The Nicaraguan diaspora: trends and opportunities for diaspora engagement in skills transfers and development[1]

Introduction

This paper presents an analysis of the migration patterns of Nicaraguans over the past thirty years and using household survey data also looks at the characteristics of skilled migration from the country. Moreover the paper explains the characteristics of Nicaraguan association and their current capacity to work on their home country development. The paper also provides four recommendations as policy opportunities for cooperation with diasporas on skills transfers and attainment among Nicaraguans.

The report explains the relatively new history of migration from Nicaragua dating less than 50 years, moving predominantly to the United States and Costa Rica. Using survey data the report also points to the skilled force who migrated estimated to amount to nearly 125,000 Nicaraguans, with a larger percentage who emigrated in the past fifteen years. The paper also describes the current organizational and mobilizational capacity of the emigrant population to work in Nicaragua and highlights some key issues that can inform a strategy that links skills development projects inclusive of the diaspora.

Looking at this reality the paper points out the importance of building confidence between the Nicaraguan community and the Nicaraguan state, while at the same time working in specific areas, such as leveraging remittance transfers for better education of children, developing piloting collaborative projects on small philanthropic development in partnership with the Nicaraguan diaspora and seeking to establish a skills transfer mechanism that is viable and trustworthy.

1. Setting the context: migration and migration management policies in Nicaragua

1.1 Nicaraguan migration : historic trends

Nicaraguan emigration is relatively recent. Although Nicaraguans have travelled to North and Central America to work–particularly since the development of the Central American Common Market in 1960–most migration developed during the late 1970s and the post-1979 period. Most Nicaraguans migrated to two countries, the United States and Costa Rica, and a smaller but significant number left to Honduras. Since 2000, a new wave of migrants is moving to El Salvador for seasonal labor. This section describes the population that migrated.

Nicaraguan exiles in the United States

The large majority of Nicaraguans living in the United States are exiles or decedents of people who left Nicaragua after Anastasio Somoza was overthrown in 1979. There have been five mass migration waves in this corridor, some of which coincide with the stages of the Sandinista revolution, and the post-1990

[1] Manuel Orozco. March 28, 2008. Paper commissioned by the Office for Economic Co-operation and Development (OECD).

political and economic transition. The first wave of mass migration (1979-1981) was composed of many Anastasio Somoza's supporters, especially former members of the National Guard and sectors of the upper middle-class. The second wave (1982-1984) included the first middle-class groups unaffected by the Sandinistas. Most of these exiles supported the creation of anti-Sandinista groups, known as Contras, and many joined their forces. Members of these two emigrant waves suffered expropriation by the Sandinistas before and after their exile. The third wave (1985-1989) involved common citizens as well as relatives of the Contras who escaped the civil war at its height. Unlike the previous two waves, this group was composed of lower middle-class and working-class Nicaraguans. The fourth migration wave (1990-1997) represents the post-Sandinista civil war period. This migration occurred predominantly as a consequence of Chamorro's structural adjustment policies, which exacerbated poverty and political instability in the first years of her government. Some of these immigrants are the children of Contras and disarmed Contras who returned to Nicaragua after the Sandinista defeat. A fifth migration wave (1998-present) occurred in large part as a consequence of Hurricane Mitch's economic effects in the country and the recurrent slowing of the economy.

According to the U.S. Census, by 1990 there were 170,000 Nicaraguans living in the United States, a large number residing in Florida, particularly in Miami. Table 1 shows the number of Nicaraguans by date of entry into the United States. Most emigration took place in the period after 1980, when the Nicaraguan revolution started, and increased after 1985. During the 1990s, the migration flow continued steadily among both documented and undocumented Nicaraguans. Between 1990 and 2001, over 120,000 Nicaraguans were legally admitted to the United States (INS 2002). Migrant community leaders estimate the number is larger when undocumented Nicaraguans are taken into account (Britton interview 2002) and the Mumford Institute estimates that there are 296,000 Nicaraguans in the United States. (Mumford 2003)

Table 1. Number of Nicaraguans by year of arrival in the U.S.

	Naturalized U.S. Citizen	Not U.S. citizen	Total
1987-1990	1,459	53,953	55,412
1985-1986	950	28,651	29,601
1982-1984	1,207	22,761	23,968
1980-1981	2,208	13,547	15,755
Prior to 1980	19,727	24,196	43,923
Total	25,551	143,108	168,659

Source: U.S. Census, 1990.

In addition to emigrants, many Nicaraguans were granted asylum in the U.S. In the 1980s, the Reagan administration not only provided military and political assistance to the Contras, but also sheltered many exiles by providing them with a safe haven in the U.S. In fact, more than ten thousand Nicaraguans were granted political asylum during 1983 to 1992, at a rate ten times higher than any other Central American country and a number among the highest in Latin America.[2]

[2] Although El Salvador suffered an equally devastating war, asylum adjudication was significantly smaller for Salvadorans than for Nicaraguans. Fewer than 1,200 asylum cases were granted by the Immigration and

Three key features characterize the profile of Nicaraguans living in the United States. First, like Cuban exiles, a significant number of Nicaraguans (over 40%) live in Florida. This makes Nicaraguans the fourth largest Hispanic group in Miami, after Cubans, Mexicans, and Colombians.

Table 2. Nicaraguans in the U.S.

