turks and Morrocans is not caused by their cultures but depends on their income and the composition of their households.

The survey "Migrants and Financial Services" assumes that although migrants have an important politico-economic meaning. There is less knowledge about their real behaviour of consumption and about their integration into the German market. The Evers&Jung-survey, which is based on a quantitative telephone survey (1000 standardised telephone surveys) also deals with Turkish migrants: They analyse if this group does have special needs in matters of the policy for customers. The survey gives good advices for special arrangements in Germany. They should particularly be deflected through a transbordering comparison of the policy and activities with regard to groups of migrants with a traditionally forbiddance of borrow money at interest in the Netherlands, Spain and Great Britain.

The study figured out that in the Netherlands the topic "migrants and financial services" does not get a lot of attention. It is similar to the situation in Germany. The saving banks in Spain try to integrate the migrants into the Spanish financial system. They ask them to tell their needs so that the migrants can play an active role in creating financial services. If banks see migrants as an attractive customer group they create their products more innovative and more adjusted to the needs as we can see in the development of the Spanish banking system. In Great Britain they try to fight financial exclusion of migrants by financial education. Here the financial supervision (FSA) plays an active role.

In Germany the survey comes to the conclusion that the Turkish migrants in Germany are not seriously discriminated or underserved. The differences to the total population are mainly identified by the quality and the accurately fitting of the supply. Turkish households do have a wide spectrum of standard insurances. But in comparison to total population they have less insurance benefit in important areas like third party liability, personal belongings and vocational disability. A similar phenomenon is the savings book. Most of the migrants do have one but they seem to use it more infrequently than the Germans. Continuative financial services like equity funds or government bonds are also less popular. Further conclusions in the range of needs are: migrants save their money less frequently than Germans do, people with Turkish roots do have a higher affinity of real estate property, transferring to the family which still lives in Turkey does play an inferior role. Private retirement arrangements are not seen in adequate extents as a self-contained area in financial personal responsibility. The Turkish migrants are very interested in legitimate financial products that are sharia-conform. The study does give only little references that Turkish

migrants are discriminated in the access to financial services. There are troubles in understanding the language. The migrants do have less information about financial services. Family and friends do play a role in giving information and advice but it is not as dominating as we expected. Evers&Jung deflect out of the German, the Spanish and the Dutch results following general introductions: in the area "needs: implementation of identified needs in fitting offers": giving impulsion to develop products, connecting government aid with economical supply, giving advice in groups, monitoring the further development of the topic Islamic Banking. In the area "accommodation: reduction of being underserved or being false served in products": among other things: implementation of a community-complain-management, clarification of best insurance cover. In the area "access: advancement of financial education and using suitable information-/marketing-channels": realisation of campaigns with Turkish media according to relevant topics, developing booklets for financial education in Turkish language, deliver initiatives and information centres to appoint Turkish speaking persons, to offer information-pamphlets in different languages and to place advertisement in Turkish TV channels.

The only German study we know that conceretedly asks about the situation of overindebted migrants is the survey "Overindebted households in Friedrichshain/Kreuzberg" (in this study defined as foreigners who do not come from one of the EU Member States). One of the results is that male persons who don't come from the EU Member States do have superior high debts because of not paying alimony than other population groups. They also are more often overindebted because they got unemployed. Furthermore one-third of the nationalised Germans and of the people who are not from the EU Member States are in debt with institutions of public law. 23.1% of the clients who approach to the debt advice in Berlin-Friedrichshain are indebted because they were self-employed. There from comparative lots of women out of not EU Member States are concerned. Another result is that because of the social-demographic composition of the population of the overindebted persons in both districts, Friedrichshain and Kreuzberg, there are essential differences. Most of the over-indebted foreign persons are clients of the debt advice in Kreuzberg. 84% of the clients in the debt advice in Kreuzberg are migrants. This correlates with the socio-demographic composition. In Kreuzberg percentage of foreign persons on the total population is 36.5% in Friedrichshain it is 9.5%. 73% of the households which have lots of children (2 or more children) are clients in the debt advice in Kreuzberg. 54% of these households do have a foreign attachment figure. All in all the survey comes to the result that migrants are not over-represented according to the total population of the over-indebted. But they are higher-than-average affected by unemployment which is a risk of getting overindebted according to the survey. In reference to job-related education we can say that overindebted migrants in both districts according to the total overindebted population do have more often no apprenticeship. Neither in comparison of the net household income (but you have to consider that the households are larger) nor in the sum of the debts are essential differences between the German and the foreign population. One thesis of the people who worked on this project is that the size of the households may be a risk for getting overindebted. On a second step the female migrants got into the focus whose situation

