

Innovative Financial Inclusion for migrants and refugees living in urban areas: Practical lessons for Southeast Asia from Africa

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ABSTRACT

The purpose of this study is to examine the innovative financial inclusion for the under-served urban migrant and refugee population in Thailand, respectively. The increasing number of urban migrants and refugees in Thailand requires innovative financial inclusion and livelihood interventions. Many migrants and refugees do not have access to formal financial services due to their legal documentation, although their demands for financial services still exist and remain unsatisfied. The evidence from Kenya in Africa could provide implications and viable options for Thailand in implementing financial inclusion and livelihood programmes in different ways.

Using data from the migrants and refugees residing in Bangkok, Thailand through individual interviews, the discourse and narrative qualitative analytical methods were employed to analyse data. The key findings from this study include financial needs, financial inclusion options, livelihood assets and strategies, financial literacy, as well as the livelihood approaches that can support the wellbeing of urban migrants and refugees in the host countries. The findings also revealed the difference in financial needs between urban migrants and refugees in Thailand due to their unique needs and livelihood goals. The data analysis suggested that the financial inclusion and livelihood interventions in Kenya could be applicable for refugees and migrants in Thailand. The roles of financial technology and innovation also have a positive impact in accelerating the financial inclusion of refugees and migrants.

The recommendations from this study can help to create the enabling environments for financial inclusion of migrants and refugees in the urban context of Thailand. A comprehensive needs assessment on livelihoods and financial inclusion could explore the actual needs of the migrant and refugee population in Thailand. The coaching sessions for new arrival groups of migrants and refugees can help them to adjust their livelihood strategies while residing in the host country. The innovation and technology will promote the cost-effective informal banking and open up employment and economic opportunities. The advocacy for the rights of migrants and refugees should be strengthened, including the legislations regarding basic healthcare and education. With a dramatic increase in migration, a better understanding of urban contexts will help develop workable interventions for financial inclusion of urban displaced persons, eventually building resilience and reducing poverty among migrants and refugees.

KEYWORDS: Financial Inclusion, Livelihood, Refugees, Migrants, Urban, Thailand, Kenya

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GLOSSARY OF TERMS

Asylum seekers	A person who seeks safety from persecution or serious harm in a country other than his or her own and awaits a decision on the application for refugee status under relevant international and national instruments. In case of a negative decision, the person must leave the country and may be expelled, as may any non-national in an irregular or unlawful situation, unless permission to stay is provided on humanitarian or other related grounds. (IOM, 2004).
Displaced persons	Large group of displaced people who may not all conform to the conventional definition but who are in a situation analogous to that of refugees (IOM, 2004).
Emigration	The act of departing or exiting from one State with a view to settling in another (IOM, 2004).
Immigration	A process by which non-nationals move into a country for the purpose of settlement (IOM, 2004).
Microfinance	The provision of financial services adapted to the needs of low- income persons, or persons otherwise systematically excluded from formal financial services, especially small loans, small savings deposits, insurance, remittances, and payments services (CALP, n.d.).
Migrants	Any person who is moving or has moved across an international border or within a State away from his/her habitual place of residence, regardless of (1) the person's legal status; (2) whether the movement is voluntary or involuntary; (3) what the causes for the movement are; or (4) what the length of the stay is (IOM, 2004).
Migration	The movement of a person or a group of persons, either across an international border, or within a State. It is a population movement, encompassing any kind of movement of people, whatever its length, composition and causes; it includes migration of refugees, displaced persons, economic migrants, and persons moving for other purposes, including family reunification (IOM, 2004).
Refugees	The term applies to any person who owing to well-founded fear of being persecuted for reasons of race, religion, nationality, membership of a particular social group or political opinion, is outside the country of his nationality and is unable, or owing to such fear, is unwilling to avail himself of the prosecution of that country; or who, not having a nationality and being outside the country of his formal habitual residence as a result of such events, is unable or, owing to such fear, is unwilling to return to it (IOM, 2004).
Remittances	Monies earned or acquired by non-nationals that are transferred back to their country of origin (IOM, 2004)

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CHAPTER ONE

INTRODUCTION

1.1 Background of the study

In recent years, there has been substantial unmet needs for financial services for the poor worldwide. Low income households that do not fall under the poverty borderline also have high demand for financial services (ADB, 2000). Instead of providing only loans to microenterprises, the financial institutions in many countries will have to find new customer-oriented products and come up with unique strategies in order to provide a range of financial services such as saving, consumer loans, insurance and so on (Lont & Hospes, 2004).

The governments in many countries have to formulate and implement strategies and policies to reduce poverty. Interestingly, ASEAN (Association of South East Asian Nations) listed financial inclusion and microfinance as one of the strategic measures in its ASEAN Economic Community Blueprint 2025. The key action in this strategic measure is to formulate a financial inclusion strategy in order to deliver financial products to a wider community that is under-served.

In the late 1990's, microfinance was pioneered in financial markets. The Microfinance definition involves the wide range of financial services corresponded to the needs of people with low-income or the persons who are excluded from the formal financial services (CALP, n.d.). Financial inclusion, as defined by the Center of Financial Inclusion (n.d.), is “a state in which everyone who can use them has access to a full suite of quality financial services, provided at affordable prices, in a convenient manner, with respect and dignity. Financial services are delivered by a range of providers, in a stable, competitive market to financially capable clients”. According to these definitions, microfinance is the core of financial inclusion. Generally, financial inclusion has broad coverage for all under-served populations with the full range of services they need, while microfinance is targeted at a particular excluded group with specific financial services or products (Cheston & Reed, 2013).

In previous years, researchers focused on the financial inclusion intervention for urban poor population, while the under-served groups such as migrants and refugees have not been

included in these studies. Jacobsen (2004) identified two main challenges in implementing microfinance programmes for refugees and migrants. The first challenge is the uncertainty of these refugee and migrant groups. They can move freely to another location, be resettled in other countries, or even return home. The risks, in the case of loans and repayment, will be a burden for the financial institutions. The second challenge is that refugees and some migrants may not have legal status in the host country. The legal status poses security risks to financial institutions when granting loans to refugees and migrants.

The research examining financial inclusion options with the focus on migration and livelihoods turns out to be one of the most promising paths to poverty reduction in the current world situation. Innovation and advanced technology are also key features in enhancing financial inclusion to reach the under-served population. On the other hand, the financial institutions should be able to give individual clients the holistic tools, that go beyond finance, to take charge of their own development, self-reliance and help them meet their livelihoods and basic needs in health, education and housing. The financial institutions or service providers should also find ways to keep their operating costs low, and control the potential financial risks when providing financial products and services to the excluded population.

An in-depth investigation could give way to a new look at population movements, and at the economic and social role of financial institutions and migrants in their transnational space of reference (Audebert & Doraï, 2010). As time passed, and through a series of migrations and local integration, the migrant and refugee communities became an important part of a host country's economy as a consequence of savings, investments, and remittances (Lont & Hospes, 2004).

1.2 Problem Statement

Migrants and refugees living in urban areas have unique demands for financial inclusion and livelihood interventions (UNHCR, 2011). It is important to understand the financial needs of under-served populations, as well as the available financial services in host countries, or in some cases, in their home countries. Microfinance and financial inclusion have been introduced in South East Asia over the last 10 years, but their activities have not been widely implemented in the region. The approaches have just been heading up in the Financial Inclusion 2020 campaign (Cheston & Reed, 2013).

Thailand is the destination of choice for migrant workers from neighbouring countries in Southeast Asia. Today, there are approximately 4 to 5 million migrant workers, both legal and illegal, living in Thailand (IOM, 2017). Most financial inclusion operations in Thailand have targeted only local people with low incomes, but left out the migrants and refugees. These migrants and refugees encounter challenges in accessing financial services. Kenya is one of the countries in Africa that hosted the large refugee populations. The majority of refugees and immigrants in Kenya are from neighbouring East African countries. One third of the international immigrants in Kenya are refugees and most of them migrate to Kenya for employment and education opportunities (IOM, 2015). Both Thailand and Kenya, in sum, are similar in terms of their situations and difficulties in making a living for urban migrants and refugees.

Financial inclusion and microfinance in South East Asia was recently introduced to the region. They are relatively new concepts for many countries in the region, although they have been well-established in other labour-intensive countries in South Asia such as India and Bangladesh since the late 1970s (World Bank, 2008). The implication from South Asia have not been fully applied in the South East Asian context for urban poor. The migrants in South East Asia also work mainly in the industries, fisheries and domestic work in urban areas. Thus, the implication of financial services and financial access conditions for migrants in South East Asia is deemed to be different from those residing in South Asia.

Since Thailand has just taken up the initial steps in the financial inclusion programme, the country can learn from other economies such as Kenya, which has similar migration situations as Thailand. Additionally, Kenya is quite advanced in digital financial services for previously unbanked and the unbankable population. The mobile finance system has been most successful in Kenya. Mobile money offers a low cost in sending money with an excellent system. Many people keep their money in mobile money systems rather than in the banks. Thailand could draw some lessons learned from Kenya on the financial inclusion programme and mobile finance platform. Patwardhan and Oliveira (2016) believe that financial inclusion does not only bring the unbanked into the banking system, but is also about using other data from the unbanked, through Financial Technology (FinTech), to allow them to remain unbanked but still have access to their basic needs and livelihoods.

According to the Asian Development Bank's Strategy 2020 (ADB, 2017), the framework emphasises financial inclusion as an essential part of financial sector development. The underserved segment of society cannot access formal financial services and livelihoods and, therefore, will be excluded from growth and other social and economic benefits. While promoting the use of formal financial services continues to be a challenge, this research focuses on the innovative financial inclusion options, and financial needs of migrants and refugees in urban areas.

Today, the digital finance system has become more adept at delivering tailored solutions, and it presents a potentially transformational opportunity to advance financial inclusion. This study seeks to examine gaps in financial inclusion and how digital financial solutions could help in closing these gaps in two selected countries in Africa and Asia, respectively. On the supply side, the research focuses on the risks and challenges of mainstream financial services players and the participation of the potential non-financial services providers such as mobile phone operators.

The growing number of migrants and refugees in urban areas of Thailand in the coming years requires an evidence-based assessment and analysis of the potential changes in the financial service needs of migrants and refugees in Thailand. The evidence from the country in another region, in this study, from Kenya in Africa could provide the implications and lessons learned for Thailand in implementing the financial inclusion in different ways.

This study shall, in sum, present findings to three main research problems. Firstly, the migrants and refugees living in urban areas do not have access to formal financial services and livelihoods in their host countries. Secondly, as a result of the expansion of urban migrant and refugee population, as well as the emerging of digital financial products and services, the financial needs of this population and the potential options for financial inclusion are expected to evolve. Lastly, the financial inclusion gaps and solutions for urban migrants and refugees will be impacted by the displacement trends and technology, and it is important for the benefit of host countries and development organisations to proactively understand, forecast and prepare for these challenges.

1.3 Statement of research questions and objectives

The purpose of this study is to examine innovative financial inclusion for the under-served urban migrant and refugee population in the Kenya and Thailand, respectively. The research also extends to the financial gaps and unmet needs of these migrants and urban refugees with the development of digital financial infrastructure in the host countries.