	1990	2000
Florida	39%	45%
California	37%	29%
New York	5%	5%
Texas	4%	4%
New Jersey	2%	2%
Maryland	2%	2%
Virginia	2%	2%
Louisiana	2%	2%
Other	7%	9%
Total	100%	100%

Source: US Census Bureau, 2000.

Nicaraguans have a strong base of businesses and publish at least two newspapers in Florida: La Estrella de Nicaragua and El Nicaragüense. In addition, the Nicas en el Exterior News is based in California. Nicaraguans also maintain various economic connections with their homeland. For instance, small Nicaraguan restaurants are key importers of Nicaraguan perishable goods such as cheese and fruits.

Second, most Nicaraguans in Miami are exiles and opponents of the Sandinistas. Many of them participated in the support networks for Contra forces and were active sympathizers of the Reagan administration's efforts against the Sandinistas. The Nicaraguan anti-Sandinista rhetoric has gradually changed in the past five years as more pressing issues emerged in their agendas.

Third, despite their geographic cohesion in the United States and relative ideological affinity, until recently Nicaraguans did not maintain strong organizational or diasporic links with their homeland beyond at the family level. Nicaraguans now often travel to their homeland as U.S. citizens to attend religious festivities for their hometowns' patron saints. They carefully follow the country's political events and have organized into various community associations to help themselves integrate into the United States or maintain an active network of compatriots in Miami and discuss Nicaraguan issues. Some associations involve groups of former National Guard members (the Fraternity of the National Guard), support groups for Nicaraguan development (the Nicaraguan American Medical Association, American Nicaraguan Foundation), and pro-immigrant rights organizations (the Nicaraguan Fraternity). In 1997, nearly 30 Nicaraguan organizations in Miami were actively pursuing various issues related to their political identification and their home country. The size of these organizations was relatively small, however, with an average membership under one hundred.

Naturalization Service during the same period to El Salvador, Guatemala, and Honduras combined, compared to the nearly 12,000 cases granted to Nicaraguans.

Since the mid-1990s, interest in Nicaragua by the community living abroad has grown. The continued migration of Nicaraguans to the United States has expanded transnational relationships and encouraged greater contact. For example, during the 1996 elections, Nicaraguans organized themselves to create a base of political support for two political parties: Alemán's Liberal Alliance and the Party of the Nicaraguan Resistance. In the latter case, support was drawn from former Contra combatants residing in the United States (Núnez interview 2002). In Alemán's case, a number of Liberal supporters formed a coalition to support one candidate. The main objective was to bring the Constitutional Liberal Party into alignment with the other Liberal factions. This effort was achieved by exiled Nicaraguan political organizers who were previously involved with the Contras. Two support strategies were employed: first, pro-Alemán groups held a number of political rallies to raise popular support and funds on behalf of their candidate and second, political and economic support to relatives living in Nicaragua was conditioned on their vote for Alemán.

The Nicaraguan community abroad feels that it has contributed in helping Nicaragua emerge from the war. One way is through the sending of remittances, which totalled over US$900 million in 2007 (Orozco 2008).

Nicaraguans in Costa Rica

Migration to Costa Rica has taken place in similar stages. One of the largest flow of migration occurred in the early seventies after the 1972 earthquake that destroyed Managua. Thousands of Nicaraguans left the country in 1973 seeking better opportunities as the country entered into an economic recession after the quake. As the political crisis intensified, Nicaraguans started to migrate again in the late seventies, and particularly after the triumph of the Sandinista revolution. As in the migratory process to the United States, middle class Nicaraguans moved to Costa Rica in great numbers, particularly during the 1983 law that called for the draft. The flow of Nicaraguans into Costa Rica was recurrent during the eighties. Estimates are that there were close to 46,000 officially recognized Nicaraguan refugees, plus 23,000 in Honduras, and thousands of others who arrived with tourist and student visas, or without papers, to those countries (Dunkerley 1994, 47).

The larger flow of migration actually occurred in the nineties when the Nicaraguan economy entered further into depression and unemployment rose. According to the Costa Rican Census office, there are some 236,000 Nicaraguans in the country (Morales 2001), however, many experts agree that the number is far higher and approaches 400,000 (Morales interview 2003). The migration to Costa Rica since the late nineties has been different from that of the eighties, particularly in the social composition of its members. Most migrants who have left Nicaragua in the past five years come from rural households and have lower incomes. At least 60 percent of them are residing in Costa Rica's central valley, predominantly in San Jose.

Nicaraguans in El Salvador

In the past five years more or less, or since the dollarization of El Salvador's currency, Nicaraguans have moved to work in sugar and coffee plantations in El Salvador's rural areas. While the numbers of migrants are yet to be determined, some argue that the figure is at least 100,000 seasonal migrants going to that country.

All in all, Nicaraguan migration has achieved significant proportions and highlights the need to take a closer look at the trends over time, both present and future.

a) Skilled labor migration[3]

According to a nationwide household survey carried out in January 2008, 75 percent of Nicaraguans have a relative abroad (Orozco 2008), indicating a figure of nearly 900,000 migrants.[4] Nearly forty percent of these left during this decade and an additional 26 percent left in the 1990s. Such a large percentage of migrants in post-civil war in Nicaragua raises the question about the reasons for migrating as well as the effect on the local economy. Survey respondents established that the reasons their relatives left were predominantly due to the lack of jobs or to seek to improve the family's socioeconomic condition.

Table 3: Percentage of migrants by decade

Decade of migration	(%)
2000+	39.28
90-99	26.28
80-89	25.45
70-79	8.16
50-59	0.41
60-69	0.41

Source: Orozco, 2008.

