



Catalonia, Spain Fostering development by supporting migrants' entrepreneurial skills: The *Rétale* microcredit programme¹

Name of the policy: Reinvesting Talent in Ecuador (*Reinversión de Talento en Ecuador – Rétale*)

Start date: 2004

Completion date: Ongoing

CONTEXT

Regional-provincial context

Spain is divided into 17 *Comunidades Autonomas* (Autonomous Communities), the richest of which are the *Comunidad de Madrid* (Community of Madrid) and *Catalunya* (Catalonia). Catalonia has a territory of more than 30,000 m² and a population of more than 7.5 million

¹ The **Inclusive Cities Observatory** is a space for analysis and reflection on local social inclusion policies. It contains over sixty case studies on innovative policies for community development, access to basic services, gender equality, environmental protection and the eradication of poverty, among others. The initiative has been developed with the scientific support of Prof. Yves Cabannes from the University College of London (15 case studies) and a team of researchers from the Centre for Social Studies (CES) at the University of Coimbra, which has worked under the supervision of Prof. Boaventura de Sousa Santos (50 study cases). This Observatory aims to identify and investigate successful experiences that might inspire other cities to design and implement their own social inclusion policies.

The **Inclusive Cities Observatory** has been created by the Committee on Social Inclusion, Participatory Democracy and Human Rights of UCLG. United Cities and Local Governments (UCLG) is the global platform that represents and defends the interests of local governments before the international community and works to give cities more political influence on global governance. The **Committee on Social Inclusion, Participatory Democracy and Human Rights** aims to contribute to building a common voice for the cities of UCLG in the areas of social inclusion, participatory democracy and human rights. It also aims to guide local governments in designing these policies and to that end, fosters political debates, the exchange of experiences and peer learning among cities around the world.

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people.² The political body that governs Catalonia (the *Generalitat de Catalunya*) comprises a legislative body (the *Parlament*) and an executive body (*Consell Executiu*) chaired by the President of the *Generalitat*. Catalonia comprises four *diputacions* (provinces): Barcelona (the capital of Catalonia), Tarragona, Girona, and Lleida. The Province of Barcelona covers approximately one-fourth of the Catalan territory but, quite significantly, has a population of about 5.4 million people (approx. 70%).³ These figures are not surprising: activities related to tourism and the expanding tertiary sector concentrate in Barcelona, attracting people from inside and outside Spain.

Government decentralization context

Spain is not a federal state but its highly decentralized system of government recognises a high degree of autonomy for the Autonomous Communities. In the case of Catalonia, autonomy and related legislative competences and executive powers are defined in the *Estatut d'Autonomia de Catalunya* (Statute of Autonomy of Catalonia), whose latest version entered into force in 2006.⁴ Provinces and municipalities occupy a relatively marginal position within the privileged relationship between the central state and each of the Communities. Municipalities retain a number of competences and powers in the provision and administration of services and a number of local social and economic policies. Provinces also act in some policy areas while at the same time fostering networks and coordination between its municipalities. In particular, the Province of Barcelona 'essentially provides technical, economic and technological support to councils so that they may provide quality local services on as even as possible a basis throughout the province. It co-ordinates municipal services and organises public services on a supramunicipal basis'.⁵

Institutional level of policy development: Regional-provincial/local and transnational

SOCIAL CONTEXT

Starting from the mid-1980s, Spain began to receive an increasing number of migrants from Spanish-speaking countries of Latin America (Ecuador, Argentina, Colombia, and Bolivia among others) but also Africa and Asia. Spain's richest areas, including the Community of Madrid and Catalonia, have attracted the largest numbers of these migrants. As of 2010, Catalonia's foreign population was 1,198,538 people (more than 10 times its foreign population in 2000). Proportionally, communities from South America increased even more, from 26,930 to 331,360.⁶ In 2008, Catalonia's most numerous communities were Moroccans (207,194), followed by Romanians (87,899), Ecuadorians (80,350), Bolivians (80,534), and Colombians (46,006) (Government of Catalonia 2009: 9). These people have migrated in search of better

² For more updated statistics see:

<http://www.idescat.cat/territ/BasicTerr?TC=5&V0=3&V1=0&V3=863&V4=435&PARENT=1&ALLINFO=TRUE&CTX=B> [21 March 2011].