is global the same like the situation of migrants in general. One distinctive feature is that at the debt advice in Kreuzberg an interpreter is engaged for a half day who is financed by the district exchange.

The article "Poverty, Debts and Practices of Money Transfer within the own Family" written by Schweppe, Holstein and Huber analyses by using a qualitative case study the correlation of poverty, debts and practices of money transfer within the own family. The study works out how support within the family and convention within the family in poor families is connected with overindebtedness. One result is that there is a connection between migration, poverty and debts. This connection is primary based "in processes of less acceptance and exclusion of (poor) migrants". The special thing about poverty and debts under terms of migration is the reaction of the majority-society.

United Kingdom: Access to financial services and overindebtedness

The study *Migrants and Financial Services: A review of the situation in the United Kingdom* focus on the situation of migrants and their access to financial services in the United Kingdom. Atkinson states that high levels of unemployment, overcrowded housing and poor levels of education make migrants and ethnic groups in the UK particularly vulnerable to financial exclusion. The early waves of migrants have brought with them informal methods of operating their finances (including saving and loan clubs). These informal operations still provide vital services to many first generation communities but cannot be expected to keep place with the changes in mainstream financial services. There are several barriers to financial inclusion in the UK, some of which are particularly strongly amongst ethnic minorities and migrant workers, e.g. the identification requirement. This causes real difficulties for some adults who want to open a bank account, especially for new arrivals to the UK who have neither photographic identification nor a permanent address. Also language barriers are most noticeable amongst migrant workers and older immigrants. Another barrier might be the religion because of the lack of suitable products available from high street providers. Atkinson summarises that "many of the UK's more long-standing migrants have become integrated into the use of financial services, especially if they are second or subsequent generations. But levels of financial exclusion remain high for more recent migrants, especially for those who have arrived as refugees and asylum seekers."

Elaine Kempson (1998) investigates patterns of saving in Britain's ethnic minority communities, focusing particularly on African Caribbean, Pakistani and Bangladeshi households, as they are known to make least use of formal savings channels. It examines the extent and circumstances under which low-income ethnic minority households save; the purposes for which they save; the mechanisms, both formal and informal, they use to save; which informal channels are either specific to particular ethnic minority groups, or much more common among them; and the potential for developing formal savings products

to replace some of the informal channels for saving, including the implications for the Government's proposed Individual Savings Accounts. The evidence suggests that use of formal savings and investment products is far lower than it is in the white population. Another result is that considerable levels of saving are made in informal mutual savings and insurance associations, which have no white British counterpart; investment in property and businesses is more widespread than average; and large sums of money are remitted overseas, some of which is destined for savings or investment. In contrast to white British households with a similar level of income, it would seem that far more money is saved or invested to provide long-term income security, especially by Bangladeshis and Pakistanis. Compared with their parents, second generation migrants are more likely to save for shorter term luxuries, and are also more integrated into British financial services. It seems likely, therefore, that second generation migrants will be far more attracted to new savings products, such as the proposed Individual Savings Accounts, than those who came to Britain as adults.