This study therefore aims to address the following questions:

- How do you characterise the financial service needs of urban migrants and refugees in Kenya and Thailand?
- What are the options for livelihood interventions and financial inclusion for migrants and refugees living in urban areas? What implications can be drawn from Kenya for Thailand?
- How can innovation and technology help support livelihoods and financial inclusion for migrants and refugees? What are the opportunities and challenges?

Based on the background of the study and research questions, the research objectives are:

- To identify the actual needs of financial services to migrants and refugees living in urban areas by examining differences between Africa and the South East Asian region;
- To determine the options for livelihood interventions and financial inclusion for migrants and refugees living in urban areas, and discuss lessons that Thailand could learn from Kenya;
- To determine how innovation and technology help to support livelihoods and financial inclusion for migrants and refugees, by considering the opportunities and challenges.

1.4 Justification of the study

Financial inclusion and microfinance is much more than simply microcredit or savings. It plays a vital role in poverty reduction and promotes self-reliance (Helm, 2006). The design of financial inclusion activities should consider the target clients, markets and local social conditions. In the last decade, the focus of financial inclusion has been the provision of financial services to the poor or farmers in rural areas (ADB, 2017). Recently however, urbanisation has

increased, and the poor, refugees and migrants who live in metropolitan areas are eventually becoming part of the norm.

This study examines the livelihoods and financial inclusion options, including the microfinance and income generating activities for urban populations in two selected countries across Africa and the Asia regions. Consequently, the study explores the options of financial inclusion, as well as the livelihood interventions that can be used interchangeably between the two regions at the present time. The study further attempts to identify the feasibility and implications of livelihoods and financial inclusion programmes for the population group that has always been left out from formal banking schemes, namely, migrants and refugees in an urban setting.

The findings and recommendations from this study will support financial inclusion programmes and promote the wellbeing of urban migrants and refugees while they are residing in a host country and resettlement country, or even when they return to their home country. Additionally, the findings will assist governments and financial service providers to deliver holistic financial services and products to the excluded and under-served populations in a way that improves their livelihoods and promotes self-reliance.

Governments and practitioners could adapt the financial inclusion options from this study and ultimately tap into their existing livelihood interventions for urban migrants and refugees. The effective financial inclusion policies require targeting specific market segments that currently do not have access to a full portfolio of financial services that meet their needs (UNCDF, 2014). The study also contributes to support for financial inclusion programmes and policies for refugees in camp settings, or the urban poor in similar situations.

This study further explores the risks inherent in including migrants and refugees in the financial service providers' target groups. By doing so, the research draws on existing financial services for urban migrants and refugees, as well as the risks of financial institutions and service providers in Kenya, through literature reviews and historical studies. The financial service providers in Thailand and other countries in the region can use these findings for their consideration to include the migrants and urban refugees in target groups. Some of the financial service options and practical lessons can help the financial services providers and the international organisations in improving financial inclusion schemes for urban poor population, migrants and refugees. At the same time, technology and innovation are examined in order to

provide their comprehensive solutions and impact. This study proposes support for the development of financial inclusion programmes and policies for refugees in camp settings or the urban poor in various locations worldwide.

1.5 Organisation of the study

Chapter One provides the background of financial inclusion, microfinance and migration in Asia and Africa. This chapter also discusses the research problem, and states the research questions as well as the research objectives. In Chapter Two, the literature review of financial services access and unmet financial needs of migrants and refugees is presented and discussed, together with the socio-economic data of migrants and refugees in the target countries and regions. This Chapter also examines the migration concept, livelihood framework, financial inclusion in the urban context and financial technology. Chapter Three presents the research approach and methodology with the data collected from interviews with migrants and refugees in Thailand. The intensive information from a review of historical studies on financial inclusion in Kenya is also presented in this chapter, together with the interview data from the field. In Chapter Four, the methodological approach to qualitative data is presented. This chapter further illustrates the financial needs, financial inclusion options, livelihood assets and strategies, and financial literacy levels. The comparative analysis between Thailand and Kenya in this chapter helps to reveal the opportunities for target populations to get better access to financial services. It also extends to present the financial digital services that could help in closing gaps emanating from financial exclusion. The final Chapter sums up the findings and presents the conclusion, lessons learned, recommendations, and suggestions for potential future research.

The following chapter introduces the main concepts of this study, as well discusses the conceptual framework, based on the review of relevant literature, pertinent for this study.

CHAPTER TWO OVERVIEW OF RELEVANT LITERATURE

2.1 Introduction

This chapter gives an overview of financial services' access and unmet financial needs of migrants and refugees. It also discusses the socio-economic data of migrants and refugees in the target countries and regions of Kenya and Thailand, respectively. The migration concept, livelihoods framework, financial inclusion in the urban context and financial technology are also elaborated on in this chapter.

Migration and displacement issues have become a challenge for many countries. Globalisation has created a borderless world in terms of economic distinctions and national boundaries (Ceglowski, 1998). People are able to migrate to other countries more easily than in previous days. All countries have to find ways to cope with the impact of migration and displacement, both for inflows and outflows of populations (UNDP, 2017). Countries need to identify their own solutions to tackle these migration challenges at different levels.

Migration involves the livelihoods framework. People might consider migration when they face a livelihood insecurity, for examples, low standards of living, a shortage of resources, and the availability of basic services (Hunter & Nawrotzki, 2016). Migrants and displaced persons have different livelihood strategies due to the problems or situations they may face in the host countries. Thus, their needs are also different. These migrants and displaced persons have unique needs in terms of basic services and products including education, health, financial products and service, as well as food. They may also have their own consumption patterns which require different resources to satisfy their needs.

With the advancements in financial technology, digital finance has become available as an options for migrants and refugees to satisfy their financial needs and livelihood strategies. The advances in communication, including internet and mobile phones, will ultimately reduce economic boundaries, and overcome formal trade barriers (Ceglowski, 1998). Financial technology and digital finance can bring more opportunities to vulnerable people in accessing resources and markets. The emergence of digital finance expands opportunities for financial inclusion and financial services. Digital finance provides migrants and refugees with access to

finance and more. For migration and refugee studies, the research on digital financing technology and its impacts to them, is still underway.

2.2 Definition of key terms and concepts

2.2.1 Migration

Migration is often seen as the consequence of political unrest, violence, economic exploitation, natural disaster, amongst others (De Haan, 2000). The migration process involves a person, a sending state and a receiving state (Aleinikoff, 2002). People in both sending and receiving states tend to see migration as a result of problems such as poverty, resource degradation, social discrimination, health issues. Migration also has a reverse image in contributing to the economic welfare and cultural of sending and receiving states (De Haan, 2000).

Some people may decide to voluntarily move from one place to another place, while others may be forcibly displaced such as asylum-seekers, refugees and internally displaced persons (IDPs) (UNDP, 2017). The root causes of migration have been debated for many years. One of the main causes of migration was claimed to have originated from conflict-driven displacement (Carling, 2017). Another relevant cause was economic motivation. The under-development of some economies drives people to seek opportunities outside their home countries (Aleinikoff, 2002). On the other hand, development may contribute to migration. People with skills and resources can find employment in other states, while their remittances constitute sources of financial capital in their home countries (Aleinikoff, 2002).

Today, the mixed nature of migration flows and motivation become a new global norm (Carling, 2017). Poverty is not always the root cause of migration. People who have experienced violence and conflict in their home countries, may not always migrate and become mobile. Instead, such persons may be motivated to move or migrate, both legally or illegally, to the destination countries in order to satisfy their needs or the households' needs.

2.2.2 Forced Migration

According to Aleinikoff (2002), people have a right to remain in their home countries or move to other countries. Some people are under pressure from human causes and forces of nature to

travel across international borders. The displacement of people with no wish to move is classified as forced migration (Carling, 2017). Forced migration also includes other sub-terms such as war-time migration or survival migration in which people do not have aspirations for migration but are being forced to move.

2.2.3 Labour Migration

Millions of people have crossed borders, legally or illegally, for employment opportunities. They are defined as migrant workers and migrants for employment (UNDP, 2017). Persons may try to find decent jobs and stay in the host countries as permanent settlers or temporary workers (Aleinikoff, 2002). People develop a desire for change in their lives. They may develop frustrations and energies that turn them towards migration in order to achieve their desire to improve their lives, households' conditions, as well as their needs in terms of earning sufficient income (Carling, 2017). The host countries also benefit from the foreign workers by gaining additional skills, and the labour force complements the existing domestic human resources. On the other hand, the countries of origin of migrant workers will receive financial inflows from remittances to support development and investment in those home countries.

2.2.4 Refugee and Asylum-seeker

According to the 1951 United Nations Convention on Refugees and 1967 Protocol, refugees are the people who are displaced from their homes by conflict, persecution and human rights' violations. Asylum-seekers are persons who are seek refugee status, in accordance with the 1951 Convention or a related instrument (UNDP, 2017).

Both refugees and asylum-seekers are forced to leave their countries and cross an international border to other countries in search of protection and asylum (Betts, Bloom, Kaplan & Omata, 2017). Many of them escaped their countries and arrived in refugee camps and in cities (Busher, 2011). In this situation, the conventional international response should be ready to meet their immediate needs in terms of food, shelter, clothing, clean water and sanitation (Betts *et al.*, 2017).

2.2.5 Human Mobility

The UNDP (2017) defined all types of migration as human mobility. In relation to the concept of human mobility, the role of municipalities has been in the spotlight as they are the main actor to manage inflows of migrants, refugees and displaced persons. The municipalities also have a vital role in promoting social cohesion, integration and protection. They have the ability to mobilise the contributions of migrants and displaced persons for local governance and development (UNDP, 2017).

2.2.6 Livelihood

According to the DFID (2000), “A livelihood comprises of the capabilities, assets and activities required for a means of living”. Kollmair and Gamper (2002) assert that a livelihood is sustainable if it is resilient to stresses and shocks, independent from external support, able to maintain capabilities and productivity of natural resources. At the same time, a sustainable livelihood should not undermine the livelihood options of others.

2.2.7 Financial Inclusion

Financial inclusion is defined as the access to and use of quality financial services to all income segments of society (El-Zonghbi, Chehade, McConaghy & Soursourian, 2017). It also refers to a mechanism that can facilitate the access and increase the availability of the formal financial system for all people (Sarma & Pais, 2008). Financial inclusion allows people to get immediate assistance to meet their needs in basic services and protection. Persons with low incomes and vulnerable people can access the required assets, capital and emergency cash. It offers the opportunity to the previously unbanked and the unbankable groups to use the banking system and access financial services. In the long run, financial inclusion can be used a tool to sustain livelihoods and create economic opportunities (El-Zonghbi *et al.*, 2017).

2.2.8 Financial Technology

Financial technology or FinTech includes digital or mobile financial services, which comprise four categories: money, insurance, savings and credit (El-Zonghbi *et al.*, 2017). The digital financial platform aids financial technology in creating values and innovation for all sectors. People from all socio-economic levels can benefit from financial technology, as well as the

mobile financial platform that suits their needs. Digital finance and financial technology expand opportunities for financial inclusion, making financial inclusion a possibility and reality.