Table 4: Reason for migrating

	(%)
No jobs, couldn't find a job	44.4
To improve his family's economic condition	26.5
Low wages	12.6
Other	14.3
Friends recommended him	11
To send Money	10

Source: Orozco, 2008.

These responses coincide with the lack of employment in Nicaragua, which are higher among those with a high level of training or skills. Although official figures cite open unemployment at 10 percent in 2005, more than half of those employed are working in the informal economy with monthly earnings below US$100. More importantly, as the table below shows, unemployment is a greater problem among those with many years of education.

Table 5: Unemployment

	Informal sector (% of all households)		
	Both sexes	Male	Female
1993	49.2	45.8	54.2
2001	59.9	55.7	65.5

[3] We use people with professional degree as proxy for skilled labor.
[4] Using census figures we estimated 1,158,545 households, 75 percent of which had a person abroad (869,000).

Source: ECLAC, 2007.

Table 6: Urban open unemployment by sex and schooling, 2005 (%)

	Total	0-5	6-9	10-12	13 or more
Nicaragua b/	10.2	8.0	11.0	10.4	11.5
Men	11.7	10.9	12.2	11.8	11.8
Women	8.4	4.2	9.4	9.0	11.1

Source: ECLAC, 2007.

The 2008 household survey also indicates that those with the highest percentage who answered lack of jobs as main reason to migrate were migrants with professional degrees. Thus, employment opportunities weighted higher among professionals than less skilled people as a reason to migrate, a situation which coincides with national data that shows that unemployment was higher among those with more education.

Table 7: Occupations A (%)

Occupation	To send money	Low wages	To improve his family's condition	No jobs	Recom-mendation
Unemployed	14	8	9	17	4
Professional (Lawyer, engineer, doctor, architect, etc.)	14	15	16	13	19
Teacher (pre-school, elementary, middle)	1	4	5	3	3
Retail	7	14	12	11	9
Homemaker	7	4	12	11	9
Machine operator	7	4	2	3	1
Retired	1		1		
Agricultural worker	8	12	8	10	8
Construction	4	4	3	4	1
Student	13	12	12	10	34
Other	24	20	18	18	13
Ns-Nr		1	4	0	
	100	100	100	100	100

Source: Orozco, 2008.

Does this emigration imply a loss of skilled work in the Nicaraguan labor force? If so, what are the implications? Any kind of labor mobility does not signify a loss unless the local economy losses those skills due to trends beyond its control, such as a strong demand for foreign labor from another country, a higher percentage of skilled labor force vis-à-vis the total population, or labor migration that creates a skill deficit in the country. Weak economic performance, unforeseen trends (political upheaval, natural

disasters, or other emergencies), neglect, and depth of poverty are structural causes of migration that affect all occupational and skill groups.

The occupation levels of those who migrated compared to those who stayed show some important differences, predominantly among those with professional occupations. Looking at the household survey responses we estimate that possibly 139,000 skilled professionals emigrated in the past 40 years, with a higher number migrating in the past fifteen years.[5] In 2007, all of these professionals who migrated constituted 7 percent of all professionals in Nicaragua.[6] The figure may represent a loss depending on different factors, like the number of skilled professional migrating into Nicaragua or the effective demand for skilled labor in the country. Given that unemployment ratios are accompanied by high informality, the ratio of emigration may constitute a negligible loss. However, the need to emigrate in order to have a job highlights the importance of paying attention to emigration from the country. For example, Table 8 shows that the percent of migrants with professional degrees was higher than that of their relatives at the time he/she emigrated and at the time of the survey. Relying on the household survey, six percent of all migrants left Nicaragua in 2007, that is 54,000 Nicaraguans, but the number of those who were skilled professionals was nearly 6,000.

Table 8: Occupations B (%)