The study "Money matters: exploring financial exclusion among low paid migrant workers in London" from Datta has as a result from the 188 questionnaire and 18 in-depth-interviews that financial exclusion has emerged as a significant concern for public policy in the UK in the last five to ten years. Histories of financial practises among the different migrant communities were varied with 70% of Poles and 75% of Brazilians having had dealings with banks and bank accounts in their home countries which dropped to 10% of Turkish and 7% of Somali respondents. 80% of migrants interviewed reported that they had bank accounts. Significantly however, they could be classified as 'semi-banked' as a basic current account typified their engagement with banks. A key factor explaining high levels of access to banking services included the prevalent practise to deposit both salaries and benefits into bank accounts. Again, there was variation within the migrant communities with the Turkish community in particular drawing their wages in cash but receiving their benefits via automated deposits. In turn, exclusion from banking services was due to a mixture of reasons including selfexclusion among recent migrants who were unsure of their long term plans as well as lack of documentation required by banks. Such exclusion lead to financial vulnerability and exploitation in some cases. Nearly a third of all respondents reported that they saved nothing or very little which was attributed to low wages. Some migrants reported that they were excluded from formal sources due to credit fraud by their co-nationals. Only 20% of migrants reported that they were in debt. Debts had been incurred in home countries (due to failed businesses, or to fund migration) but also in London for a variety of purposes. Levels of indebtedness were found to be highest in the Turkish and Brazilian community (30% and 26.8% respectively), with some variation in sources of credit which for the Turkish community were family and friends but for all the others were formal credit sources. 76% of migrants remitted money to home countries ranging from a high of 96% among the Latin American sample to a low of 49% among Turkish migrants. The most important financial need identified by migrants was access to credit or loans. 77% of migrants interviewed reported being worried about financial matters which ranged from not having enough money to cover basic expenses or emergencies.

In Britain there exist some web pages which deal with the subject of financial inclusion (and migrants), like <http://www.transact.org.uk>. This 'National Forum for Financial Inclusion' has awarded as best practice example the Aire Centre (Advice on Individual Rights in Europe). It is a charity organization, providing free legal advice for low-income individuals on European law, including EU free movement law and the European Convention on Human Rights. They play a particularly important role in assisting migrant workers from the new Central and Eastern Europe. The project grew out of the awareness that many migrants from within the EU, particularly those from the newer EU countries, experience difficulties in the UK because they have difficulty accessing financial services here. Language barriers, a lack of familiarity with the British banking system, discrimination and other factors mean that many European migrants do not get access to suitable financial products, such as basic bank accounts. This, in turn, can make it difficult for them to manage their money and in more extreme cases leave them vulnerable to exploitative employers, loan sharks, and others who prey on vulnerable members of our society. The AIRE Centre launched its financial inclusion project to provide information to EU migrants in languages they can understand on such issues as basic bank accounts, current accounts, and proving their identity at the bank, which it has done in the form of multilingual information notes (www.airefinancial.btik.com). Another example for a web page is the Financial Inclusion Taskforce (<http://www.financialinclusion-taskforce.org.uk>) and <http://www.ljmu.ac.uk/HEA/financialinclusion>.

Northern Ireland: Access to financial services and overindebtedness

The central aim of the research *Financial Inclusion amongst New Migrants in Northern Ireland* is to identify the main issues affecting financial inclusion amongst new migrant (person who has come to Northern Ireland from outside of the United Kingdom or Republic of Ireland in or after 2000 with the intention of staying for 6 months or more (3% in 2007)) communities in Northern Ireland and explore strategies for addressing these issues. From this principle aim emerge the following objectives: (1) Scope the extent of financial inclusion amongst new migrant communities in NI, (2) Assess the causes and effects of financial exclusion and the barriers to greater inclusion, (3) Explore the efficacy of formal financial products for this group and the use of alternative informal financial services amongst migrant communities, (4) Evaluate the relevance of existing financial inclusion policies, including initiatives specific to Northern Ireland and the UK Treasury's Financial Inclusion Action Plan 2008-11, for the particular situation of new migrant communities, (5) Explore complimentary or alternative policy approaches and practical initiatives to address the main issues of financial inclusion as identified, (6) Provide evidence on the issues of financial inclusion amongst new migrants applicable to the UK more generally. Results on the supply side are that new migrants are excluded for: Poor