³ Data retrieved from the website of the Province of Barcelona at <http://www.diba.cat/ladiputacio/en/quien.asp> [24 March 2011].

⁴ Find the text of the Statute at <http://www.gencat.cat/generalitat/cat/estatut/index.htm> [21 March 2011].

⁵ Website of the Province of Barcelona, *ibid*.

⁶ Retrieved from www.idescat.cat [21 March 2011].





social and economic conditions. For example, in 1999/2000 Ecuador went through a major economic crisis that provoked a heavy contraction of its GDP and ultimately led the country to default on its external debt. Despite some partial recovery of the economy, as of 2010 approximately one-third of Ecuador's population still lives below the poverty line.⁷

Spanish migrants experience sometimes severe forms of social exclusion. In Catalonia, migrants have an overall higher activity rate compared to the Spanish population but, at the same time, have lower job security: they work under temporary contract conditions and are more often unemployed than people of Spanish nationality. People of foreign nationality have also lower educational levels compared to the Spanish population (age 25-44, year 2007): while fairly similar rates of both sectors of the Catalan population have secondary education (approx. 50%, a bit higher in the case of Spanish), migrants are the overwhelming majority in the segment of Catalan population that is illiterate or has only a primary education (30%), while less than 20% of migrants have higher education (as opposed to Spanish, with more than 40% holding a degree of higher education) (Government of Catalonia 2009: 18-22).

COMPREHENSIVE NARRATIVE

Description of the policy

Rétale is a programme that aims to support and develop migrants' entrepreneurial skills and projects through microcredit. Originally, it was a 'corporate social responsibility' project of the *Fundació 'Un Sol Món'* (Foundation 'Only One World'), which was one of four foundations of *Obra Social* (Social Work). *Obra Social* was the entity of *Caixa Catalunya* (Savings Banks of Catalonia) tasked with promoting social-oriented initiatives (ICEP-CODESPA 2008: 232). *Caixa Catalunya* was one of the largest savings banks of Spain and the second largest of Catalonia, owned by the Province of Barcelona. In July 2010, the fusion between *Caixa Catalunya* and two much smaller local savings banks (*Caixa Tarragona* and *Caixa Manresa*) took place and a new financial entity, whose trading name is *Catalunya Caixa*, was created. *Obra Social* survived under the new *Caixa* while *Un Sol Món* (and *Rétale*) did not. Before the fusion was realised, in 2009 the programme (its coordination and methodology of implementation) was 'passed' to the Barcelona-based foundation *Servei Solidari per la Inclusió Social* (Solidarity Service for Social Inclusion), which promotes co-development.

Rétale is based in Spain but implementation takes place, at least partly, in South America. The programme is based on the idea of co-development, which assumes that migrants can play a crucial role for the economic growth of their country of origin. In line with this thinking, *Rétale* provides small funds to Ecuadorian and Colombian men and women who are resident in Spain and wish to start or expand a small business in their own country. This activity can be led by the owner either from Spain (control over the activity is delegated by the owner to a person of trust, usually a member of her/his family) or directly in the country of origin (if the owner decides to go back to her/his country of origin). Because of its use of microcredit, flexibility in terms of implementing the economic plan, and overall support for the economic independence of

⁷ See <https://www.cia.gov/library/publications/the-world-factbook/geos/ec.html> [24 March 2011].





migrants (as opposed to reliance on subordinate and often precarious employment), while not a policy, *Rétale* presents several elements of interest and innovation, especially in the Catalan/Spanish context. *Rétale* is an interesting hybrid: it is a transnational programme funded through the cooperation between entities based in migrants' host country and country of origin, which use microcredit to support realistic business plans that are tailored to the vision and entrepreneurial skills of individuals and respond to the needs and market conditions of migrants' country of origin.⁸ The programme also testifies to the role increasingly played by foundations and other private entities in the area of development, and in particular co-development. At the same time, given that, at least up to 2009, the bank that promoted *Rétale* was owned by a local public authority, the Province of Barcelona, the initiative had and still has a public relevance. This relevance is also regional, considering the territorial extension of the services provided by some of the entities that have funded and managed the programme over the years, including *Caixa Catalunya*.