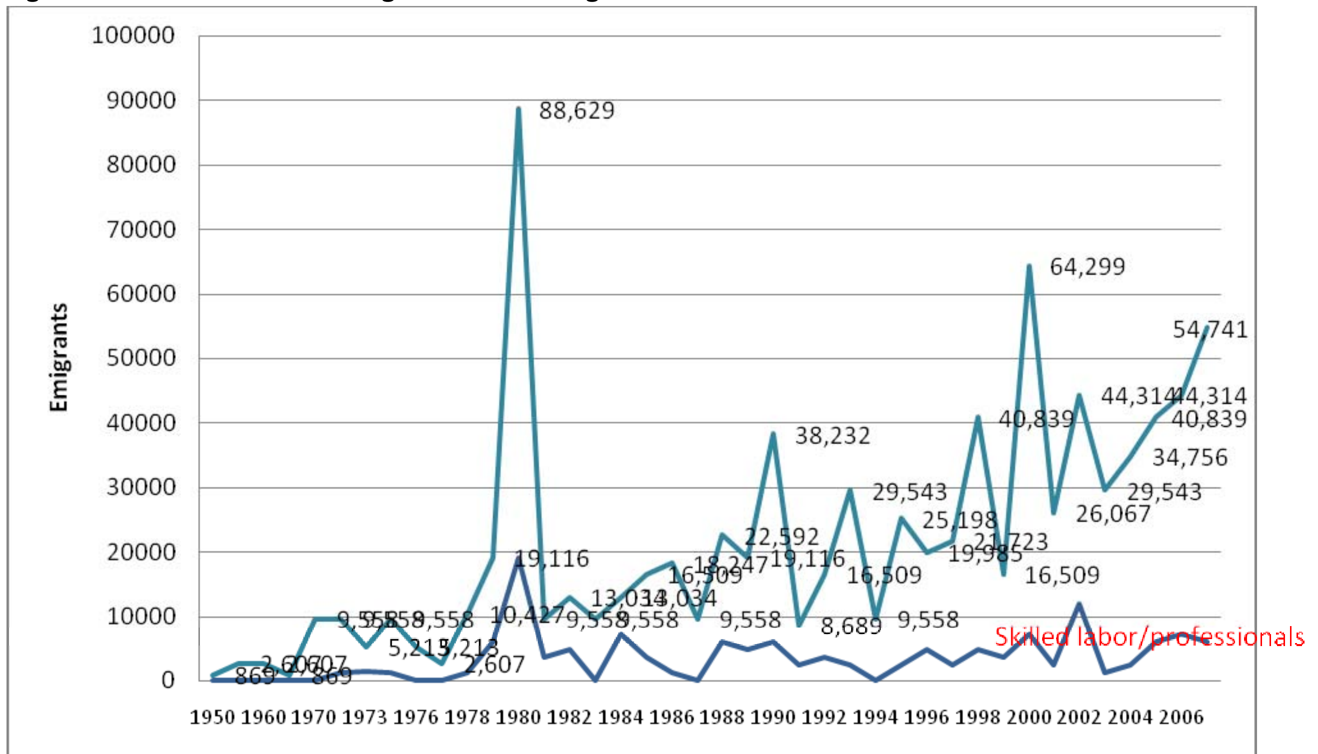
Occupation	Of the relative		Of the emigrant at the time of migrating
	When relative migrated	In 2008	
Professional (Lawyer, Engineer, Doctor, Architect, etc.)	8	11	16
Student	21	8	16
Other	14	12	16
Unemployed	2	4	12
Retail	11	14	11
Homemaker	19	34	10
Agriculture	6	5	8
Teacher (pre-school, elementary, middle)	0	4	3
Construction	2	3	3
Machine operator	1	2	3
No answer			2
Retired	0	3	0

Source: Orozco, 2008.

[5] Using the household survey and Census data we estimate that 16% of all households with a person living abroad with a professionals background added to 139,000 out of 1.1 million households.

[6] According to the household survey 11% of Nicaraguans held professionals degrees. That figure represented 124,941 people in 2007. Conversely, in 2007 we estimated 5,900 professionals who had emigrated.

Figure 1: Estimated annual emigration of Nicaraguans



Source: Orozco, Manuel 2008.

1.2 Migration management policies in Nicaragua: immigration and emigration

Although Nicaragua has become typical for international labor migration, government policy is relatively concentrated on the visa management of entry and exit of foreigners and nationals, not on policies relating to labor mobility.

Nicaragua created its Law on Migration and Law on Foreign Affairs in 1993 and since, has not made substantial modifications or enacted new laws. Existing legislation on migration has focused on the ordainment, definition, and regulation of migrants and the management of entry, stay, and exit of foreigners. Nicaragua's Law on Migration establishes the juridical decree on all issues relating to acts that constitute immigration and emigration and functions through the General Directorate of Migration and Foreign Affairs.

The Directorates can apply laws on migration, which dictate the entry, stay, and exit of foreigners, but are so broad that they do not permit any level of juridical security that benefits migrants or legal immigrants who have family and economic ties in the country of origin. Educational institutions must provide the name, nationality, address, and migration status of any foreign students to the Directorate of Migration and Foreign Affairs. Perhaps the largest challenge is to diminish the breech among the recognition of human rights in the Constitution, secondary laws, and the daily reality of migrants.

Other than these laws, there are no policies on migration, whether for inward or outward migration. Generally, national migration policies cover the management of entry, transit, leave, and return of nationals and foreigners coming to or going from the country. Guarantees that nationals living abroad have access to legal and financial opportunities and to their home country institutions are also policy issues of important consideration.

Nicaraguan legislation on migration does not contain clear objectives or a cohesive policy toward emigrants or immigrants. Some regulatory bodies contain instruments that have elements of migration policy; nevertheless there is no implementation or compliance to the mandates sometimes due to lack of resources or political will. Government policy on enforcement of dual citizenship, the right to vote abroad, and the relationship with their communities abroad is inexistent largely due to neglect among political institutions. The government, through the Labour Ministry and the Directorate, maintains a link with Costa Rican authorities about guest worker programs allowing a small number of Nicaraguans work in agriculture in Costa Rica.

1.3 Vocational training policies and the current vocational education and training system

The experience of Nicaragua's vocational training is an illustration of the divorce between theory and practice; policy design and implementation. The Constitution and Labour code estipulate the right of workers to training, and it has adopted six laws and several decrees to regulate and mandate vocational education and training to Nicaragua's labour force (UNESCO). One of these laws created in 1994 led to the creation of the National Technology Institute, INATEC, which is the entity mandated to provide training and vocational skills development to Nicaraguan workers. Although INATEC is a step forward to technical training, in practice it is poorly funded and reflects a much lower priority than higher education. For example, universities in Nicaragua receive more than one third of all budget in public education, however, public budget in technical education and vocational training is less than US$10 million.