physical access to bank, lack of suitable products that meet migrants needs, strict identification requirements, failure to translate information into different languages, failure to provide interpreting services, high bank charges, unsuitable banking service hours. On the demand side: Distrust of banks, preference for informal financial arrangements, low previous use of financial services, low levels of financial literacy, difficulty in understanding English, discrimination Experiences of and expectations of discrimination, country of origin/ ethnicity. In a last chapter Rahin et al examine examples and best practice cases from Germany and Spain.

In **Germany** access to financial services is provided by a broad range of financial institutions, with low income people most frequently using the savings, postal and the co-operative banks. The EBM Project is run by Mozaik Consulting and provides multilingual information, advice and guidance to migrants who are unemployed or at risk of unemployment and wish to start up their own businesses. There is an active cooperative banking sector and a network of savings banks in Germany, both of which provide saving facilities for people who are likely to be financially excluded. Rahin et al take the 'Fit in Finanzen' (fit for finance or (f)infit) project, which recruits and trains migrants as intercultural mentors by enabling them to educate their fellow citizens in financial matters, as an best practice example.

Spain has a long tradition of social banking targeting financially underserved communities. Savings Banks are typically perceived in Spain as major vehicles of financial inclusion at local level. In 2005, Spain introduced the 'Bravo, envío de dinero' scheme, agreed to by 32 savings banks in partnership with banks from 14 Latin American countries. The scheme enables migrants to remit money from this common platform via Swift and the Internet, with competitive rates compared with commercial money transfers. Microcredit schemes in Spain have come to the fore in terms of banking best practice for financial inclusion. While these are schemes provided to the general population, the 'majority (74.5 per cent) of microcredit clients are migrants.

Italy: Access to financial services and overindebtedness

„It is however undeniable that foreign immigrants living in Italy today show a remarkable economic vigour and that their relationship with the credit system shows appreciable levels of social-economical inclusion. Indeed, the average 51% yearly increase of overall credit granted to immigrants, between 2000 and 2004, is enough to point out that the role of foreigners living in Italy has rapidly changed and, together with it shall the credit offer system change in order to be able to seize new business opportunities, the one a modern country (as Italy wants to be) can offer. Defining a generic credit product for immigrant families is not enough. It will be necessary to devise a whole family of products and services, as many as the different needs and demands of the immigrant families; just like it is with the different credit products addressed to Italians. Only those credit operators will therefore be competitive, that will manage to

tear down the seriously limited strategy of focussing only on an "all-Italian" market, and will instead broaden their view on those market segments that are composed also by foreigners capable of bringing up new opportunities as well as a variety which represents a great wealth to be preserved at all costs. Taking the aforesaid assumption as starting grounds."

Delta/Censis (2006): *Immigrants and economic citizenship. Consumer styles and access to credit in multi-ethnic Italy.*

Anderloni&Vandone discuss in their paper *New market segments: migrants and financial innovation* the role of migrants as banking customers and at analysing the areas of innovation in order to better serve this market segment. They draw a theoretical framework about migrants' life cycle and financial needs to identify the sequence of temporal phases that usually characterize migrants' demand for financial products and services. They consider the relationship among phases and goals of migratory project, priority of basic needs and resulting prioritisation of intervention by social and governmental institutions, structure of banking markets and "bancarisation" of the native population. On the supply side, Anderloni&Vandone identify which features the supply of financial services and products should have in order to satisfy the migrants' financial needs during their life cycle; banks should consider "life value" of these new citizen and start up relationships in the expectation that they will become profitable customers in the medium-long run. They focus on three main groups of financial services - remittances, mortgages and pension schemes. At least there is a part about banking experiences from different countries (e.g. USA) to identify the best practices to address migrants' financial needs.