Background / origins

In line with a growing concern inside Spanish society for poverty issues and solidarity, *Un Sol Món* was established to promote development in foreign countries and, at the same time, support foreigners based in Spain who are at risk of poverty and therefore in need of special financial help (ICEP-CODESPA 2008: 231-232). In this respect, the Foundation explored different possible lines of interventions: co-development was the leading concept of such exploration, and microfinance emerged as the most adequate action to undertake. In fact, the input of what became *Rétale* came from the same migrant entrepreneurs who would request *Un Sol Món* small funds to start a business in their own country (*Terra Actualidad* 2008). According to *Un Sol Món*, the majority of migrants is actually interested in starting an economic enterprise in their country of origin (56%), where their families often live in poverty and the heads of those families (often women) are unemployed. However, this does not happen and a very limited proportion of these migrants' remittances (between 5% and 7%) is invested in productive activities (Fundació Un Sol Món 2008: 23). Microcredit was found to be the ideal response to the demands, expectations, and living conditions of migrants and their families, in Spain and abroad.

Policy objectives

The main objective of *Rétale* is to improve the economic and social conditions of migrants and their families. More specifically, it aims to support Ecuadorian and Colombian people based in Spain who want to start or expand a small business in their own country (including one already previously funded under *Rétale*). For that purpose, these individuals receive free orientation, information, formation, and counselling. In the long term, by helping migrants start their own economic activity, the project aims to reduce the dependence of migrants' family members on remittances by generating new income in the migrant's country of origin and, by doing that, supporting the economic development of that same country.

⁸ Interview with Inma Martín, Servei Solidari, 29 March 2011. The interview was done by phone.



Chronological development and implementation of the practice

Rétale has been implemented in different phases and has targeted two of the largest migrant communities in Spain: Ecuadorians and Colombians. Large numbers of requests to *Caixa Catalunya* for loans were coming precisely from these two groups of migrants.⁹ What follows is an account of (a) the four main phases through which *Rétale* has developed since 2004 and (b) the three main steps through which single projects funded by *Rétale* go through once approved.

Development of Rétale

Phase 1. Definition of the project and relevant partners

Before *Rétale* started, some time was invested in understanding what microfinance was and in consultations with experts and networks of NGOs in Spain and abroad (France, Belgium, and Italy) who could help *Un Sol Món* to shape and refine its own model of intervention (ICEP-CODESPA 2008: 233).

Phase 2. Starting the project with Ecuadorians (2004)

Ecuadorians/Ecuador were the first community/country selected for testing *Rétale*. Different areas of Ecuador were chosen where migrants' projects could be financed, which corresponded to the areas of highest emigration to Spain. Three sites of *Rétale* were opened in Spanish cities located in three Autonomous Communities where the Ecuadorian community was concentrated: Madrid (Community of Madrid), Barcelona (Catalonia), and Levante (Valencian Community). As of 2008, one coordinator and nine counsellors were at work in Ecuador to support the implementation of *Rétale*-funded projects funded by as well as six microfinance institutions (Fundació Un Sol Món 2008: 24-25).

Phase 3. Integrating Colombian migrants into the programme (November 2007)

In 2007, the Colombian community was integrated into the programme. One reason this community was selected is that more than 50% of it is concentrated in the same three areas of Spain where the Ecuadorian community is concentrated. In addition, it was found that 75% of this community regularly sends money to its home country and that approximately 7% of this money could be invested in enterprises. Six areas for the implementation of *Rétale* were initially selected: Bogotá, Antioquia, Risaralda, Valle del Cauca, Quindío, and Caldas (Caixa Catalunya 2007). As of June 2008, one coordinator and five counsellors of *Rétale* were based in Colombia, and five microfinance institutions in the country were involved in the program (Fundació Un Sol Món 2008: 25).