In 2006 Nicaragua's education budget was US$160 and approximately one third was allocated to Universities attended by less than 70,000 students receiving formal education with limited skills (Acevedo Vogl 2007). Meanwhile the Nicaraguan state does not have designated operating budget for INATEC and rather decides on one every new fiscal period. In 2006 the public budget for INATEC was US$5.4 million, and received an additional US$4.3 million from a mandated contribution of 2% of payroll salaries (excluding Army and National Police earnings) reported to the government (Boletin Estadistico 2006).

Formal skills training in Nicaragua is predominantly handled by INATEC which carries out two main activities: technical education and vocational training. Both activities cover 25 specialities and have provided specialized education to more than seventeen thousand students and trained nearly one hundred thousand workers. However, the quality of the training is constrained by lack of resources and relatively few advanced technical skills to workers. Most of the training is on conventional and traditional skills in construction, agriculture, auto mechanics and management.

Table : Formal education and vocational training in Nicaragua

	1980	1985	1990	1995	2000	2004	Spending per capita US$, 2006
University students	13,467	26,322	26,548	39,160	59,187	67,920	751
Trained workers			24,999	30,451	61,208	97,977	87
Technical education students			16,959	12,116	15812	17,555	

Source: Boletin Estadistico 2006. INATEC, 2007; "*Comportamiento de la variable género en la educación superior en Nicaragua*" in Digital Observatory for Higher Education in Latin America and the Caribbean, UNESCO 2005.

Considering the current global challenges and the recent insertion into the free trade agreement, skills attainment is poor and dated. Skills transfer and training requires improving educational formation of Nicaragua's labour force but accompanied by significant advanced technical skills.

2. Nicaraguan diasporas role and cooperation on labor skill loss or enhancement: possibilities and lessons learned

In lieu of the presence of significant international migration from Nicaragua, leveraging diaspora resources for development (including skill attainment) is of great importance. Such efforts are both direct and indirect resulting from initiatives from migrants, the diaspora, development players or nation-states.

Specifically, there are several ways that can harness labor skill enhancement can be harnessed through migration and diasporas.[7] First, direct diaspora initiatives through hometown or migrant based associations seeking to work in local development activities back home. Second, home country government efforts to promote return migration schemes. Third, indirect migrant economic activities, including remittance transfers and their effects on education and skill attainment. Fourth, skills transfers' effort by governments, NGOs and diaspora groups. Development players have participated in some form of cooperation to enable a successful impact on local development, education and skills transfers (for a further discussion of models and experiences see Lowell 2001; Brinkerhoff 2007; Orozco 2003).

In the Nicaraguan case, migrants as well as migrant grassroots associations have often expressed concerns, and a desire to promote some form of development in the communities they come from. Generally, however, diaspora efforts are yet to be substantial in any of those four opportunities for cooperation. Unlike other diaspora groups in the United States, Nicaraguan associations are relatively

[7] It is important to distinguish migrants and diásporas as separate units of analysis. Migrants can be individuals and groups of foreign born individuals who may or may not have a link with their homeland, whereas diasporas are groups of migrants and people of descent from a nation-state other than the one they reside who mobilize to engage their home country. Migrants remitting to their families are not necessarily diasporas, nor are migrant associations without a concrete agenda relating to the home country. For further discussion see Orozco 2008 forthcoming, Shain Yossi 2007.

scattered and less unified. Overall, the diaspora associations are made up of three groups, those that mobilize for political purposes in connection to a political party in Nicaragua, and those associations with links to local philanthropic projects of small scale often connected to churches or families that the migrants come from. A third group works on migrant rights in the host country and is organized predominately in Costa Rica and, to a lesser extent, the United States. The group Coordinated Committee of the Nicaraguans in Exile (CONIPOE) and American Fraternity (formerly known as Nicaraguan Fraternity) are an example of an association working mostly on domestic affairs in the U.S. In September 2004, for example, the U.S. State Department organized a historic event bringing together more than one hundred Central American associations, including old standing groups like Carecen, Chambers of Commerce, and Hometown Associations (HTAs) such as CUS, the United Salvadoran Communities of Maryland, Washington, D.C. and Virginia or the Nicaraguan Fraternity. The participation of these associations demonstarted that there is some level of organization and an interest to work on home country affairs. The number of Nicaraguan associations was relatively similar to that of Salvadorans.

Table 9: Number of Central American organizations in the U.S. (#)

Country	#
Costa Rica	7
El Salvador	26
Guatemala	14
Honduras	16
Nicaragua	27
Grand Total	90

Source: State Department. 2004

However, Nicaraguan associations have struggled to form coalitions with local entities in Nicaragua or among themselves. As a diaspora, they have organized three meetings (two in Miami, Florida and one in San Jose, Costa Rica) by two separate organizations. The first event organized in 2004 was oriented to galvanize a common agenda.[8] However, the lack of a consensus as well as internal fights over leadership led to divisions in what was a nascent effort. A second meeting organized two years later by a different group was also successful at bringing together organizations from across the country, but ultimately did not succeed beyond the meeting.

Some of those working in Nicaragua include medical professional associations, some ethnic oriented groups working in the Atlantic Coast and a few hometown associations. The activities these organizations perform are no different in scope to what others from Latin America and the Caribbean do. Their fundraising efforts are limited to less than US$10,000 a year and generally lack a development agenda, despite the fact that most of their activities focus on education or health. One association, the American Nicaraguan Foundation is perhaps the strongest and more salient association of upper middle class Nicaraguans living abroad with partially no links to other grassroots groups but which delivers health care assistance to hundreds of groups in Nicaragua.