2.3 Overview of Migration in Africa and Asia

2.3.1 Migration and Economic Effects

Many migration issues and displacement situations are complex, often with a mix of new, long-standing and recurring emergencies, and hence the livelihood interventions are very important. International migration is normally related to economic, social and political shifts (Castles & Miller, 1998). People living in rural parts move to the cities to find better employment opportunities and improved living conditions. Some urban residents are moving to highly developed countries to improve their lives and earn higher incomes for their families.

Since the 1990s, international migration has grown a due to the improvement of transportation means and communication technology. People can easily make decisions on their international movements based on the information received on opportunities in another country, and the affordable travel costs. Scott (1968) suggests that people migrate to other countries for other factors such as the improved public health facilities, choice of low-cost transportation and a sense of social responsibility.

According to Skeldon (1997), the major cause of migration is economic reasons. The direction of migration is not only from rural to urban, or from agricultural areas to industrial or commercial centres, but it is also from developing countries to highly developed countries. People migrate to different places worldwide as refugees, asylum seekers, migrant workers, skilled workers, unskilled workers, entrepreneurs, or as a family members of migrants (Castles & Miller, 1998). According to the IOM-GMDAC (2015), over 244 million people are international migrants as of 2015, constituting 3.3 percent of the global population. In 2013, an estimated 150 million persons migrated internationally as migrant workers (IOM-GMDAC, 2015). The figure includes all types of migrants such as documented and undocumented migrants. However, the number of illegal immigrants and irregular migrants is hardly measurable due to its dynamic character and lack of data.

Skeldon (1997) further states that migration has often been regarded as a failure of development. People leave their countries in search of a better life and living conditions. Their country of origin has sometimes been left under poverty as no one wants to live or work within it. On the contrary, international migration also creates the capital flows back to migrants' home countries in the form of remittances. Remittances are an important source of finance to nations, and helps improve livelihoods, as well as investment in human capital (Sander, 2003). In many cases, remittances constitute a developmental contribution that is complementary to public interventions. The IOM-GMDAC (2015) reported that foreign workers remitted over US\$581 billion annually to their homelands. It is noteworthy that the remittance inflows are three times more than foreign aid received by low-middle income countries in the same year.

2.3.2 Migrants, refugees and displaced persons in South East Asia and Africa

Today people are migrating worldwide. They consist of legal and illegal migrants, labour migrants, asylum seekers, refugees and the internally displaced. They move for various reasons and to various distances, nationally, regionally and internationally. In the past, these people would have just moved internally or crossed borders to the neighbouring countries. Thus, it is also quite common these days to find a refugee or an asylum seeker residing in the capital city or industrial area of another country across the world (Obi, 2001).

Migrants tend to be seen as rational economic agents and have significant roles in the host communities and their homelands. On the other hand, many nations see them as the threats to economic and social development (De Haan, 2000). Refugees and displaced persons may be considered the most unfortunate of all migrants (Scott, 1968). They are forced to flee from their home countries in order to save their lives and/ or the lives of their families. They have no choice but to seek safety in neighbouring countries or other countries far away, where the culture and social environment are totally different (Obi, 2001).

According to the UNHCR (2010), the 1951 Convention endorses a definition of refugees in Article 1.

“... The emphasis of this definition is on the protection of persons from political or other forms of persecution. A refugee, according to the Convention, is someone who is unable or unwilling to return to their country of origin owing to a well-founded fear of being persecuted for reasons of race, religion, nationality, membership of a particular social group, or political opinion...”

The increases in population and conflicts has intensified the world problems and increased the movements of people, including the refugee migration. Not all refugees are “Convention refugees”, as defined in the 1951 Convention (Obi, 2001). Many of them are externally displaced, whether or not they are seeking refugee status.

On the contrary, asylum countries have to deal with an influx of asylum applications. Asylum seekers move to another country due to fear of persecution, while some of move to improve their standard of living or find better economic opportunities. Many asylum countries have to put effort and resources in differentiating between asylum seekers and economic migrants, and have even resorted to strict immigration measures (Obi, 2001).

2.3.3 Migration Situation in South East Asia

International migration in Asia has frequently occurred. The migration in South Asia is related to the demand for labour in agricultural sector. The immigrants from Bangladesh, Sri Lanka and Nepal are migrating to India every year during the harvesting season. Migrants in South Asia mostly work in rural areas for agriculture industries (Castles & Miller, 1998). Unlike South Asia, the migrants in South East Asia are from neighbouring countries, but they reside and work in urban areas. These labour migrants are usually called economic migrants, and they are the main workforce for factories and many industries in Thailand, Malaysia and Singapore. Most of the economic migrants in South East Asia are from Myanmar, Lao PDR, Cambodia and Viet Nam. Men can work in various industries including fisheries and mining. Women are generally employed as domestic workers for households in urban areas. To date, Thailand and Malaysia receive millions of workers from other countries (ILO, 2018). Interestingly, many of these foreign workers arrive illegally or through smuggling.

In Asia, there is substantial illegal migration and it takes many forms. Many migrants hold the tourist visas for their first entry and overstay the time allotted in the visas. The smuggling of undocumented workers is very common along the national borders (Castles & Miller, 1998). It is therefore difficult to estimate the number of illegal migrants in Asia.

According to Castles and Miller (1998), most Asian migrants are unskilled to low-skilled workers. The skilled labours are on the increasing trend recently. In Thailand, the migrants from neighbouring countries move across borders to seek employment in big cities. They intend to

work temporarily and return home after collecting a sum of money. There are many migrants who prefer to stay longer to do business or settle down in Thailand for better opportunities and living conditions. The migration in Asia is shaped by government policies, migrants, employers and labour agents or brokers (Castles & Miller, 1998).

Apart from the migrant workers or economic migrants, many countries in South East Asia hosted refugees and asylum seekers from over 40 nationalities. According to the UNHCR Global Report (2016), there are more than 532,600 refugees and asylum seekers in the South East Asia. Many states in South East Asia are neither a signatory to the 1951 Convention relating to Status of Refugees, nor to its 1967 Protocol. As such, urban refugees and asylum seekers are not recognised under the States' laws, and are regarded as illegal migrants. They cannot access basic needs or seek employment to become self-reliant. Many of them fear arrest, detention and deportation, and lack of opportunities to higher education. Due to the high living cost in urban area, they are put in a state of extreme poverty.

2.3.4 Migration Situation in Africa

Many African states are struggling with poverty. People opt for migration to escape from their hardship or death from hunger. Castles and Miller (1998) assert that people migrate without information about destination countries, and often travel without their identity documents. Thusfar, it is difficult to analyse the international migration in Africa.

In Africa, illegal migration is a problem. Due to the high demand for labour in plantations and mining industries in the 1990s, migrant labour recruitment systems were established. However, illegal migration is still prevalent in many African states (Castles & Miller, 1998).

Similar to migration trends in other region, people migrate as the result of pull factors in another country. The economic conditions and prosperity in terms of employment opportunities can stimulate the international movements. The living conditions, as well as the full access to basic needs, are pivotal in the migration decision process (Buscher, 2011).

Since the late 1950s, refugees fled their homes due to wars and internal conflicts. Asylum seekers arrived in other countries, but not all of them were in fact refugees. They were always mixed with economic migrants. Unlike South East Asia, most African states are parties to the

Conventions relating to the Status of Refugees. The refugees and asylum seekers have permission to remain in the host countries. However, the number of refugees and asylum seekers in the African continent outnumber those of the South East Asian region. According to the UNHCR Global Report (2016), there are approximately 6 million refugees and asylum seekers in Africa. Many signatory states are not fully compliant with the Convention when they need to deal with large groups of refugees.

2.3.5 Migration Situation in Kenya

The majority of immigrants in Kenya are from other African countries and, of these, most of these immigrants are from East African countries (IOM, 2015). Today, the refugee situation in Kenya is intense. The country is home to more than 370,000 refugees living in camps and urban areas. The growing number of urban refugees in Nairobi is unconfirmed. The numbers are in the range of 45,000 to 100,000 (IOM, 2015). Kenya is a signatory to the 1951 Convention on the Status of Refugees and the 1967 Protocol, and as such, refugees are protected and recognised under the national laws. Prior to 1988, the government of Kenya was quite generous in providing assistance to refugees and their strategies emphasised on local integration. But after the influx of the refugee population in 1992, the government imposed a restrictive encampment policy (Kobia & Cranfield, 2009).

Labour migrants in Kenya mainly engage in informal and subsistence farming. Rural Kenyan and migrants from nearby countries move to slums in the big cities and become part of the urban poor. The pull factors for the immigrants to move to Kenya include its strategic location as a regional hub in eastern Africa. There are plenty of assistance programmes provided by international agencies. The second reason is the economic opportunities, and the access to markets and social services. Kenya has education facilities where migrant children can receive qualifications while residing in the country. The last pull factor is the strong tourism industry that generates the revenue following agriculture (IOM, 2015).

Aseyo and Ochieng (2013) estimate that about 18 percent of refugees in Kenya reside in urban areas, and 26 percent of them live in camp settings, while the rest are dispersed in rural areas or other locations. The refugees in Kenya come from its neighbouring countries including Somalia, Eritrea, Democratic Republic of Congo, Ethiopia, Rwanda and Burundi. Although the host government imposes restrictions on the movement of refugees, most of them continue

flowing into the urban areas due to the pull factors such as employment, education and healthcare. The fear of deportation and encampment puts stress on urban refugees. Many of them are reluctant to come forward for support. This makes them a largely “invisible” population. (Pavanello, Elhawary & Pantuliano, 2010).

Jacobsen (2004) observes that urban refugees face similar livelihood problems as the urban poor, but the refugees have additional worries related to their legal status. Refugees in Kenya fear to move around as most of them do not have valid legal documents to stay and work outside the camps. According to Aseyo and Ochieng (2013), about 86 percent of urban refugees have the ability to pay for housing, food, water and clothing without depending on humanitarian assistance. This is because the humanitarian assistance in Kenya provides for the new arrivals for a limited period of time. The refugees, therefore, have to become self-reliant in finding livelihood coping strategies to live in the city and to overcome all the restrictions.

2.3.6 Migration situation in Thailand

Thailand is neither a signatory to the 1951 Convention Relating to Status of Refugees nor to its 1967 Protocol. As such, refugees are not recognised under the Thai laws, and are regarded as illegal immigrants (UNHCR, 2006). Apart from the 140,000 refugees from Myanmar in border camps, there are 8,000 urban refugees from Pakistan, Viet Nam, Somalia, Iraq, China, Syria and other countries living in Bangkok (UNHCR, 2017). Since the refugees do not have legal rights to employment, most have no financial means to sustain their lives. They do not have direct access to basic public services, and most of them fear of arrest, detention and deportation (UNHCR, 2006).

Migrant workers in Thailand also face the similar situation as refugees if they are not able to get work permits from Thai authorities. Most of the migrant labour force in Thailand is from surrounding countries, namely Myanmar, Lao PDR, Cambodia and Viet Nam. Immigrants come to Thailand for employment opportunities and better living conditions. Some of them flee from their homeland due to political unrest situations and poverty. The IOM (2017) reported that there are 4 to 5 million migrant workers living in Thailand. Despite their willingness to work and become self-reliant, the restrictions imposed by Thai laws put the illegal migrants in difficult situations. The legal migrants also need to follow the strict immigration requirements,

which sometimes take extra time and cost money in terms of completing the process such as the regular reporting in person at the immigration centres, the visa extension and so on.