Phase 4. Continuation of the programme by Servei Solidari

As of August 2008, *Un Sol Món* was planning to move *Rétale* even further and target the most numerous foreign community of Catalonia: Moroccans (*Terra Actualidad* 2008). However, this plan was not concretized and *Rétale* was interrupted due to the decision of *Caixa Catalunya* to

⁹ Information provided by the Press Office of the *Obra Social* of *CatalunyaCaixa* during an interview on 21 March 2011.



steer funds towards new initiatives.¹⁰ Eventually, it was with the creation of *CatalunyaCaixa* that a major reorganization of priorities and funds took place and the decision not to continue *Rétale* was taken. At the same time, it must be noted that, due to the economic crisis, all funds devoted to development have been cut throughout all of Catalonia.¹¹

This interruption did not mean the termination of the programme, however. In November 2009, *Servei Solidari* took over the leadership of *Rétale*. Before becoming the coordinator of *Rétale*, this foundation was a partner of *Un Sol Món* for the execution of the programme in Catalonia.¹² *Servei Solidari* and its partners based in Madrid, Ecuador, and Colombia (*Rétale* no longer has a base in Levante) are currently in the process of redefining the programme and acquiring new and stable funds for what will be the next phase of the programme. At the moment, the programme helps migrant entrepreneurs to structure a solid business plan. Funds for the plan can come, at the moment, from a small amount of money made available for the programme by *Bancaja* or from migrants' own savings or banks. A fund to guarantee projects approved within *Rétale* is being negotiated with the cooperative *Intervida*. *Rétale* is also under evaluation by the 'Financing Facilities for Remittances 2010' programme of the UN agency International Fund for Agricultural Development.¹³

Supporting migrants' business: From the idea to its concrete realization

Access to the program follows a standardized procedure. Information sessions are organised in the now two *Rétale* sites of Barcelona and Madrid in order to make migrants aware of the funding opportunities provided by the programme. An applicant then requests an appointment with the staff of the programme. The entrepreneurial spirit of the applicant and the feasibility of the project are assessed in order to select candidates and projects with the highest potential. A business plan can be proposed for implementation either in Ecuador/Colombia (*con retorno* – going back) or, since 2005, in Spain (*sin retorno* – no going back). In the latter case, a business partner also has to be present in the country of origin.

If the project is approved, a three-step intervention is put in place (Fundació Un Sol Món 2008; *Servei Solidari* 2010a: 9):

1. Counseling concerning the business plan

This counseling is provided in Spain to both the applicant in Spain and his/her partner in the country of origin (*sin retorno*) or only to the applicant in both Spain and in her/his country of origin (*con retorno*). At the moment, *Servei Solidari* is focusing heavily on counseling for migrants to have strong business plans when they request a loan from their own bank. Part of the counseling includes educating the candidate on the economics related to the project to avoid people accumulating debts, as has happened in previous cases. A review and assessment of the 'economic profile' of each candidate are also performed.¹⁴

¹⁰ Information provided by the Press Office of the Obra Social of Caixa Catalunya during an interview on 21 March 2011.

¹¹ Interview with Martín.

¹² See *Servei Solidari*'s website at <http://www.serveisolidari.org/que-fem/retale> [29 March 2011]

¹³ Interview with Martín.

¹⁴ Ibid.