This reality puts into context the possibilities of engagement and cooperation with the diaspora on an operational level. The other possible range of involvement, government programs or skill transfer programs, is not present in Nicaragua's migration policy context. On the issue of remittances, families do spend money they receive on education and health activities representing 30% of all household

[8] 1st Congreso Internacional de la Diaspora Nicaraguense (2004); 2nd Congreso Internacional de la Diaspora Nicaraguense (2006)

spending (Orozco 2006), however, the expenditure is not enough to impact skills development, though the quality of the education provided to and acquired by children of migrants can have a multiplying effect on other children.

3. About the potential of Nicaraguan diaspora engagement

There are opportunities for diaspora engagement and cooperation on issues relating to education and skills transfers. These opportunities however require significant intervention and participation from donor institutions, NGOs with experience on the subject, government willingness to work with emigrants and diaspora involvement. The goal is to create conditions to facilitate a process by which diasporas can insert themselves as partners. Here we propose four steps that can enable diaspora engagement and contribution to enhance skills development in Nicaragua, namely, confidence building, pilot projects on education and skill enhancement, motivating investment of personal remittances in education and skill attainment, and a skill transfer mechanism.

a) Confidence building measures

Nicaragua has become de facto a labour exporting country with at least 500,000 workers participating in a marketplace for foreign labour in the United States, Costa Rica and Nicaragua. One important step taken by the Nicaraguan government consists of establishing a closer relationship with the migrant community, including those who are seasonal workers, in order to build partnerships, mutual respect and trust. Confidence building is a necessary step in validating the reality of migration. To do that, however, it is important to improve the contacts and relationships with the diaspora and to establish a minimum outreach program that promotes participation among the migrant community (Orozco 2008 forthcoming).

i) Confidence building

In order to develop successful partnerships, governments need to develop confidence building tools and initiatives that make migrants recognize that they are serious and committed to working with them. Confidence building incentives should stress at least four components: dialogue with leaders, institutional resource investment for policy outreach, institutional communication mechanisms that ensure systematic and legitimate contact with diasporas, and the joint creation of a policy initiatives agenda that affects both governments and migrants.

ii) Contact and identification

Establishing contact with migrant communities is a first order mandate in states that have large migrant populations. Whether migrants are seasonal, short term or in a transition to return, governments need to identify these communities, even when the populations that organize do so primitively, because they are the main source of social capital informing migration. One important dynamic among migrants is their reliance on their social capital and networks in order to find jobs, homes and solutions to their needs when planning to migrate and once at their destination. Social organizing to work in the home country identifies the other dynamic. According to a 2005 survey of Nicaraguan migrants in the United States, 4% of remittance senders (15,000) belonged to a hometown association (Orozco 2005). Although the percentage seems low, these practices are important markers of cultural and social identity with Nicaragua, and of engagement on local development opportunities. The Nicaraguan

government needs to build confidence by getting in touch with their community and helping increase diasporic civic activism.

One important and successful strategy consists of linking up with money transfer operators in the countries of destination. Money Transfer Operators (MTOs) know the migrant communities very well as they constitute their market base. They understand their financial and social preferences, their habitat, and their needs. Civil society organizations and the government can partner with MTOs in the country in order to identify migrant communities, establish communication with their leaders and prepare a minimal database of its diaspora (albeit mobile or transient.) The dataset can contain information about the migrant's habitat, their sources of cultural replenishment or their lack thereof. This exercise can also allow them to identify any type of philanthropic association.

An important measure to implement an appropriate strategy should include learning from other countries experiences. One in particular is that of the Instituto de los Mexicanos en el Exterior (IME) of the government of Mexico. IME is an organization within the Mexican government with the objective to promote public policies that attend to the needs of Mexican communities abroad, link them with their counterparts in Mexico, and support for the formation of leadership in migrant communities. IME functions as a consultative entity between the Mexican diaspora and the state. It also arranges educational conferences, the aim of which is to inform about the programs and services the government provides to improve the living standards of Mexicans living and working abroad, and to develop their home communities in Mexico.

IME has held conferences to discuss the improvement of financial literacy in migrant communities and to facilitate development by channelling remittances to more productive ends. The organization is also working to encourage migrants to sign up for the *Directo a Mexico* transfer payment system, which is a US-Mexico government payment platform that offers low cost transfers from bank account to account, in order to enter the formal financial system. IME hopes to find success stories from these experiences in order to further promote financial literacy and to disseminate the best practices for sending remittances with major money transfer operators.

IME also wants to enhance the visibility of Directo a Mexico to encourage more banks to offer the system to migrant communities. They hope to convince the migrant communities of the benefits of entering the financial system. IME is the successor of the office of outreach created in the late eighties, which participated as an enabler and facilitator to creating migrant hometown associations. As the HTAs and other migrant grassroots developed in the U.S., the outreach office based at the foreign affairs ministry matured into a more consolidated unit, and became IME.

b) Education quality performance through remittances

Education and health expenses are typical investments in remittance-recipient families. Nonetheless, adequate education and health services are often either not well publicized or unavailable. One way to provide these services is through partnerships between banks, MFIs and health and education providers that offer financing. For education, this refers to education funds (savings and loans), tutoring, extracurricular activities, language and internet lessons, and other skill acquisition. These types of investments on the part of recipient families will lead to higher educational achievement and continued investment from the person sending money from abroad. One example of this initiative is the Guatemalan cooperative Salcaja which offers saving products in what they call Cuenta Infanto Juvenil which offer savings for children of migrants and other remittance recipients (Orozco 2006).