2.3.7 Migration and Displacement in an Urban Context

In previous refugee studies, refugees have been categorised by the refugee flows and settlement, for example, urban refugees, camp refugees or self-settled refugees (Audebert & Dorai, 2010). Recently, the urban refugees became the burning issues all over the world. The arrival of Muslim migrants in Europe proves to be one of the major emerging incidents. It is common that refugees who firstly came to seek protection and humanitarian assistance, ended up being economic migrants in those host countries. The growing number of migrants find themselves between categories: refugee versus economic migrant, urban refugee versus camp refugee, legal versus illegal. These blurred categories challenge both refugee studies and migrant studies (Audebert & Dorai, 2010).

The migrant and refugee population is dispersed across the urban landscape, often grouped in small enclaves mixed among the urban poor (UNHCR, 2011). Urban settings pose a host of real and difficult challenges for migrants and refugees, even when the surrounding protection environment is reasonably tolerant. These challenges are exacerbated when the protection environment can be characterised as hostile, affording almost no real protection (Kobia & Cranfield, 2009). This is particularly true in the case in Kenya and Thailand, where there is an absence of a legal framework for protection of refugees and irregular migrants. Governments' policies of arrest, detention and deportation of all "illegal" migrants result in a protection environment in which refugees and many migrants have no legal status and are at risk in every aspect of their daily lives (Kneebone, 2016). With no right to work, they then work in the informal sector in low-paying jobs, are at a constant risk of exploitation by employers, and even arrest if picked up in the frequent street controls and raids conducted in areas known to host large numbers of illegal migrants.

Most of the undocumented migrants and refugees commonly work in the informal sector, in order to keep their legal status hidden, as they do not have the right to employment (Kobia & Cranfield, 2009). With the employment, the urban refugees and migrants contribute to the economies of their host and home countries. They are a source of cheap labour to the economy

of the host country. However, from the perspective of the local community, the migrants and refugees are taking their jobs.

Today, the big challenge for humanitarian organisations that work purely in emergency settings is the transition to serving urban populations with much different needs (Halais, 2016). Aseyo and Ochieng (2013) observed that the displacement results in the loss of key livelihood assets including land, production materials, infrastructure or financial capital. The displaced persons do not have the means for income generation and become dependent on the assistance from the host community or relief organisations. Thus, a community-based approach has been introduced and implemented by humanitarian organisations in tackling the radically different types of livelihood assistance programmes (Halais, 2016).

Aseyo and Ochieng (2013) emphasise that relief assistance should be strictly provided to the needy or qualifying displaced persons like new arrivals for a limited time. This assistance will help the vulnerable individuals to settle in the city and cope with immediate difficulties. The key strategy of supporting displaced people should, instead, focus on the income generation which can help them to acquire means of supporting their livelihoods. At the same time, financial inclusion can also support the displaced person by facilitating their access to various financial services, microcredit facilities, financial literacy and business training.

2.4 Theoretical/Conceptual Framework

2.4.1 Challenges of Displaced People in Accessing to Financial Services: Situation in Kenya and Thailand

Due to the volatile and unpredictable environment in the city, the migrants and refugees have a high demand in accessing and using financial services, especially for credit products, in order to manage their vulnerability and promote basic livelihoods (El-Zonghbi *et al.*, 2017). According to the UNHCR (2011), access to financial services can help migrants, refugees and local communities in many different ways such as:

- With start-up funds, migrants and refugees will be able to obtain assets such as land, homes, collateral, and other productive capital.
- Migrant/ refugee entrepreneurs can establish their business and gain viable capital to expand their business.

- Consequently, the new business ventures will create employment opportunities for others. The employment helps in improving the quality of life for themselves, families and local communities.
- Migrants and refugees gain income for their families, and thus through their spending on goods and services, can also promote the economy of host countries.
- Migrants and refugees become self-reliant and reduce vulnerability, while promoting empowerment and self-esteem.
- Migrants and refugees can build basic financial skills through the continuing interaction with financial service providers to keep businesses running and manage repayments.

Urban refugees and migrants are often unable to access basic services due to their economic situation and legal status. Their inability to access financial services such as credit and savings affects their livelihoods and prolongs poverty (Kobia & Cranfield, 2009). Jacobsen (2004) highlights that the migrants and refugees with irregular and low incomes need access to financial services, which allow them to secure a regular cash flow for expenditure purposes. This is why there is a range of informal financial intermediation mechanisms already utilised by migrants and refugees. A range of financial services is required to allow the migrants and refugees quick, safe access to money when it is needed, either through savings, loans, or insurance.

In Thailand, Jampaklay and Kittisuksathit (2009) observe that most of the migrants in Thailand used informal agents or personal networks such as relatives, friends or fellow townfolk in remitting funds to their families in homelands. These informal services are not free. Migrants and refugees have to pay a 'sending fee' to informal agents when remitting funds to receivers in their home countries. Migrants who relied on personal networks are also required to paid some contribution towards travelling expenses or compensation for the person whom they asked to send their money home.

Sander (2003) also presents that, in Asia and Africa, it is very common for migrants to send money with drivers of buses or taxis, with friends or relatives. Most migrants prefer to use informal agents as it is convenient, fast, easy and problem-free. Most migrants also do not know of any other method to send their money home. On the other hand, the financial infrastructure in their home countries is underdeveloped and many migrants do not know how to access or

use formal banking services (Jampaklay & Kittisuksathit, 2009). Therefore, improving access to financial services in the host country may not be sufficient to promote the financial inclusion of migrants. This would also require the development of financial infrastructure in the receiving countries, as well as the provision of basic financial literacy.

In Kenya, the mobile money platforms such as M-Pesa are widely used by the urban poor and migrants. M-Pesa users are able to receive money from senders who live faraway. Digital payments thus appear to strengthen and expand the access to financial services amongst the urban and rural populations. There are now ten times more M-Pesa outlets than bank branches, ATMs, and post offices in the country (Radcliffe & Voorhies, 2012).

The increasing scale and complexity of displacement have put pressures on the host countries and development organisations to redesign their approaches. Many host states perceived that the migrants and refugees are a social and economic burden to the host communities (Jacobsen, 2006). Financial inclusion is one of the powerful tools to help mitigate the impact of migration crises. It provides both displaced persons and local residents with a diversified set of financial products and services that are critical for vulnerable communities (El-Zonghbi *et al.*, 2017). Thus, the migration and finance studies are now moving parallel and closer to each other. The comprehensive research which brings these migration and financial inclusion together will provide a new perspective on the international migration and challenges facing by migrants and refugees.

2.4.2 Financial Inclusion as a Livelihood Intervention

Financial Inclusion is one key element of a livelihood intervention for the poor and marginal groups of people. It is not an end in itself but contributes to increased financial services and products to serve the unmet needs. Currently, migrants and refugees worldwide face various financial problems. The income generation activities for migrants and refugees would require some capital, and even more for the activities in urban settings (ILO, 2002).

More than half of refugees around the world live in the cities or urban areas (Halais, 2016). Many millions of refugees are deeply and productively settled into the daily economic life of cities. Refugees have access to economic, social and cultural resources through their networks in the host communities (Aseyo & Ochieng, 2013). Jacobsen (2006) asserts that the refugees

are reliant on the support provided by their co-nationals living in the same communities which include advice, material and emotional support, as well as the connections with employment and financial networks.

People who lack of access to financial services are vulnerable to poverty as they are at risk for cash flow problems and credit constraints (Lont & Hospes, 2004). Microfinance can support livelihoods among refugee and migrant populations. It also promotes income generation of households and self-reliance (UNHCR, 2011). Income generation and microfinance are used interchangeably. However, microfinance has a broader meaning as it refers to the arrangement of various financial services such as savings, loans, insurance, money transfers, payment services, counselling, training and other in-kind support and services (ILO, 2002). In the case of migrants and refugees, microfinance activities also include remittances of income to their home countries (UNHCR, 2011). The ability to access microfinance with these financial products can help migrants and refugees to cope with cash flow problems and also be able to meet their basic needs.

According to Lont and Hospes (2004), there were questions as to whether microfinance leads the poor to sustainable livelihoods, empowerment and room for manoeuvre, or instead brings about debts, risk, conflict and increased vulnerability. Since the urban settings are different from the rural settlement, it is necessary to analyse the role of livelihood assets in accessing and utilising urban informal financial services.

2.4.3 Livelihood conceptual framework

A key to better understanding financial inclusion is the examining of the livelihood concept. Livelihood was meant to focus on the poor themselves, emphasising that the poor have assets, options and strategies, and that they are decision-makers (Lont & Hospes, 2004). Livelihood programmes aim to build capacities and broaden the opportunities that people need in a new environment. The main aspect of the livelihood programmes usually includes the need for financial services, and how to get better access to these services. The long-term goal of livelihood interventions is to help vulnerable people to become self-reliant and to keep people's attitude to working, investing and hiring (UNHCR, 2011).

Jacobsen (2006) affirmed that a livelihood framework comprises of three components: the vulnerability context, assets and strategies, and outcomes. The legal status of migrants and refugees relates to the vulnerability context. The lack of legal status results in limited access to basic services, and hence creates a new form of discrimination and harassment. Migrants and refugees lack five key capitals of livelihood assets including social capital, human capital, natural capital, physical capital and financial capital (DFID, 2000). These five capitals of livelihood assets, as well as livelihood strategies, can help migrants and refugees to achieve their desired outcomes. Livelihoods and financial inclusion can help individuals and households to protect and build financial capital, and eventually support their living standards (Jacobsen, 2004). In return, the host communities can benefit from the migrants and refugees but they should firstly be given the rights to work, move about freely and become integrated into the host society.

In Figure 1 below, the conceptual framework of this research is developed based on the livelihood framework concept presented by DFID (2000) and Jacobsen (2006), respectively. According to Lont and Hospes (2004), the study of livelihood patterns is an excellent starting point for the analysis of savings arrangements and credit mechanisms as part of financial inclusion interventions. In the design and implementation of development projects and financial inclusion activities, it is crucial to be aware of livelihood strategies and ensure the wellbeing of target population is sustained.

In the displacement contexts, linking migration to poverty needs a review of social dynamics and livelihoods. Migration is one of the strategies that help in enhancing livelihoods by reducing poverty and vulnerability in the host and home country (De Haan, 2000). On the other hand, the access to migration depends on social capital, which in turn requires a review of the livelihood framework and its five core features.

The theories on migration, livelihoods and financial inclusion are mutually inclusive, with many overlapped factors that influence and affect the other. The research developed from the livelihood framework concept should be the appropriate entry point for the innovative financial inclusion study, and can provide more evidence on the role and impact of financial inclusion for migrants and refugees in urban settings.