2. Funding of the plan

Funding is made available in Spain (*sin retorno*) or by microfinance institutions associated with *Rétale* in the country of origin (*con retorno*). At the time *Un Sol Món* led the programme, no more than € 15,000 could be loaned for a duration of 24 months. An annual fixed interest rate of 6% was applied (no commissions). A guarantee was provided through the assessment and approval of the feasibility of the business project. Part of the funding for the implementation of the business plan can also come from migrants' own savings. Lately, *Servei Solidari* has searched for alternative funding in both Spain and Ecuador/Colombia. In this respect, it has targeted state programmes related to migrants, including the Spanish *Plan de retorno voluntario* (Plan for voluntary return) and *Cucayo* in Ecuador (which supports Ecuadorians returning to the country).¹⁵

3. Start up, implementation, and follow up of the business project

The start-up and implementation of the business activity receive ad hoc support and are monitored. Counselors to the entrepreneur and eventually her/his partner are available in both Spain and country of origin (*sin retorno*) or only in the country of origin (*con retorno*)

Agents involved

The main agents involved are migrants from Ecuador and Colombia and their partners and families in their country of origin.

In the previous phase, the main promoters of *Rétale* were *Caixa Catalunya*, its *Obra Social*, and the *Fundacio Un Sol Món*. In Catalonia, counseling to the participants in the program was provided by the *Fundación para la Promoción del Autoempleo en Cataluña* (Foundation for the Promotion of Self-Employment in Catalonia – CP'AC) (Caixa Catalunya 2007). Currently, the overall coordination of the programme is in the hands of *Servei Solidari* in Barcelona.

In Madrid, when it was placed inside *Caixa Catalunya*, the programme was supported by the *Consejería de Inmigración de la Comunidad de Madrid* (Immigration Department of the Community of Madrid) and the *Unión de Cooperativas Madrileñas de Trabajo Asociado* (Union of Cooperatives of Associated Work of Madrid – UCMTA), which provided information to the entrepreneurs and was responsible for counseling related to the business plan and for monitoring the project. In 2007, *Transformando*, a cooperative of social initiatives, replaced UCMTA. The cooperative still collaborates with *Servei Solidari* to provide information on *Rétale* and counseling and economic education related to migrants' business plans. .

The official partners of *Rétale* in Ecuador and Colombia are microfinance institutions and counselors. Under *Servei Solidari*, the entities that provide counseling in these two countries are the *Centro de Capacitación Campesina del Azuay* (CECCA, Centre for Farmer Training of Azuay) in Ecuador and *Corporación CECAN* (CECAN Corporation) in Colombia.

¹⁵ Ibid.





Beneficiaries

Ecuadorian and Colombian women and men who have been resident in Spain for at least one year and want to start a small business in either Spain or their country of origin. These migrants' families also benefit from *Rétale* as far as they share the profits of the new activities.

Data are available which tell how far *Rétale* has reached out to members of the communities targeted by the programme: the profile of people potentially interested in participating in the programme, and the entrepreneurs receiving *Rétale* support.

People interested in Rétale

Number: A large and increasing numbers of migrants expressed interest in the programme, which testifies to its diffusion and popularity. As of May 2006, close to 200 people had showed interest in the programme (47% of whom had secondary education) (Caixa Catalunya 2006). Between January and early April 2008, more than 220 Colombians and Ecuadorians requested information on funding through *Rétale* (Caixa Catalunya 2008).

Sex, age, and education: Of the 220 people interested in *Rétale* between January and April 2008, 63% were Ecuadorian women aged 40 on average and residing in Spain for about 6 years. Men were a bit younger (average age of 38) (Caixa Catalunya 2008). Of the 200 people who had showed interest in the programme by May 2006, 47% had secondary education (Caixa Catalunya 2006).

Place of business: The intention of 65% of the 220 women and men who showed interest in *Rétale* in January-April 2008 was to pursue the *sin retorno* track of the programme. The remaining 35% were ready to go back to either Ecuador or Colombia and put the business in place personally (Caixa Catalunya 2008).

Profile of the new entrepreneurs in Spain and the country of origin

The following data trace the profiles of the entrepreneurs who have benefited from *Rétale* between 2004 and 2009:

- 76% are Ecuadorians while 24% are Colombians;
- Women represent the 54% of the entrepreneurs;
- The 64% majority of the entrepreneurs are aged 35-49, the 25% are aged 18-34 and a minority of 10% is older than 50 years old;
- The educational level is relatively high, especially if we compare it to the educational level of the overall Spanish population: 38% have secondary education and 31% have a university education; and
- In line with the expectations of people interested in the programme, the average entrepreneur tends to remain in Spain: 60% of the entrepreneurs remain in Spain for more than 5 years while only 25% remain between 3 and 5 years. A minority of 14% remains in Spain for less than 3 years.





