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| Truck driver on a construction site employing internal migrant workers from the countryside. Beijing. China. (click to enlarge)Migrant from Tajikistan working for the agricultural enterprise and farm 'sovkhoz Voronovo'. Podolsky district, Moscow region. Photographic mission to Russian Federation, 22-29 September 2006.  (click to enlarge)Rural cooperative (supported by the ILO) gathering women from the district of Lahore. Pakistan (click to enlarge)The fishmarket in Dubai, packed with freshly caught prawns and other shellfish. Cheap immigrant labour is used to prepare the fish bought by restaurants and private individuals. This is hard work especially in summer because of intense heat. (click to enlarge)Women Cooperative (project supported by the ILO): in the quarries of Mtongani (Dar Es Salaam), a mushroom and hen house project directed under cooperative form was proposed as an alternative to the stone breakage that used to be the principal activity of women in the dictrict. The production is then sold in the markets. Picture: sharing recipes among members of the cooperative. (click to enlarge) |

**HARNESSING THE DEVELOPMENT POTENTIAL OF THE SOCIAL AND SOLIDARITY ECONOMY FOR THE IMPROVED RETURN AND REINTEGRATION OF MIGRANT WORKERS UNDER THE KOREAN EPS**

**DESCRIPTION NOTE**

**Rationale and Justification**

The project outlined in this note proposes a Public-Private Partnership (PPP) engaging relevant Government agencies from the Republic of Korea (henceforth “Korea”), Mongolia, Kyrgyzstan and Viet Nam; the ILO social partners; and private sector actors, including entities representing social and solidarity economy (SSE) enterprises, to leverage Korea’s labour migration and SSE policies to contribute toward economic and social development in EPS source countries as well as toward the human capital and skills development of migrant workers. This project reflects the spirit of the Busan Declaration, or Busan Partnership for Effective Development Co-operation, of the Fourth High-Level Forum on Aid Effectiveness held 29 November-1 December 2011, which supports the elaboration of global development partnerships for the achievement of “Sustainable development results” that are predicated on “Ownership of development priorities by developing countries” and transparency and accountability.

This project proposes the extensive use and application of the SSE model in order to generate employment and decent work for migrant workers from Kyrgyzstan, Viet Nam and Mongolia. As used in this note, “social and solidarity economy (SSE)” includes cooperatives, mutual societies, associations, social enterprises[[1]](#footnote-1), and foundations as well as other types of enterprises that are collectively organized or owned, democratically operated, and prioritize the welfare of people and planet over profits or returns to shareholders. Consequently, the social and solidarity economy makes a point of empowering women and other vulnerable or marginalized groups. The project will capitalize on already-existing institutions, channels and networks within Korea’s temporary labour migration scheme, the Employment Permit System (EPS). It will thereby promote the education and business management training of migrant workers in the features and practical aspects of SSE enterprises, in particular cooperatives and social enterprises, but will also connect them to the mainstream social economy movements in their respective countries as well as to international networks. In doing so, this project will not only cultivate shared growth and sustainable development for migrant workers and their countries of origin but will also further develop Korea’s labour migration policy, so that it is harmoniously integrated with other labour and employment-related policy goals as well as with Korea’s overseas development aid (ODA) strategy. It focuses on Kyrgyzstan, Mongolia and Viet Nam as pilot countries due to the established relationship these countries share with Korea in the area of labour migration as well as in consideration of ILO’s experience and presence in the region as regards both labour migration and social economy development.

There is growing worldwide consensus that labour migration contributes toward economic growth and development in both countries of origin and countries of destination through migrants’ much-needed work and skills, financial remittances[[2]](#footnote-2), human and social capital transfers, entrepreneurship and innovations. For this reason, the United Nations General Assembly will convene the High-Level Dialogue on International Migration and Development on 3-4 October, 2013 on the overall theme, “Identifying concrete measures to strengthen coherence and cooperation at all levels, with a view to enhancing the benefits of international migration for migrants and countries alike and its important links to development, while reducing its negative implications.” Moreover, the current deliberation to formulate the UN’s Post-2015 Development Agenda has included migration under the theme on population dynamics. Both processes are underscoring the importance of consulting and collaborating with partners beyond the traditional UN constituents of States to include workers and employers’ organisations, civil society organisations, research institutions, and various entities belonging to the private sector in order to make a holistic impact while reinforcing the long-term viability and sustainability of the interventions. In the aftermath of the global financial crisis, there is renewed interest in the social and solidarity economy in all its forms—from the older, traditional cooperatives to the newer generation of “social enterprises”—which is largely supported by studies and findings that SSE enterprises fared better compared to traditional corporations during the crisis, to the benefit of some of the most vulnerable segments of society, including migrants and their families[[3]](#footnote-3).

Therefore, this project embodies the momentum of these major, current developments, and, as such, is timely and highly likely to succeed.

**Description of the Project Strategy**

In the inception phase of the project, a diagnostic of the SSE sector and its relationship to labour migration in each of the three pilot countries will be carried out in order to assess the needs related to technical support and training for each context. Market research will be conducted to identify high growth potential sectors, examining the needs of the local communities in terms of goods and/or services that are lacking. Here, research institutions such as the Tian Shan Policy Centre of Kyrgyzstan would be the natural main partners. The findings will give further guidance to the specific activities that will be undertaken in the framework of this project. A diagnostic for Kyrgyzstan looking at the role of cooperatives in the labour migration trends of the country has already been carried out by the ILO Regional Office in Moscow.