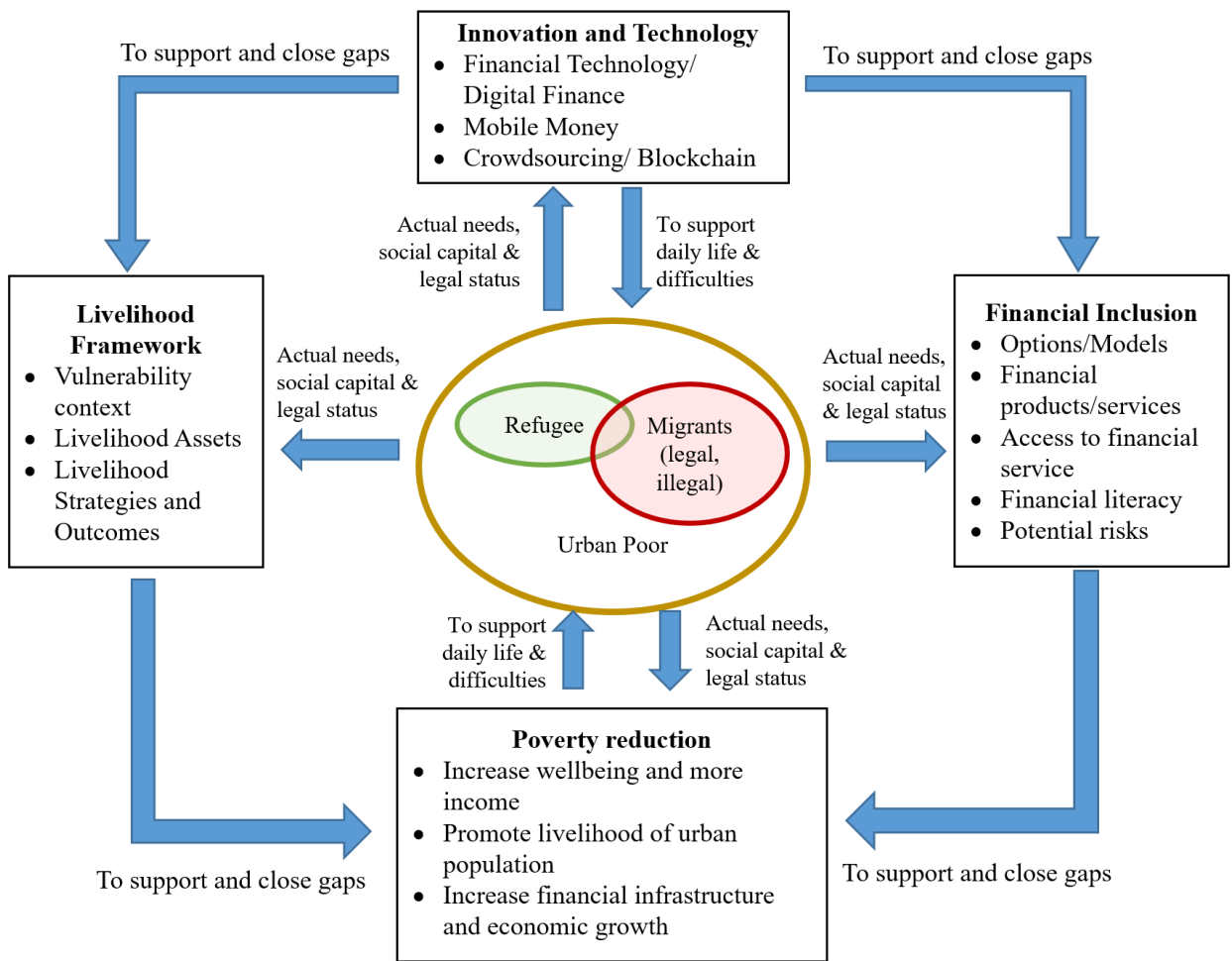


Figure 1: Conceptual Framework Model (Own constructed)
 Adapted from Livelihood Framework Concept (DFID, 2000 and Jacobsen, 2006)

2.4.4 Financial Inclusion and the Digital Financing Platform

Access to financial services in the form of loans is hardly possible for migrants and refugees as they have to provide collateral. In several cases, they run into other barriers, such as legal documents, genders, and nationalities. Some countries have overcome these barriers by using financial technology (UNCDF, 2014). Financial technology, or FinTech, has delivered financial inclusion to unserved and under-served people in recent years. However, the FinTech might not be the most effective solution for some population groups in certain countries. According to Patwardhan and Oliveira (2016), FinTech has four main obstacles. The first one is the lack of infrastructure for mobile technology, including internet. The second barrier is the number of people who cannot afford mobile phone or internet access. Another big problem is awareness and education. To use the FinTech, one requires basic technical literacy and financial education. The last barrier is the content as it is in a language that is not the first language for some groups of people such as immigrants.

From the Conceptual Framework in Figure 1 above, innovative financing mechanisms support livelihoods and financial inclusion. Financial technology also presents new opportunities to link displaced people to a broader array of financial services (El-Zonghbi *et al.*, 2017). With digital delivery, migrants and refugees without legal status do not have to move around to access financial services. Well-designed inclusive digital financing platforms can offer vulnerable communities the opportunity to save money and build core livelihood assets. As for the host country, the digital financing systems play an important role in meeting economic needs and leveraging existing national financial infrastructure. The development of inclusive innovative financing mechanisms can bring in more investment and eventually stimulate economic growth in the host country.

2.4.5 Sustainability of Financial Service Providers in the Host Communities

Although the number of financial service providers has grown rapidly in recent years, the outreach of their services is very limited compared with a high demand. The demand gap of financial services in the market is significant. Thus, the inclusive financial sector still needs to put in extra effort in increasing the outreach of financial services to close the gap between demand and supply (ADB, 2000).

Given the fact that the number of clients is increasing every year, financial service providers

need to adapt their strategies and, at the same time, become self-reliant and sustainable. The financial service providers should know their market, target clients and local social conditions (Jacobsen, 2004). The poor and low-income households may need safe and convenient deposit services located near their communities. They do not want to spend their working time on travel to access the financial services.

On the credit side, the financial service providers should have a variety of schemes for loans which suit the different requirements of target clients such as education loans, lending for housing, entrepreneurship, and microenterprise. The special group of clients such as refugees and migrants might look for money transfer services than what is otherwise provided. The remittances of these special groups constitute an importance source of finance and have positive effects on the economic and social development of nations (Sander, 2003).

More importantly, the financial service providers should be confident in the financial ability of their clients (ILO, 2002). The attitude of financial service providers towards the poor can affect their sustainability. The financial service providers should believe that the poor and displaced people have the capabilities to manage repayments and save money. Thus, financial service providers should review possible adjustments to facilitate the inclusion of the different groups of clients (Sander, 2003).

2.5 Empirical Literature

Migrants and refugees have to use assets and strategies in order to achieve their desired outcomes (Jacobsen, 2006). The livelihoods approach focuses on the people's strengths, both in assets or capital endowments, and how they endeavour to convert them into livelihood outcomes (DFID, 2000). People need to own assets to achieve their desired livelihood outcomes. As a result, poor people who have limited assets will need to find innovative ways to use their assets to the utmost.

The core of the livelihood framework is based on five assets or capitals which are human capital, social capital, financial capital, natural capital, and physical capital (DFID,2000). The relationships of the five assets are described in the shape of a pentagon, as to reflect the variation in people's access to assets and inter-relation of each asset. Obviously, people with one or more of the assets can generate various benefits. For example, land owners (natural capital) may also

receive financial capital. According to the DFID (2000), in order to understand the relationships of assets, it is necessary to look into the cultural aspects, structures and processes in transforming these assets into livelihood outcomes.

Based on the livelihood framework, the vulnerability context has a direct impact on people's asset status and the options available (DFID, 2000). The vulnerability context includes shocks, trends and seasonal shifts. During conflict or disaster, shocks can directly destroy assets because people are forced to abandon their homes and assets. With economic shocks, the rapid changes in key economic components can affect the poor. Trends provide people with the options to choose livelihood strategies. Lastly, the seasonal shifts in prices, employment opportunities and food availability are sources of hardship for people.

The vulnerability context for migrants and refugees must be well-managed. The effective approach to control the vulnerability context is to help people to become more resilient and better able to capitalise on its positive aspects. This is a core aim of the sustainable livelihoods approach (DFID, 2000). People should be supported to build up their own assets. Increasing people's access to appropriate financial services and ensuring the needs of people can reduce vulnerability (DFID, 2000).

Refugees and asylum-seekers in Kenya and Thailand face similar situations and difficulties (Betts *et al.*, 2017). They do not have the freedom of movement and the right to work. The governments of Kenya and Thailand have set up temporary camps to accommodate them. Refugees and asylum-seekers are not allowed to stay outside those camps. However, many of them leave the camps in search of employment opportunities or for better living conditions.

Due to the recent conflict situations in many countries, several states have closed their borders to the influx refugees and asylum-seekers (Betts *et al.*, 2017). The support from international donors is declining every year, while the number of people in need of protection is increasing. The livelihoods of these displaced groups become more difficult and make them vulnerable. According to Busher (2011), refugees and migrants in the cities have to cope with over-population, inadequate infrastructure and public services. Many of them have to stay in urban slums in big cities such as Nairobi, Johannesburg and New Delhi. They share the same level of hardship as the host community urban poor, for example, unemployment, crime, shabby shelter and limited public services.

De Haan (2000) asserts that migration is an element of active livelihood strategies. People may decide to migrate based on their social context such as household composition, social contacts and networks and how they perceive opportunities in other places. Some migrants want to stay in big cities or urban areas to access to various public goods and services. Some wish to have better employment opportunities (Buscher, 2011). The greater range of economic opportunities in both formal and informal sectors, and developed infrastructure, are the main pull factors for refugees and migrants to move from isolated camps or rural areas to cities (Strandberg, 2009).

According to Strandberg (2009), when displaced persons arrived in the host states, the initial livelihood assets they can rely on are mainly their skills, documentation, financial capital, physical health, and social networks. However, many of them may lack adequate skills and other livelihood assets. There is a high possibility that these assets are either insufficient or irrelevant to urban living. Many people have lost their certificates or documents during the displacement or preceding crisis. Some document may be eroded by years of displacement (Strandberg, 2009). With these challenges, migrants and refugees may opt for the informal sector to earn their living. Informal work can pose several protection risks and vulnerabilities to displaced persons including issues related to health and safety, dangerous jobs, social security, long working hours, low wages, or child labour.

From the development perspective, migrants and refugees are capable persons. They have their own skills, talents and aspirations which have been often overlooked by the development actors (Betts *et al.*, 2017). Migrants and refugees should not be viewed as a burden to host countries. Many of them have contributed to host society and economies, and they have the potential to create new opportunities for themselves and others, if they become self-reliant and are better able to cope with their vulnerabilities.

Dixit and Ghosh (2013) defined financial inclusion as the delivery of financial services, including banking and credit, at an affordable cost to the vast sections of disadvantages and low-income groups who tend to be excluded. Financial inclusion is one of interventions that can improve efficiency and the welfare of people. It provides secure and safe savings' practices, and improves the day-to-day management of finances (Sarma & Pais, 2008). Financial inclusion promotes the access to all-inclusive financial services and products.

According to Demirgüç-Kunt, Beck and Honohan (2008), the provision of financial services and products should be broadened to large segments of the population. The provision of better financial access to the excluded groups also has a positive indirect impact to other vulnerable people in the society. With access to affordable financial services such as savings, money transfers and loans, Strandberg (2009) asserts that the household cash flows can be stabilised. The household will be provided with seed money for investments and to improve their standard of living.