In *Migrants and financial services* Anderloni and Vandone analyse how migrants meets its financial needs through financial markets or remains widely unsatisfied or uninformed. They start with the assumption that migrants may have specific needs with are not properly addressed by the supply side. They highlight two possible approaches, (1) the search for integration of the migrant population and (2) the highlighting of specific ethnic features (asuitably skilled staff, ad-hoc commercial and legal communication). The first approach prevents the risk of creating ghettos and discriminating immigrant customers, in the second approach initiatives geared towards a specific ethnic segment may alienate other groups.

Another publication from Anderloni (2009) states as follows: However, interest in the issue has increased in importance, in recent years, especially with reference to: (1) the role of remittances and the way they latter are made. This has obvious implications for the banking system', (2) the use of financial circuits in international flows and the counteracting of money laundering or money dirtying; (3) the perception of the market potential by some banks and the development of various kinds of commercial initiatives (the offer of specific products and services, implementation of different styles of customer relations and communication or ad-hoc distribution channels) geared towards the immigrant population. As a result she offers the two approaches: The first approach consists in offering products and services that are not differentiated, but are similar to those provided to those local market segments with similar economic resources and needs. Some

differences may be found, for example in specific services for fund transfers abroad related to remittances to the countries of origin, though the immigrant population tends to prefer specialised money transfer operations or informal networks and circuits that are regarded as more efficient than banking networks". The second is a strategy that focuses on this specific customer segment. Products and services are targeted specifically at immigrant groups. This implies not only dedicated counters with suitably skilled staff and with specific commercial and legal marketing material, but also specific products and product packages aimed at the target market. Under this approach, agreements or alliances could also be made with ethnic organisations.

Having a glance at organizations caring about financial inclusion and migrants in Italy one is CSR Europe, a lab which pursues „financial inclusion of un-banked and underserved segments of society such as migrants....". They published studies like *Analysis of financial and insurance needs of immigrants in Italy* and *The financial needs of migrants: a demand-side study*. Their aim is to provide a new framework and support for banks to experiment innovative and viable bundles of services.

Spain: Access to financial services and overindebtedness

As far as **Spain** is concerned, there are at least two studies concerning migrants and their access to financial services. The study from Aro&Bornati about *Immigrants and Financial Services. Literacy, Difficulty of Access, Needs and Solutions. The Spanish Experience* from 2004 focus on the issue of financial literacy, difficulties of access and needs of migrants. The publication *Bancos e Inmigrantes. Informe Español* (GES 2000) analyse the main problems faced by migrants when dealing with banks. The study has one special section, like they wanted to discover eventual cases of discrimination and other sorts of barriers one chapter is based on meetings and interviews with organisations dealing with migrants and directly with migrants.

Europe: Access to financial services and overindebtedness

The study focus the issue of access to financial services for people experiencing poverty and social exclusion with a special focus on the access to accounts and credits in 25 European countries. Results are that in Finland, Italy, Luxemburg, Finland and the UK one reason for not having access to an account is 'foreign nationality', many times because they don't have an identity card. In Portugal having a foreign nationality might be one reason for not having access to credit.