Profile of the entrepreneur's partner in the country of origin

In the vast majority of cases, the partner of the entrepreneur who remains in Spain is a member of her/his family. Unlike the entrepreneurs in Spain, men are the majority (69%). In the relative majority of cases (35%), the partner is the entrepreneur's sister/brother. In only 4% of the cases, the partner is someone outside the migrant's family. These data show that *Rétale* breaks the family's dependence on the migrant's remittances as family members become independent through the new economic activity.

Participation processes implemented

Participation in *Rétale* has taken place at the individual user level and no major, formal process of participation has been put in place in relation to the establishment and development of the programme. Nevertheless, based on information provided previously, it is fair to say that *Rétale* originated and has subsequently developed (1) in line with the needs of its potential users and (2) relying on the expertise of NGOs in the area of microcredit. First, the idea for *Rétale* initially came from 'bottom-up requests' to *Un Sol Món* for small loans. These requests came from migrants who would arguably then benefit from the programme. Second, NGOs inside and outside Spain have collaborated in the programme to different extents. Note, for example, that before the *Rétale* started *Un Sol Món* proactively contacted networks of NGOs in search for inspiration and information on how to shape its own model of microcredit.

Institutionalization process

When it was led by *Un Sol Món*, *Rétale* relied on a stable organisational infrastructure whereby *Caixa Catalunya* provided the funds and *Un Sol Món* was responsible for delivering these funds and providing the set of services and functional support to implement the programme. Extra financial and organisational support came from partner institutions in Madrid, Levante, Ecuador, and Colombia. Under *Servei Solidari*, this situation has obviously been altered. A new institutional infrastructure is being put in place for *Rétale*, as previously described.

Financing

Under *Un Sol Món*, funds for the projects came from *Caixa Catalunya* through *Obra Social*. Compared to the other three foundations of *Obra Social*, *Un Sol Món* had a more limited budget to spend which gradually grew over the years. Still, the increment was noticeable: between 2001 and 2006, the foundation's budget increased from €2.56 million to €9.8 million (ICEP-CODESPA 2008: 232).

The total amount of money distributed in Spain by *Rétale* (2004-2009) is € 654,531 (with a default index of 4.4%), while the total amount of funds distributed in Ecuador and Colombia by cooperatives with which *Caixa Catalunya* had an agreement under *Rétale* is € 9,656.30 (*Servei Solidari* 2010a: 14). While initially loans were around € 10,000, later they decreased to the extent that, between 2004 and 2009, the average loan was a little more than € 7,000 (*Servei Solidari* 2010c).

Currently *Servei Solidari* is trying to finalize an agreement with the NGO *Intervida* whereby a fund of this organization would become a fund of guarantee for the credits contracted within the programme.¹⁶

¹⁶ Ibid.





Key results and achievement

Since 2004, when it was initially implemented, *Rétale* has achieved important results that show the overall successful outcome of the programme in terms of promoting the co-development of migrants' countries of origin (Ecuador and Colombia). The results of the programme (which mainly refer to the 'era' of *Caixa Catalunya*) are summarized below:

Starting and expanding business in migrants' country of origin

By November 2009, a total of 128 business activities had been put in place by either Ecuadorians or Colombians. The 128 activities include seven projects of expansion of activities that had previously been funded by *Rétale*.

Most of these activities were realized in the years 2008 and 2009. At the same time, data show that many business plans were elaborated in those years which did not reach the implementation stage. As of early August 2007, for example, *Rétale* had funded 32 new or expanded activities by Ecuadorians (elEconomista.es 2007). This number reached 43 by the end of the same year – plus 64 projects still in the early stage of the process and 42 business plans still being elaborated, for a total of 149 activities (Fundació Un Sol Món 2008: 27). By November 2008, the total number of new or expanded activities in place had reached 61 (Diario Metro España 2008). With respect to Colombians, by June 2008 (about 8 months after *Rétale* was extended to this community) 4 activities had been put in place and 91 business plans were being processed (Fundació Un Sol Món 2008: 27).