Financial services are important for the economy, individuals, and businesses. However, many people still lack access to basic savings and credit products (Manyika & Voorhies, 2016). With digital finance, people and businesses can benefit from digital financial services and products such as electronic payment systems, secure financial products, and have a chance to build a credit history for lenders. These innovations will be enable people to live more secure, empowered and included lives (World Bank, 2014).

Many financial services for the poor have not focused much on technology such as microfinance, savings products and rotating savings and credit associations (ROSCAs). Poor people, they have been using these financial services for long time, and the services are found all over the world. Interestingly, most of financial services to the poor are based on based on social ties and family connections. From the long history of these financial services, it has been proven that the poor want to save, and have the abilities to save money (Maurer, 2010).

Through digitalisation, people can promote financial inclusion, which helps boost economies. In remote areas, digital finance makes it possible to bring financial services to people who have never even stepped into the banks. According to Manyika & Voorhies (2016), digital finance could enable 1.6 billion people in developing countries to access financial accounts, loans and other financial necessities. With the mobile networks coverage, people can easily access innovative new digital finance products and services at an affordable price. In the view of migration, digital finance might help vulnerable people like refugees, displaced persons and migrants, to establish their livelihood strategies in host countries.

Financial services are changing rapidly and leading the way to new types of digital finance products. There is evidence from African countries such as Kenya, Tanzania and Ghana, that microcredit, micro insurance and micro-savings products are delivered leveraging the scale and

outreach of mobile wallets for individuals (CGAP, 2014). This phenomenon has a positive impact to both local residents, as well as the migrants and refugees in the countries (Strandberg, 2009).

New technologies can be used to promote social and financial inclusion. Disadvantaged groups may also have less access to technology, and thus fewer opportunities to acquire the relevant skills (OECD, 2018). With regard to migrants and refugees, training on basic internet skills should be taken into consideration to promote digital finance utilisation. These populations should develop their ICT skills to expand opportunities to survive in host countries through digital finance.

Nowadays, through the internet, the digital finance and crowdsourcing technologies help people in overcoming barriers and accessing resources, assets, markets, saving costs in money transferring and banking services (Bozat, 2017). With regard to the crowdsourcing initiative, there are distinctive advantages for the migrant and refugee groups. According to Bozat (2017), crowdsourcing is an innovation which aims to benefit from the efforts of a virtual crowd via internet technologies. People can ‘crowd’ resources, funding and assets that they can use to perform tasks. Crowdsourcing can bring in investment, partners, and solutions. Individuals can also foster their livelihoods through crowdsourcing.

2.6 Conclusion

Migrants and refugees can become social and economic assets to host states. It is necessary to create an environment that can enable their initiatives and encourage their participation (Jacobsen, 2006). According to De Haan (2000), migrants are agents of change. They can alter social structures and support networks. At the same time, they also create new identities in social structures that aim to support self-reliance.

People must engage in the income generation activity as it links to value creation. However, in creating value and returns to the economy and society, people also need great support to build the required assets (Jacobsen, 2006). Financial inclusion is one of the most crucial interventions to help people, especially marginalised groups such as migrants and refugees, to obtain the assets and develop livelihood strategies. All populations residing in the same countries,

regardless of their legal status or nationalities, should be given the opportunities to access to finance. Once people can cope with their financial and livelihoods challenges, the nation will eventually attain its comprehensive economic growth (Dixit & Ghosh, 2013).

Financial literacy should also be provided to all people, as well as the vulnerable groups, to ensure the capabilities in using existing or potential financial services and products. The coordination of stakeholders in different levels including financial institutions, governments, civil societies, communities can achieve the financial inclusion goal (Dixit & Ghosh, 2013). There is no single approach for financial inclusion; the states have to develop their own customised solutions based on structures and features of social and economic contexts in the relevant country.

Digital finance can offer assistance to people in finding the required assets. Digital finance can also provide better understanding on the nature of financial inclusion opportunities, and determine how these digital finance products could be more replicable at local and national level (CGAP, 2014). Crowdsourcing is an easier, cheaper, faster and smarter way of benefitting from the wise of the crowd (Bozat, 2017). Thus, crowdsourcing initiatives and innovations should be promoted as options for humanitarian actions and assistance to vulnerable groups such as migrants and refugees.

The next chapter considers the methodology adopted by this study.

CHAPTER THREE METHODOLOGY

3.1 Introduction

The purpose of this study is to present findings on the actual financial needs and livelihood strategies of migrants and refugees residing in urban areas of Thailand. The analysis on the financial needs and potential options for financial inclusion were illustrated along with the comparison to the historical data of urban migrant and refugee caseloads in Kenya. This chapter elaborates the research design, sampling technique, and qualitative case study approach. The collection of primary and secondary data, as well as the data analysis, have also been discussed in this chapter. The last two sections of this chapter provide an overview on how the validity, reliability and ethical considerations have been established for the qualitative case study.

3.2 Research Design

The main research design approach is based on a qualitative case study of migrants and refugees residing in urban settings. Generally, the qualitative methods can effectively deliver the facts and in-depth information on the financial needs and access to existing financial services in each country, as well as articulate the challenges faced by urban migrants and refugees in their host countries. The core functions of qualitative research are to identify what exists in the social world, to investigate why phenomena occur and to see the dynamics of how things operate (Ritchie & Lewis, 2003). Qualitative research can unpack these issues. It provides a unique tool for studying what underlies a particular perception, decisions or actions and map out the key factors.

Ritchie and Lewis (2003) assert that the term ‘case study’ sometimes appears to be used as a synonym for qualitative research. A case study, as defined by Yin (2014) is “an empirical inquiry that investigates a contemporary phenomenon (the ‘case’) in depth and within its real-world context”. Based on the definition, the researcher investigated the research problems and questions by breaking them into entities and analysing them to learn more about the case (Leacock, Warrican & Rose, 2009). The case study can illustrate data in a real life setting and

provide the better understanding of the research problem. With the same features as the qualitative research, the case study also has the key strength of exploring unanticipated issues as they emerge (Ritchie & Lewis, 2003). The case study may involve a single case or multiple cases. A single case study will provide the intensive description on the phenomena, while the multiple cases will enable meaningful and insightful comparisons.

In this study, the researcher has selected multiple cases to study phenomena, instead of the single case for several reasons. First, the information from the multiple case study can be used for comparisons. According to Creswell (2008), the qualitative research design was established based on research settings and population selected. The nature of comparison in qualitative research is about the understanding of context, impacts and consequences between groups of participants. Second, the multiple perspectives on the same context or settings from the multiple case study approach can build up holistic and comprehensive understanding of research issues. The increase in evidence from multiple case studies can also improve the validity and reliability of the qualitative research. Lastly, the multiple case studies could help in exploring more broadly, differences in the experiences and interactions between groups of participants which eventually contributed to research analysis and increase credibility of the collected data.

Additionally, the researcher has also used historical studies to investigate, and retrieve secondary data from the past. The secondary data from reliable sources, for example, government authorities and financial institutions, has been explored in this study to provide evidence and present different perspectives or facts. The researcher attempted to identify and evaluate the options for financial inclusion and financial technology innovations for migrants and refugees across two countries in different regions. The procedure of data analysis in this study was therefore based on the primary data from the interviews, combined with the empirical evidence and secondary data from various literatures. With the comprehensive data from both fieldwork and historical information, the researcher would be able to build up a holistic and contextualised understanding in the phenomena (Ritchie & Lewis, 2003).

3.3 Population and Sampling

According to UN DESA (2017), there were 3.6 million of international migrants residing in the Thailand. Of these, two million were undocumented migrants, and only approximately 640,000

migrants have registered as legal labour migrants (ILO, 2018). The UNHCR (2017) has estimated that there were approximately 110,000 refugees and asylum-seekers in Thailand. Among these refugee populations, 102,600 were refugees from Myanmar living in camp settlements along the Thailand-Myanmar border. The remaining of 8,000 caseloads were refugees and asylum-seekers living in urban areas or big cities in Thailand. The UNHCR (2017) also reported that there were 3,800 urban refugees and 4,100 urban asylum-seekers registered with the UNHCR Thailand. These urban refugees and asylum-seekers come from different countries in Asia and other regions such as Somalia, Pakistan, Sri Lanka, China, Cambodia, Viet Nam, Iraq, Afghanistan, Syria and other countries.

Based on the type of migration and number of international migrants in Thailand described above, the target respondents in this study have been divided into four main categories, which are refugees, asylum-seekers, legal migrants, and illegal or undocumented migrants. The researcher conducted interviews with three individuals from each category of the target population. The justification for this being that the other two participants in the same category can provide information for non-response questions when one participant did not want to answer or may not be comfortable to provide information in details for some reasons. The buffered cases in this study have been established in order to cope with the non-response challenge during the interviews, while the additional information from other cases could provide more evidence and increase credibility of the study.

The twelve participants, although they cannot be representative of the whole international migrant population in Thailand or Bangkok, yet the number is consistent with acceptable sample size for qualitative studies (Guest *et al.* 2006; Malterud *et al.*, 2016). The researcher acknowledges this limitation, which is very common for qualitative research. But given the research timeframe and available resources, the interviews of twelve cases are deemed an appropriate and adequate sample size for this study. The researcher put more focus on selecting the right participants to participate in this study, rather than achieving the large number of sample size which might not be able to provide the reflective responses for analysis.

According to Creswell (2008), more than one case can be selected for the qualitative study, and is usually called a collective case study. The researcher ensured purposeful sampling when opting for the collective case study. The selected multiple cases (or participants) can present different aspects on the problem, process or particular events. In this study, the researcher also

employed the typical format that starts with providing a detailed description of each case and follows the thematic analysis across the cases. The final part is the interpretation or lesson learned from the cases.

The target interview participants such as the undocumented migrants, refugees and asylum-seekers are considered as “hidden populations” (Jacobsen, 2006). Most of them keep a low profile in Thailand due to their illegal status. It was hard to locate them, and also very difficult for the researcher to approach them. Thus, this needed assistance from the initial group of interview participants or religion leaders to identify people with the same trait. The researcher also noted that the participants may have concerns about their security exposure and might be unwilling to be interviewed. The snowball sampling technique was therefore the suitable method to locate these hard-to-reach participants. From the study of Valerio, Rodriguez, Winkler, Lopez, Dennison, Liang, and Turner (2016), the snowball sampling method also achieved higher attendance rates and greater representation from vulnerable groups. Additionally, the strength of snowball sampling is that the participants are directly involved in research process. Thus, this would increase the credibility of the research.

The sample from snowball sampling will unlikely be representative of the population (Bryman, 2001). This limitation was not considered problematic, as the intention of the study was not for generalisation. The study was more focused on the understanding of context and display of experiences of the study population in detail (Creswell, 2008).