Informed by the results and outputs of the inception phase, as well as by the skills set of the participating migrant workers, the next phase of the project will focus on developing materials and curricula for training migrant workers in business management, specifically the business management of SSE enterprises. The training courses that are developed will be implemented through the Happy Return Program of the EPS. The possibility of creating and administering an online version of the courses as well as of having part or the entirety of the courses taught in the pilot countries, as is currently being done in Viet Nam, will also be explored.

Upon completion of the comprehensive training programme, the migrant participants will be invited to submit detailed business plans for the SSE organisations they would like to establish; they will also have the possibility of applying for employment at existing cooperatives or social enterprises. The plans will be submitted to a Selection Committee, which will select the best proposals based on a criteria that gives extra consideration for business plans that offer employment opportunities or directly benefit women, vulnerable youths, and the disabled. A Seed Capital Fund will be set up to provide the necessary start-up funding to the selected enterprises. Various partners involved in this project—the local social partners, local and national governments of the pilot countries, private sector partners, SSE associations, and training institutes—will also provide capacity-building support to the migrants’ enterprises during this phase.

Main Partner(s):

Private sector

Local and national governments

Trade unions

Employers’ organisations

SSE enterprise associations

Main Partner(s):

Private sector

Korea MOEL/HRD Korea

Trade unions

Employers’ organisations

SSE enterprise associations

Main Partner(s):

Research institutes,

SSE enterprise associations

**Comparative Advantage and Partnerships**

The ILO is the only United Nations agency with a constitutional mandate to protect migrant workers. It has been dealing with labour migration issues since its inception in 1919 and has pioneered international Conventions to guide migration policy and protection of migrant workers as well as social security governance. ILO possesses expertise on employment, social security and labour migration. ILO adopts a rights-based approach to labour migration and promotes tripartite participation in migration policy.

In addition to its cross-cutting expertise and right-based approach, the ILO is the only United Nations agency forging its action on a tripartite dialogue, involving governments, workers’ and employers’ organisations. As a result, the organisation enjoys the trust of a myriad of project implementing partners and, increasingly, of socially responsible multinational companies throughout the world. The ILO operates on the position that the involvement of workers and employers; the public sector and the private sector; civil society; and migrants themselves is especially important to the development of sound and fair labour migration programmes and their effective implementation.

This project proposal attempts to build on the experience and recommendations of previous ILO projects implemented in the area of the development and reinforcement of the social and solidarity economy in developing countries, such as the COOPAFRICA, an ILO programme that provided advisory services, technical assistance, training, tools, and financial support toward the development of cooperative enterprises in 12 African countries[[4]](#footnote-4) in a holistic, flexible and integrated way. Through COOPAFRICA, the ILO created 4,080 jobs, increased the turnover of cooperatives by 26.6 per cent and consolidated 170,899 self-employment opportunities. Through programmes like COOPAFRICA, the ILO has comprehensive experience in formulating and adapting training and instructional materials on the social and solidarity economy.

The ILO, through its Social Finance Programme and a number of ongoing field initiatives, has also developed financial education initiatives for migrant workers and their families. A number of training manuals have been developed and adapted to various contexts (Asia, Europe and Africa) and trainings are being implemented through various partners such as diaspora associations, public institutions and financial institutions.

**Time-frame**

3 years project, with possibility of extension

**Budget Estimate**

2,500,000 USD

1. As used in this note, “social enterprise” refers to an organisation that seeks to address social and/or environmental needs in a sustainable and ethical manner while also generating profit. Social enterprises differ from the other types of SSE organizations such as cooperatives because they are not necessarily collectively owned. [↑](#footnote-ref-1)
2. Financial remittances, a share of wages or earnings that migrant workers send back home, greatly outstrip ODA and foreign direct investment (FDI) in many countries. In 2012, financial remittances to developing countries were estimated to have been 406 billion USD. See D. Ratha, et al, “Remittances to developing countries will surpass $400 billion in 2012”, Migration and Development Brief 19, Development Prospects Group, Migration and Remittances Unit, World Bank, Washington, D.C., 20 November 2012, available at <http://siteresources.worldbank.org/INTPROSPECTS/Resources/334934-1288990760745/MigrationDevelopmentBrief19.pdf>. [↑](#footnote-ref-2)
3. See, for example, ILO (2012), *Resilience in a downturn: The power of financial cooperatives*, ILO: Geneva, accessible at <http://www.ilo.org/empent/Publications/WCMS_207768/lang--en/index.htm>

See also See CECOP-CICOPA Europe (2012). “The resilience of the cooperative model: How worker cooperatives, social cooperatives and other worker-owned enterprises respond to the crisis and its consequences.” CECOP-CICOPA Europe: Brussels. [↑](#footnote-ref-3)
4. Botswana, Ethiopia, Kenya, Lesotho, Rwanda, Swaziland, UR Tanzania, Uganda, Zambia, Benin, Cameroon, and Mozambique [↑](#footnote-ref-4)