c) Pilot projects in cooperation with the Nicaraguan diaspora: education in rural communities and technology institutes

Another approach to the improvement of education in rural communities and strengthening of vocational schools is to implement pilot projects between the Nicaraguan government and its communities living abroad. The piloting can include two steps: lessons learned, and pilot design and implementation. The first step includes learning from the experiences of other countries' matching grant projects (such as that of Mexico and El Salvador.) Specifically, an important recommendation consists of exploring ways to replicate the 3x1 SEDESOL program as a feasible approach for Nicaragua. Such an exercise can include learning about the logistical implementation of the 3x1 program, obtaining Mexican cooperation to learn about the establishment of the setting, and introducing private sector participation from the MTOs, banks, and other entities that have worked with migrant communities in a business capacity. Such an exercise should not be intended to replicate this Mexican experience as is, but to attempt to identify those tools that can provide for partnerships with associations of Nicaraguans abroad. One side product of 3x1 in Mexico is Western Union involvement on a 4x1 scheme, whereby they participate in the matching funds. Introducing private sector partners in such an endeavor would be an added feature with positive results.

The 3x1 Program managed by the Secretaria de Desarrollo Social (SEDESOL) in Mexico is a mechanism established to forge an official partnership with Mexican hometown associations with the purpose of providing a matching fund for projects they identify by hometown associations and the local beneficiary community. The 3x1 program matches each dollar contributed by a hometown association with one from each of the local, state, and federal governments. It has increased the contact between hometown associations and local government officials, and aims to strengthen the ties between the municipal, state, and federal levels of government. When an association participates in the 3x1 program, a committee is established to oversee the disbursement of funds and project implementation. 3x1 also seeks to establish better communication between local communities and their corresponding migrant communities in the U.S. and Canada.

In 2006 the federal government invested US$20 million to match the nearly US$60 million contributed by local and state governments. The number of hometown associations participating in 3x1 has grown from 20 in 2002 to 715 in 2006. There are now 26 Mexican states participating and 1,226 projects in the works. SEDESOL continues to emphasize the development and promotion of projects that are productive investments to better serve the community by improving the local economy and creating jobs. In 2007 President Calderon raised its contribution to nearly US$50 million.

3x1 and the Inter-American Development Bank are developing a pilot program that will involve vocational training and the expansion of technological platforms. The government will establish educational programs to improve the capabilities of small businessmen to run profitable enterprises. The program wants to identify the best practices and replicate the successful aspects of the program throughout Mexico.

The second step for Nicaragua is to work in several rural communities where emigration has occurred. The government, in collaboration with foundations and development institutions, can design diagnostic profiles of the basic educational and skill needs of these communities and then identify and design small community development projects that can support local schools and training centres to enhance labour productivity. The budget size of these projects, however, should not be greater than US$25,000

because they will far exceed the collaborative capacity of Nicaraguan associations. One typical mistake donors and foundations make is to assume that with the existence of diaspora associations comes significant resource endowment. However, research shows that most HTAs' investment capacities are relatively limited both financially and organizationally; Nicaraguan associations do not escape that reality (Orozco 2003; Orozco 2005; Orozco 2007a and Orozco 2007b). Moreover, introducing small dollar community investments will constitute an incentive and motivating factor to promote trust and participation among Nicaraguan HTAs. One important observation on piloting projects is that these activities should be accompanied by some level of community consultation, not only about the projects but also about goals and standards that the community and development experts should set about skills attainment, vocational training, and education performance. Material investment is not enough if it is not accompanied by concrete goals and standards as part of deliverable outcomes in a given project.

d) Toward a knowledge transfer bank initiative

Opportunities for knowledge transfer are one area of attention that development cooperation can focus on when dealing with the adverse effects of migration. Diasporas often manifest an interest to transfer knowledge (in addition to material resources such as remittances, investment, donations, and material goods) as part of their contribution to their homeland's development or as a way to prevent their fellow conational to migrate out of extreme necessity. Developing a knowledge transfer scheme is a first step that includes a range of considerations (such as resources required to achieve the transfer as well as what is being transferred.) Brinkerhoff 2007 discusses for example that there are different interpretations of skilled migration (the source of skill transfer) ranging from concrete definitions of people with higher education and specialized training, to a combination of elements that comprise knowledge, work experience, specialized qualifications and valuable intellectual assets. Moreover, anything that is transferrable cannot be transferred unless some incentives, enabling environments, needs assessments, and a critical mass of human resources is present.

What is being transferred? Even when diasporas are in a position to transfer their skills to their home country, key questions are: What migrant skills should be transferred? To what purpose or end and for how long? As mentioned above, migrant skill transfer may include only that of professionals with higher education or specialized training. However, there are also other migrants with considerable acquired experience in some economic activity that would be prepared to transfer their skills. What is also important to consider here is the duration of the transfer and the impact of it on skill acquisition of the labor force, or on the value added of such transfer on the productive sector where it is applied.