3.4 Data Collection

The primary data of this study came from the fieldwork of the researcher in Bangkok, Thailand. Semi-structured interviews were conducted with all four migrant categories in urban areas including legal migrants, undocumented migrants, refugees and asylum-seekers. Due to the sensitivity and security of interviewees, the researcher could not select other data collection methods. The focus group discussions need to be cautious about the meeting places, the selection of participants in each group discussions and the arrangement of interpretation. The research, therefore, could not guarantee their safety from the gathering for focus group discussions. The questionnaire method may increase errors in terms of translation and misunderstandings of respondents. Additionally, migrant and refugee groups tend to fear of deportation and detention. Many of them do not want to participate in any activities that

required their inputs in written form. The researcher also conducted historical research by retrieving the relevant secondary data from Kenya on financial inclusion and livelihood programmes to provide more evidence and practical lessons learned that could be applied for the target population in Thailand.

During September and October 2018, the face to face interview sessions were conducted by the researcher with twelve participants in the Bangkok area. Six interview cases were conducted, with three refugees and three asylum-seekers, respectively, who are members of different religious groups and refugee community members. Due to the hidden, marginalised nature of this refugee and asylum-seeker population, they are dispersed in the urban area and keep a low profile to avoid the risk of arrest. This makes these participants difficult to reach. Assistance from religious leaders and refugee community members was rendered to the researcher in conducting the interviews with the case subjects. The researcher had to separate the sample groups between refugees and asylum-seekers because there were significant differences in the assistance provided to these two groups by humanitarian organisations in Bangkok. Therefore, it is anticipated that the actual needs of refugees and asylum-seekers might be different, due to the inequality of external assistance.

Another six interviews were conducted with three legal economic migrants and three undocumented migrants (displaced persons). The snowball sampling technique was employed to reach the target group, especially the irregular migrants and displaced persons with illegal status. Religious leaders and migrant community members also provided assistance to the researcher in locating and contacting the potential participants. Similar to refugees and asylum-seekers, it was necessary to separate legal migrants and undocumented migrants from each other. The legal migrants have labour rights to receive assistance from host government, while the undocumented migrants have to depend on their own assets and resources to cope with all the difficulties they may face in Thailand. The data collection from these two groups of participants can present the different unmet needs which may have impacts on the research analysis and findings.

The oral consent was read out by the researcher before starting all interview sessions. The opening topics were introduced to participants to put them at ease and get them ready to talk. The interviews were captured through audio-recordings, where possible. Field notes were used in the interviews to record observations, and the researcher's thoughts and issues that may be relevant at the analytical stage (Ritchie & Lewis, 2003). The interviews were conducted

privately with each participant, and all the information collected from individual participants remained confidential at all times. The interviews with refugees and asylum-seekers were done in English, while the interviews with migrants were done in Thai. Most of the sessions took about one hour. The locations for interviews were at coffee shops or restaurants near the participants' residences, so that they did not need to travel far away, which otherwise might have increased the risk of arrest.

The interview questions were adapted based on local field circumstances, but mainly followed the topic guide (see Appendix 1). If a particular interesting issue emerged in one interview, the researcher would add questions to probe for more information on the issue. Follow-up questions were asked during the interviews to ensure full exploration of the issues under investigation (Ritchie & Lewis, 2003). Apart from the main questions on financial inclusion and their needs in financial products and services, the researcher also collected other information such as socio-economic data, reasons for migration, legal status, jobs, income and so on. These data tend to indicate connections to the main research objectives and questions.

3.5 Data Analysis

According to Ritchie and Lewis (2003), the method of analysis needs to offer certain facilities to the researcher in order to maximise the potential for a full and reflective analysis. In this study, the researcher reviewed, sorted and synthesised the raw data from the fieldwork. The researcher then focused on the discourse analysis through the adoption of implicit theories in order to make sense of social actions.

The researcher also chose to conduct the narrative method in this study. According to Dobson (1999), the narrative method and case study are good to be used together as they help to interpret information from the interviews. The narrative analysis can portray the background of the cases, and gradually reveal findings and answers to the research problems. The research entities and variables such as perspectives, livelihoods, opportunities, challenges, and actual needs are expected to be narrated from the case studies (Bryman, 2001).

In this analytical stage, the researcher followed three contexts in interpretation (Ritchie & Lewis, 2003). The researcher used the self-understanding and narrative method to analyse socio-economic data that was provided by participants during the interviews. The researcher

also used general knowledge and critical common sense understanding to analyse the information about the reasons for migration and interpret the participants' experiences in the context. Finally, the researcher attempted to use theoretical understanding and discourse analysis to interpret and link the data on financial inclusion with the main theory of the study.

In facilitating the data analysis, the researcher designed the interview questions based on the elements of the main theory of this study. The information extracted from the interviews was used together with the secondary data collected from various reliable sources to analyse the cases. Other relevant literature was also used to analyse the interview data. The primary data from the fieldwork of the researcher, and the secondary data from the historical studies on the available financial services for migrants and refugees living in Kenya, were used together in the data analysis. The researcher believes that the holistic data analysis from both primary and secondary data could provide strong evidence and valid findings for this research.

3.6 Validity and Reliability

The researcher used a qualitative case study to describe the information collected from the face-to-face interviews with migrants and refugees. According to Yin (2014), a high quality case study research derives from a comprehensive research design, systematic process of thinking, and the advanced skills and expertise of researcher. The strictness, validity and reliability are the core of high quality case study research.

The validity and reliability for qualitative research can reflect through the alternative criteria which are trustworthiness and authenticity (Bryman, 2001). Trustworthiness is made up of credibility, transferability, dependability and confirmability. The researcher adopted the respondent validation technique to ensure the credibility of the study (Bryman, 2001). The researcher transcribed the information collected from the interviews and checked interim research findings with participants.

Primary data from the interviews was intended for the analysis of actual needs for financial services, opportunities and challenges for financial inclusion and livelihood interventions. The long description of a case study was explained by using the narrative method that could help other researchers as a database for justifying the possible transferability of findings in other

similar contexts. Secondary data was used in the analysis of digital finance and financial innovation that are currently available, and have the potential to be utilised by migrant and refugee populations. The data was collected and retrieved from reliable sources and official databases of authorities and financial institutions.

All the records of this study are kept securely and available for auditing. This refers to the dependability of qualitative research (Bryman, 2001). Field notes, audio recordings, interview transcripts and other documents were collected in an accessible manner. However, the researcher made sure that all documents and files do not contain any personal information. With regard to confirmability, the researcher worked to ensure that the personal values were avoided in all stages of the research.

In addition to the trustworthiness, the researcher made sure that the study met the authenticity criteria by fairly presenting different viewpoints among members in society. The primary data reflected the perspectives of marginalized groups like refugees and migrants, while the secondary data provided the standpoints from other groups in the same social setting. Based on the explanation in this section, the researcher believes that this study has achieved all core criteria of high quality of qualitative research.

3.7 Ethical Consideration

The researcher ensured that the research procedures were strictly governed by ethical principles. The researcher stated clearly in the oral consent before starting each interview session that there shall be no harm to the participants from this study. The participants did not need to answer the questions that made them feel uncomfortable. They also had the liberty to withdraw their participation in the interview at any time.

Due to the high sensitivity of the interview cases, especially for refugee and undocumented migrants, the religious leaders and head of migrant community requested to review the questions before granting the researcher permission to conduct the interviews with their members. The questions posed during the actual interview followed the topic guide, and subsequent questions were asked during the interviews to get additional details for analysis. The researcher made sure that the religious leaders and head of migrant community were not

present at the agreed location on the interview date. This was to prevent bias and their influence in the interviews.

The researcher noted on the drawback of snowball sampling technique that it is difficult to obtain anonymity between participants. The first group of interviewees may know who would participate in this study as they are the ones recommending the next participants for the researcher. To mitigate those risks related to anonymity, the researcher explained to participants that any data from this dissertation will be the combined data of all participants.

The researcher also came across some sensitive data such as the legal status of participants, the network of smuggling and trafficking in persons, and so on. Therefore, the confidentiality and anonymity were important issues in this study. The researcher had obtained the ethical clearance from the Faculty of Commerce at the University of Cape Town in undertaking research. Thus, the researcher obliged to adhere to the code of conduct for research of the University. Throughout all research phases, the researcher did not reveal the identity of the sources of data. During the interviews, apart from the nationality of participants, there was no other identification data obtained from the participants. The key concern in this dissertation is the protection of the refugees, asylum-seekers and migrants as the sources of data.

3.8 Conclusion

This chapter presented the research design and approach. The population and sampling technique were also discussed. Data collection and analysis therefore were elaborated on. Credibility, validity and ethical considerations were also accounted for this chapter.

The next chapter presents the research findings, and discussion thereof.

CHAPTER FOUR PRESENTATION AND DISCUSSION OF FINDINGS

4.1 Introduction

This study aimed to investigate the actual financial needs and livelihood strategies of migrants and refugees residing in urban areas of Thailand. The researcher conducted interview sessions with twelve participants from four migrant categories in urban areas including legal migrants, undocumented migrants, refugees and asylum-seekers. The information from interviews was transcribed and contemplated in the same format for ease of reference and comparison. The reporting of findings followed the coherent structure of research questions and conceptual framework in order to display the evidence and provide sufficient description to readers.

The analysis of data was conducted and reviewed separately between migrant and refugee groups to find the linkage between empirical literature in migration and financial inclusion. The secondary data of financial inclusion practices for migrants and refugees in Kenya were collected to explore their financial and livelihood needs, as well as to compare the data collected from the fieldwork of this research. The researcher presented the data collected from the interviews together with the researcher's own interpretation of the data to connect the findings with research questions.

The main results from the study present the comprehensive view on financial inclusion interventions with a synthesis on challenges, risks and practical lessons related to the financial inclusion and livelihoods assistance for migrants and refugees. The findings also illustrate the roles of financial technology in accelerating the financial inclusion of migrants and urban refugees. The discussion of findings in this chapter portray the possible financial inclusion interventions that respond to the financial needs of migrants and eventually lead to the recommendations in the next chapter.

4.2 Migrant population

Table 1: Demographic Data of Participants (Migrants)

Case no.	Nationality	Sex	Age	Status	Legal Status
1	Laos	Female	42	Divorced	Legal
2	Laos	Female	24	Single	Undocumented
3	Cambodian	Female	30	Married	Undocumented
4	Cambodian	Male	26	Single	Undocumented
5	Myanmar	Male	31	Single	Legal
6	Myanmar	Female	28	Single	Legal

4.2.1 Actual needs for financial services and Livelihood Framework Analysis

Vulnerability Context

Based on the livelihood framework, the vulnerability context of urban migrants seems to have a direct impact upon their asset status and their options to achieve livelihood outcomes (DFID, 2000). The vulnerability context portrays the external environment which people have limited or no control over. The availability of their assets are affected by this vulnerable context which includes trends, shocks and seasonality (DFID, 2000). All six migrants, both illegal and legal migrants, indicated during interview sessions that they migrated to Thailand because of poverty and employment opportunities in Thailand. From the vulnerability context, the migrants were affected by economic shocks in their home countries. In other words, they have followed economic trends to move to Thailand in order to get better employment opportunities and to overcome their challenges in livelihood.

Livelihood Assets

From the interviews, the migrants confirmed that they had difficult lives in their home countries. Most of them did not have a chance to study in secondary school. They lived in remote areas and worked in the agricultural sector. When they moved to Thailand, they looked for labour jobs. This can be interpreted as that they have high human capital. All six migrants changed jobs frequently, due to acquiring new skills, mainly the ability to understand Thai language, from their previous workplace. Thai employers tend to hire migrant workers who can understand and communicate in Thai.