Since *Servei Solidari* took over the coordination of *Rétale*, 10 additional projects have been counseled and funded, mainly with the financial support of migrants' personal savings (and eventually a small amount of extra external financial support). Five projects were treated in Barcelona and five in Madrid.¹⁷ Considering that the programme was interrupted for a long time and that its financial structure is still being redefined, it is certainly positive that the programme has become operative again.

Characteristics of Rétale-funded business activities

In order to get a full picture of the type of activities funded under *Rétale*, some further data on the successful projects are provided below:¹⁸

- Of the 'new' 121 projects implemented, 89 are based in Ecuador and 32 in Colombia. This is not surprising, considering that Ecuadorians were the first community to benefit from the programme.
- Colombian activities have a survival index of 90.62%; Ecuadorian activities have a survival index of 84.56% (Martín 2009). Both indexes can be considered reasonable, especially considering that the economic crisis has hit migrants in a particularly harsh manner.

¹⁷ Ibid.

¹⁸ When not otherwise specified, information reported in the list is taken from *Servei Solidari* (2010b).





- The majority (88 cases) were realized within the *sin retorno* formula while in the remaining 33 cases migrants decided to go back to their country and lead their activity from there.
- 84 projects were funded through microcredits of *Caixa Catalunya* while 16 were funded in the country of origin of the migrants. The remaining projects were funded by the same migrants through their own savings or other sources alternative to those linked to *Rétale*.
- *Rétale* funded a variety of activities in different rural and urban sectors. The majority of the activities funded in the rural sector (31% of activities) are related to agriculture and livestock (29% of the activities by type of business). The remaining 69% are the urban projects, which are much more diversified, comprising trade (22% of the activities by type of business), services (18%), manufacturing (10%), hotels/restaurants and transport (9% each), health (2%) and education (1%).
- Last but not least, *Rétale* generated 324 job positions (almost three positions for each activity funded by *Rétale*): 225 jobs in Ecuador and 99 jobs in Colombia. This is further evidence of the virtuous impact of the programme on the overall economy of migrants' country of origin.

Main obstacles and challenges

Despite its overall success, some interrelated limits of and challenges to *Rétale* can be identified:

- More funding would be needed in order to continue and expand the programme under *Servei Solidari*.
- There is a certain disproportion between the relatively high number of people interested in participating in the programme and the more limited number of participants in the *Rétale*. To the extent that it depends on the limits of the programme and not the quality of the projects submitted, this discrepancy should be reduced as far as possible.
- Adequate alliances and partnerships should be established in order to reach out and serve more people and communities and therefore 'massify the product' (Fundació Un Sol Món 2008).
- The product offered by *Rétale* should be diversified. In particular, money should be made available for expenses related to travel to and installment in migrants' country of origin (in this respect, Colombia was expected to be a new testing ground – on this and other points, see Fundació Un Sol Món 2008).

Replicability or adaptation of the policy elsewhere

This is a programme that can be adapted and then replicated by other foundations and public authorities (provinces, regions, and eventually even municipalities) provided that the adequate resources, infrastructure, and partners are available. Based on the findings of this study, any institution that would like to implement a programme like *Rétale* should:





- Establish the central organisational and financial infrastructure that supports the programme. In the case of a public authority, this implies having, and delivering through, a bank or a foundation owned by the public authority.
- Acquire adequate information on the functioning and delivery of microcredit.
- Target communities for the programme. Selection should start by considering what members of what communities would most use and benefit from microcredit.
- Be sure of the specific socio-economic conditions, needs, and entrepreneurial attitudes and patterns of any community selected for the programme.
- Connect with relevant partners in both the host country and the country of origin of the targeted migrant communities. Partners may include individual experts, NGOs working in the field and other regions, and financial institutions where members of the same migrant communities also reside.
- Organise information sessions and spread the word about the programme among the communities concerned using the channels of communication of those communities (websites, magazines, newspapers, etc.).
- Closely monitor the process of loaning and spending money, including the process in migrants' country of origin, not simply to avoid abuses but also to identify as soon as possible any shortcomings and problems in the process.
- Be sure that, as far as possible, the individual business activities generated by the programme are harmonized with the collective needs and respond to the socio-economic conditions of the countries in which these activities are expected to have an impact.