Further aspects:**a. savings behaviour**

Bauer and Sinning examine in *The Savings Behavior of Temporary and Permanent Migrants in Germany* the relative savings position of migrant households in West Germany, paying particular attention to differences between temporary and permanent migrants. Utilizing household level data from the German Socio-Economic Panel (GSOEP), the findings reveal significant differences in the savings rates between foreign-born and German-born individuals. These differences disappear, however, for temporary migrants, if their remittances are taken into account. Fixed effects estimations of the determinants of immigrants' savings rates reveal that intended return migration does not only affect remittances, but also the savings rate of migrant households in the host country. The results of a decomposition analysis indicate that differences in the savings rate between Germans and foreigners can mainly be attributed to differences in observable characteristics. They do not find strong evidence for an adjustment of the savings rate between immigrants and natives over time, indicating deficits in the long-term integration of permanent migrants in Germany. The result of the paper indicate that the German welfare system may face additional unforeseen burdens in the coming years. In the next 15 years, about 1.5 million foreigners will reach retirement age. These foreigners appear to have a substantial lower saving rate than natives and hence it must be feared that they have not accumulated sufficient savings for the time of their retirement. This in turn may result in an increased utilization of the German social security system by immigrants. Policy measures to increase the earnings and hence saving potential, however, can only partly solve the problem of a comparable low saving rate of immigrants, because a substantial part of the saving gap between immigrants – especially those who plan to stay in Germany permanently – and natives appears to be due to a different saving behavior. One potential measure may be a special information campaign for immigrants to increase their awareness of the increasing importance of private savings as a supplement to public pensions.

Using household level panel data for the United Kingdom, Bidisha (*Saving Behaviour of the Immigrants and Ethnic Minorities in the UK*) analyzes the saving behaviour of the immigrants of different ethnicities vis a vis the natives. The idea is that members of an immigrant community may have different demographic characteristics, or may have different tastes, to the indigenous population – this may be seen in differences in saving behaviour. In addition, depending on their ethnic background, there could be differences among the immigrants themselves. The results provide evidence of diverse saving behaviour among British households, which depends on both immigration status as well as ethnic background. Decomposition analysis indicates that these differences are primarily attributable to unobservable rather than to the differences in observed characteristics.

b. remittances

The paper *Determinants of Savings and Remittances: Empirical Evidence from Immigrants to Germany* investigates the determinants of migrants' financial transfers to their home country using German data. A double-hurdle model is applied to analyze the determinants of the propensity to send transfers abroad and the amount of transfers. The findings reveal that return intentions positively affect financial transfers of immigrants to their home country. Moreover, while the effect of the household size on migrants' transfers abroad turns out to be significantly negative, remittances are higher if close relatives live in the sending country. Finally, Vuong-tests indicate that the double-hurdle model is the correct specification for the analysis of migrants' savings and remittances rather than the conventional Tobit model usually applied in the literature.

The Economics of Migrants' Remittances from Rapoport and Docquier reviews the theoretical and empirical economic literature on migrants' Remittances. The results from selected empirical studies show that a mixture of individualistic and familial motives explains the likelihood and size of remittances. Another result is that most of the empirical literature in migration and access to entrepreneurship focuses on return migrants, mostly because it is quantitatively more important than the remittance channel: e.g. 87% of the entrepreneurial projects started by Tunisian return migrants were totally financed through accumulated savings while abroad, 50% of a sample of Turkish emigrants returning from Germany started their own business within four years after resettling thanks to the savings accumulated abroad. Rapoport and Docquier state that migration and associated remittances tend to have an overall positive effect on origin countries' long-run economic performance (for Turkey see also van Dalen/Groenewold/Fokkema 2005).

Orozco starts in *Remittances, Competition, and Financial Intermediation for Unbanked Migrants* with the declaration that family remittances are a significant example of the impact of transnationalism and its effect of global economy, e.g. estimates of remittances to Latin America and the Caribbean suggest that \$ 45 billion were transferred in 2004. One result is that poverty and development in Latin America is connected to low penetration and outreach of financial institutions. For example, only about a third of Mexicans, 20 per cent of Guatemalans, and 10 per cent of Nicaraguans have bank account. Orozco also distinguish between endogenous and exogenous factors affecting access to bank institutions like the banks' lack of personnel who speak the language of the immigrant group, product design and marketing (endogenous) or the particular migrant groups' cultural or historical distrust of bank (exogenous). For detailed informations on Latin American Countries see e.g. Donway/Cohen 1998 for Mexico. This 'older' paper offers a reevaluation of thitherto existing conceptual frameworks. They analyze the progressive and satisfying effect, the potential range of household strategies for remittance investment, the ways migrant circulation patterns relate to family and household decision making, and the impact of remittances and migration upon community structure. VanWey, Tucker and Diaz McConnell (2005) analyze the organizational capacity of traditional

governance systems to access remittances from migrants for the benefit of the community as a whole.