First, there is not one single type of skill transfers but rather a combination of at least four identifiable categories. Professional support is perhaps one important skill transfers that include both input and know-how. Input skill transfer is the labor productivity provided by the professional during the duration of his or her stay on a given project. Know-how is the transfer of the tools that are needed to attain those skills. Professional skill transfers is not restricted to that of engineers, doctors, nurses, architects but of all other professionals whose trades are needed back home. One important skill transfer in Nicaragua for example is that of academics and policy experts in political science. Nicaragua is a country with a large deficit of political scientists with no more than five presently working in the entire country. Semi-skilled transfers are those of people whose training and experience rather than formal education have given them the tools to be competitive and productive in their economic activities. Volunteer partnerships are skills transfers of unpaid labor to work in communities in need of short term local investments in social or economic activities. Church volunteers, civic minded volunteers (such as those organized in Habitat for Humanity) also provide important skill transfers. Finally a much neglected

transfer is that of knowledge networks to attract capital or other resources. Many diaspora members are individuals directly connected to the capital markets who have not only the skills but the network connections to bring capital to work in certain markets. Other diaspora members can use their networks to bring funds or policy support in international cooperation.

But in order to bring any of those categories of skill transfers there need to be in place at least a set of incentives, an enabling environment that motivate and gives confidence to people to come, an assessment of what is the market for skill transfers, and a critical mass of individuals to draw upon. Many individuals have expressed interest to return to their country for short and long term periods but are no incentives provided to them to do so. These incentives include financial stimulus as well as other kinds. But even if someone is offered to get 'well paid', they may not want to come if conditions in their home country are not satisfactory. These conditions include the presence of a fairly stable political system with respected rule of law. In addition, governments, civil society and international cooperation need to identify what they need and in what economic sectors to avoid a saturation problem in some areas and a deficit in others. This effort can start with a diagnosis of the current needs in the private sector as well as in the educational system. But another important area includes local community assessment of needed skills that can be done at the municipal levels.

Finally, there is need to develop a pool of resources to draw on, a skills bank from which to obtain the needed transfers. While the Nicaraguan diaspora is an important source, it is important to have a realistic assessment of the size of the resources willing and available to provide their input and know-how. For example, a realistic scenario may consider the hypothesis that given the level of engagement with Nicaragua, the locations where people are, their current levels of commitment and attachment in the host country, the demographic composition of the diaspora, among other factors can only give account of 10% of all diaspora professionals. Ten percent however is a large number for a country like Nicaragua and needs to be considered as a maximum baseline. Once the combination of incentives, enabling environment and skill transfer market is introduced in the equation, the percent may drop to 3, a figure that may mean less than 5,000 professionals willing and able to provide their resources. But an expectation and planning of drawing on 3% of the diasporas' skills is not a low one: the carrying capacity of the country may not be capable to absorb 100 people at a time. Yet this is part of the exercise and realism of a commitment to work on.

The table below offers a relationship between the conditions and resources required for skills transfers with what can be transferred. These relationships may differ across skills groups and sometimes be the same to all segments. The table offers a helpful way to consider aspects that may need including when considering a skills transfer scheme.

Table 10: Elements supporting a skills transfer scheme

Conditions and resources required to achieve transfer	**What is being transferred**			
	Practitioner professional assistance	Semi-skilled	Volunteer partnerships	Networks
Incentives (financial and in kind)	Competitive financial remuneration and other incentives		In kind support	Tax incentives
Enabling environment (rule of law, institutional	More than minimum guarantees of the rule of law and access to institutions without barriers to entry			

setting	
Projections of needs (supply and demand for skills transfers)	Clusterization of needs by labor and industry sectors
Critical mass (skills bank)	

This paper has offered an analysis of the Nicaraguan migrant population and its diaspora, as well as the extent of the migrant skilled labor abroad. We have also explained the current state of the organized community and their possible capacity to engage the country. And conclude with four recommendations for a preliminary engagement with the diaspora on efforts to provide skill transfers.

References

ECLAC. INDICADORES SOCIALES BÁSICOS DE LA SUBREGIÓN NORTE DE AMÉRICA LATINA Y EL CARIBE, (Edición 2006-2007). Diciembre 2007.

Brinkerhoff, Jennifer M. Diasporas, Skills Transfer, and Remittances: Evolving Perceptions and Potential, in *Converting Migration Drains into Gains: Harnessing the Resources of Overseas Professionals*, 2006. Asian Development Bank.

Dunkerley, James. *The Pacification of Central America*, Verso, 1994.

Orozco, Manuel. 2008. *Centro América: remesas, economía y las finanzas con aproximación al caso Nicaragüense*. Trabajo presentado para la reunión "DEMOCRACIA, COHESIÓN SOCIAL E INTEGRACIÓN REGIONAL" parte de la Serie de Encuentros Centroamericanos en Managua, Nicaragua 2007-2008. This paper contains the results of a nationwide survey conducted by the autor in January 2008.

Orozco, Manuel. 2008 "Diasporas and development: Issues and Impediments" In *Diasporas and International Development: Exploring the Potential*. Edited by Jennifer Brinkerhoff, Lynne Rienner, forthcoming 2008.

Orozco, Manuel. 2005. "Hometown Associations and Development: Ownership, Correspondence, Sustainability and Replicability." *New Patterns for Mexico: Observations on Remittances, Philanthropic Giving, and Equitable Development*. Edited by Barbara J. Merz. Global Equity Initiative, Harvard University, Cambridge, MA.

Orozco, Manuel et al. 2005. *Transnational Engagement, Remittances and their Relationship to Development in Latin America and the Caribbean*. Institute for the Study of International Migration, Georgetown University, July.

Orozco, Manuel. 2003. "Hometown Associations and their Present and Future Partnerships: New Development Opportunities?" Report commissioned by the US Agency for International Development, Washington, DC. September.

Shain, Yossi. Kinship and Diasporas in International Affairs. University of Michigan Press, 2007.