SUMMARY

Rétale is a programme that, between 2004 and 2009, was coordinated and funded by the Foundation *Un Sol Món* (Only One World) of *Caixa Catalunya* (Saving Banks Catalonia), a bank of the Province of Barcelona. The programme is currently coordinated and being redefined by another foundation, *Servei Solidari* (Solidarity Service), which operates in the field of development. The programme aims to support Ecuadorian and Colombian migrants in Spain as much as co-development in these migrants' countries of origin relying mainly on microcredit and the stimulation of the migrants' entrepreneurial skills (in line with requests for business start-up funds from the migrants). The programme provides small funds of up to €15,000 for a maximum of 24 months to Ecuadorians at a first stage and then (starting 2008) also to Colombians. Funds are to support the establishment or development of an economic activity in migrants' countries of origin. Migrants can lead the activity going back to their country or while remaining in Spain in collaboration with an economic partner in the country of origin.

While the coordination of the programme has always been located in Catalonia, partners in the Community of Madrid and the Valencian Community (where the most numerous communities of





Ecuadorians are concentrated) as well as in Ecuador and Colombia have contributed in the realisation of the programme. Several information sessions with migrants have organised. Once the entrepreneurial skills of the applicant and the merit of her or his project are assessed, a three-step process starts which includes counselling on and definition of the plan, funding of the plan, and start-up and monitoring of the planned activity (which could be an extension and development of a business already existing).

Over the years, *Rétale* has produced interesting results. It has reached out to a number of migrants, including a majority of women, interested in starting or developing an economic activity in their own country. Projects funded under *Rétale* proved to be successful in both Ecuador and Colombia. By November 2009, a total of 128 projects (including 7 related to business activities previously funded by *Rétale*) had been put in place by either Ecuadorians or Colombians, with survival rates of approximately 90%. Activities created or expanded under *Rétale* are of different natures, comprising activities in the field of agriculture and livestock, trade, artisanal activities, the production of textile and shoes, and activities related to services such as hairdressing and restoration. *Rétale* has contributed also to the creation of new employment and more than 300 jobs related to the economic activities funded by the programme.

At the same time, *Rétale* is facing some crucial challenges, some of which are related to the increasing scarcity of funds available for development programmes due to the economic crisis that has hit Spain in the last years. If more funds for the programme became available, more activities and jobs could be created. More communities could also be included in the programme (starting with the Moroccan community, which was identified as the next target group for the programme). Another set of limits and challenges are related to the need to diversify the scope of the funds provided by *Rétale*. Funds could be used more flexibly and support different types of expenses needed by migrants.

Any public authorities (regional, provincial, or even municipal) that would like to implement this programme should consider the availability of the adequate funds and financial infrastructure (including, eventually a bank and a foundation). They should then be aware of existing theories and possibilities related to co-development and microcredit initiatives, which should nevertheless be adapted in the light of the 'local' conditions of migrants, their entrepreneurial skills, and the possibility of putting in place functional partnerships to implement the programme (in the host country *and* in migrants' countries of origin).



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Acknowledgements/Credits

This case was researched and written by Dr. Michele Grigolo, FCT postdoctoral researcher at the Centre for Social Studies, University of Coimbra, Portugal, in 2010. Dr. Grigolo would like to thank the Press Office of *Catalunya Caixa* and Inma Martín of *Servei Solidari* for their precious collaboration in the preparation of the case. This research received the financial contribution of the Portuguese Federation for Science and Technology (FCT).

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