There exists a good deal more studies concerning migrants and remittances (for a positive and a negative view see Keely and Nga Tran 1989). An example might be the following studies, taken as an extract, from the United Kingdom:

The Study „*Sending money home? A Survey of Remittances, Products and Services in the United Kingdom*“ (Pearce, Douglas/Victoria Seymour) from 2005 provides a comparative assessment of the products and costs of the remittance services to Ghana, Kenya, Nigeria, Bangladesh, China, and India. As a result they offer the following suggestions for how to better serve this growing market:

- Charges for small transfers can be high relative to their value, and lower charges could attract a higher volume of transfers, consider introducing a charging structure that does not penalise low value transfers,
- make client identification requirements clear and not excessive,
- expand collection and distribution outlets in the UK and receiving countries - convenience and access is an important consideration for senders and recipients,
- provide targeted marketing communications and train staff to view remittances as a normal day-to-day financial service, better train front office staff in providing information on money transfer products and in dealing with people from ethnic minorities who may not be familiar with UK banks,
- build a trusted brand, that people recognise and feel secure sending money through,
- provide automatic acknowledgement of receipt from the recipient's bank or other outlet,
- develop marketing strategies that build remittances as an entry point to offering a wider range of financial services.

The report has also led to the creation of a website: www.sendmoneyhome.org.

The report „*UK Remittance Market*“ gives an overview of the sector and makes several recommendations in the UK, which include the creation of a private sector task force to deliver increased competition and choice for the consumer. The report's authors have put forward several key recommendations to boost the potential of the remittances market and money transfer services in the UK. These cover research and data, customer identification, regulation and good practice from around the globe.

Another publication concerning the UK and remittances is the „*BME remittance survey*“ from 2006. Their goal is

- (1) to establish a basic portrait of the people most likely to remit money,
- (2) to get a better picture of the experience of those sending remittances and understand the whole process of sending money abroad,
- (3) to understand their motives,

- (4) to look at the incidence of use of various remittance services and
- (5) to see how sensitive remittances are to cost and income fluctuations.

The Worldbank has published quite a few more papers concerning migrants and remittances. Concerning remittances send abroad from the UK there exists the study „*The UK-Nigeria Remittance Corridor*“.

Under http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2008/03/14/000333038_20080314_060040/Rendered/PDF/429130PUB0Migr101OFFICIALOUSE0ONLY1.pdf one might have a look at the „*Migrants and Remittances Factbook 2008*“.

That remittances had and might have an effect on countries in Europe shows the case of Greece (see e.g. Glytsos 1993, Lianos 1997)

Concerning the „best practise cases“ the World Congress of the Post has announced that electronic remittances will be reliable and secure in the future (LeBlanc 2008)

c. microcredit

Guzy (2006) aims to raise awareness that there are resources inherent in cultural diversity that can be better utilized. Immigrant micro-entrepreneurs face specific difficulties in accessing microloans and starting their businesss, such as bureaucracy, lack of access to information, limited recognition of foreign qualifications and professional experience and/or cultural differences. She identifies micro enterprise support practices which improve the chances of immigrants and ethnic minorities succeeding in their business. Conclusions and recommendations, deduced from experiences in Belgium, France, Germany, Ireland, Norway and Spain are:

- (1) remove obstacles in the regulatory and legal framework, and support measures that foster self-employment,
- (2) implement pro-active strategies for awareness-raising and outreach (e.g. use of information channels prefered by immigrants, use immigrants' own language,
- (3) improve access to finance (e.h. strengthen the microcredit netwkor, adapt lending methods),
- (4) improve non-financial business support sercives (e.g. intercultural competence, practical and simple advice).

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