Regarding the social capital, four migrants decided to come to Thailand because they knew some people from their home country. These people were not the official agents but they might

have some connections with employers so that they were able to put the migrants in their first jobs. The other two migrants had come to Thailand alone but both of them shared a house with other migrants with the same nationalities. These two migrants explained that they could not afford the house rental in Bangkok. Sharing the house with friends from their country could save living costs and are more comfortable than staying with different nationalities.

“I was very poor and I have many siblings. I had to quit school after finishing Grade 4. I came to Thailand to find a job with a good salary, but the living cost in Bangkok is very high. I need to share a house with other 10 migrants from Lao PDR. They are very good friends and I feel safe to stay with Laos people.” - Female undocumented migrant from Lao PDR.

With regard to natural capital, due to the urban context, the migrants have not been affected by this natural capital. Four migrants worked as helpers of street food vendors. Two of them were domestic workers. Therefore, the natural capital has a low impact for their livelihood in urban settings. On the other hand, the physical capital in terms of public goods in Thailand has influenced the decision for migration of this migrant group. All of them knew that living in Bangkok is not difficult, as long as they earn some income. Thailand has good infrastructure and they can get access to public goods and services at affordable prices. For example, they can buy a telephone sim card to contact their family or they are able to access to money transfer services.

All six migrants have had moderate financial capital since arriving in Thailand. They have a regular inflow of money from their earnings and are able to send money to their families. However, only two migrants have bank accounts in Thailand. Both of them are legal migrants with valid work permits. The other four migrants have no bank account in Thailand. Despite the hesitation on their legal status, three undocumented migrants stated that they do not know how to open the bank account with the bank or other formal financial institutions in Thailand. Similarly, one legal migrant stated that they do not know how to open the account with a Thai bank and what kind of documents are required by the bank.

“I don’t know that I can open the account at a Thai bank. I don’t have much money left with me after I have transferred my salary to my family. But I still want to keep my money in a safe place, not just hiding it in my room.” – Female legal migrant from Myanmar.

The data collected from the fieldwork shaped the Asset Pentagon of the Livelihoods Framework (Figure 2). The Asset Pentagon can be used as the entry point to see what kind of assets can be improved and the actual needs of migrant groups. It can be seen from the Asset Pentagon that human capital, social capital and physical capital are increasing after the migrants moved to Bangkok. They have been trained, gained language skills and have access to basic infrastructure and public goods and services in Thailand. The decline of financial capital constrains their ability to secure their savings and transmit money back home.

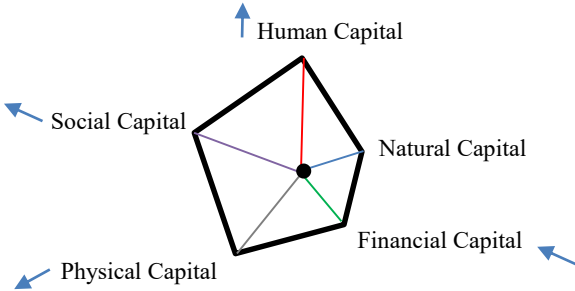


Figure 2: Livelihood Asset Pentagon of Urban Migrants in Bangkok

The intervention on the access to financial capital should be supported for migrants in order to help them in handling money. The financial services to be provided should be focused on savings, payment, and remittances. Four migrants were concerned about the security of keeping money in their houses. One of them had to turn money into in-kind savings such as gold and hide it somewhere in their room. They want to get the accounts with a Thai bank to save money and use ATMs to withdraw money when needed.

One migrant did not have a Thai bank account but he has an ATM card. He said he asked his Thai friend to open a savings account under his friend’s name and give him the ATM card. He uses this account to deposit his earnings and withdraw money through the ATM when required.

“I don’t have my own bank account but I asked my friend to help me...I think it was three years ago. He is very good person. We worked at the same place during that time. After I quit my previous job, I did not see him for three years but I called him to help keep this account for me. I need this account to keep my money.” – Male undocumented migrant from Cambodia.

In terms of loans, the six migrants expressed that they have never borrowed money from other people since they came to Thailand. All of them did not have a need for loan services. They also have never lent their money to anyone, and will never do so as they do not trust other people. Three migrants said that they always have a small amount left with them after they transferred money to their family every month. Thus, it was also not possible for them to lend this small money to anyone.

In terms of remittances, two of the migrants who have bank accounts in Thailand have no difficulties in sending money to their home country and within Thailand. They confirmed that there were some small fees to be paid to Thai banks for international transfer to their account in home country (approximately 1 USD fee for every 100 USD). Both of them said that they did not have any problem with this amount of fee. However, if there will be a significant increase in the money transfer fee, they may need to find other means to send their money at minimum costs.

“I send my money through a Thai bank every month. When I go to the bank, I just simply ask them to transfer to my account number in Cambodia. My daughter has my ATM card. So it is quite easy and the fee is quite reasonable. I don’t have much money to transfer anyway.” – Female undocumented migrant from Cambodia.

The other four migrants did not have their bank accounts in Thailand but they have their bank accounts with ATM cards in their home countries. Currently, all of them send their money back home by using agents. Interestingly, the informal transfer services through agents are quite popular among migrant workers in Thailand. When the migrants want to send money to their family, they will contact the agents who provide various kinds of services for their village and nearby areas. Most migrants are able to locate this person since the time they arrived in Thailand, through their social groups. Some migrants have been recruited from their home town to work in Thailand by these informal agents. From the interviews, the migrants trust their agents a great deal. Thus, the money transfer services through agents are using widely by migrants from neighbouring countries.

“Using an agent is easy and cheap. After I informed my agent the amount I want to send to my family, he will send money to them in a week. I don’t know how he sends the money. I heard that sometimes he goes to my village himself. But I think he usually asked

someone in the village to give money to my family on his behalf.” – Female undocumented migrant from Lao PDR.

To transmit money through an agent, the migrant will inform the amount of money to be sent to their family. Then the migrant will check with their family back home whether the money has been sent yet. At the end of the month, the agent will confirm to the migrant that the money has been sent to the family in village and requested the payment. There are some small fees to be charged by agent. The fees are nearly the same as the Thai bank transfer fees.

Livelihood Strategies and Outcome

All six migrants had made their choice in migrating to Thailand for better employment opportunities and earning more income. That means all of them adopted their livelihood strategy in moving to another country in order to achieve their desired livelihood goals during that time. Half of them explained that they did not have this idea of migration when they lived with their parents. They reached decisions to move to Thailand when they had their own families and faced economic problems.

From the interviews, one migrant is a single mother. She divorced from her husband a few years ago, and the husband left her with their three daughters. As she needed money to send her children to school, she had to leave her children with relatives, and came to Bangkok to find a job. From this case, the livelihood strategy was the migration but the livelihood outcome was to reduce vulnerability.

As for the other five migrant cases, they adopted the same livelihood strategy in cross-border migration but the livelihood outcomes are different. Four cases stated that they needed more money to support their families. The livelihood outcomes for this group was to maximise income stream. Another one case was to reunite and live with his family in Thailand. Thus, it can be implied that migrants prioritised their livelihood objectives and adopted the suitable livelihood strategies that can provide the desired livelihood outcomes.

4.2.2 Impact of financial inclusion and livelihood interventions for migrants in Kenya and implications for Thailand

The migrants, both labour and irregular, living in Nairobi mostly face significant disadvantages with few opportunities to work (IOM, 2015). Kenya is a hub for migrants from countries in East and North Africa. Most of them came to Kenya to look for employment and education. There are many migrant communities established in urban and rural areas. Some migrants could not afford the living costs in Nairobi, and eventually opted to reside in the informal settlements or slums. Although the migrants had to cope with livelihood challenges and limited access to public services such as healthcare and education, there were no special assistance programmes or interventions provided to the migrant communities and vulnerable immigrants (Clerke, 2018).

Financial inclusion and livelihood interventions for migrants in Kenya

While there were many livelihood interventions for urban refugees, the migrants and other internal displaced persons seem to be left out in Kenya. The migration from rural to urban areas become a major trend as the movement can provide more employment opportunities and greater access to public goods and services than their place of origin (IOM, 2015). The migrant communities are dispersed throughout Nairobi, particularly within the slums. The migrants from other countries have encountered many challenges in Nairobi and other urban areas in Kenya. They do not have proper identification documents or work permits. Some have language and health literacy problems. There was no assistance or livelihood programmes inclusively targeting urban migrants.

With the prospective life in urban areas, many migrants move to urban areas. People drop out of their traditional livelihoods and migrate to reside in Nairobi or other cities in search of work. The recent initiative to help the most vulnerable communities is the Cash for Work programme which was implemented by the Church World Service. It offered the poor or migrants the ability to make money, while capitalising on their energy and creativity, and responding to the most pressing short-term problems facing their communities. The programme can also help reduce poverty while addressing the needs of the communities (Church World Service, 2018).

The Cash for Work programme is not only a livelihood intervention. It is also the financial inclusion programme. According to the Church World Service (2018), the Cash for Work

programme has utilised the mobile money platform (M-Pesa) to transfer the payment to the recipients. The guideline of Cash for Work also put in place the arrangement of sim cards and mobile phones for the recipients who are new to the M-Pesa system. The practice enables beneficiaries to own and learn how to operate phones and the mobile banking system in Kenya.

What implications can be drawn for Thailand? What are the livelihood interventions and financial inclusion options for migrants in Thailand?

According to the livelihood framework analysis, the migrant population in Bangkok have relatively good livelihood assets in social capital, human capital and physical capital. The improvement for financial capital, or in other terms, financial inclusion, could help them to achieve livelihood outcomes.

From the interviews conducted, the main barriers for migrants in accessing formal financial services include documentation, legal status and financial literacy. Four migrants do not have bank accounts because they do not know how to open the account with a Thai bank. One of the four said that she went to the bank and the staff told her to submit many documents that she was clueless about. Partly, this problem might come from the communication in the Thai language that the migrant did not fully understand. Based on the interventions programme for urban refugees in Kenya, similar training and coaching to enhance language skills and financial literacy should also be provided to the urban migrants.

The Cash for Work programme like in Kenya might not fit the needs of urban migrants in Thailand. However, the mechanisms of the programme could help the migrant communities to form a similar committee to do the vulnerable assessment and identify the most needed project or most vulnerable persons they want to support. For the initial stage, the funds provided to beneficiaries may need to come from a humanitarian organisation. When the migrant communities see the benefit from the programme, additional funds could be collected from the community members and administered by the aid organisation or financial institute on the migrants' behalf.

Mobile banking in Thailand is not as advanced as it is in Kenya. The migrants also indicated in the interviews that they were not familiar with the platform and did not see the advantages. Therefore, it might not be a good implication for Thai context.

4.2.3 Innovation and technology to support livelihoods and financial inclusion for migrants in Thailand

Most migrants in Bangkok have mobile phones with Thai numbers (UNCDF, 2014). From the interviews, all migrants have smart phones. They are able to use the applications in their smart phones. Half of them bought their phones in Thailand, and the others from their home countries. When probed about the most application they used on their phone, all of them said the LINE application. LINE is a communication and social networking application which is very popular in the South East Asia region. It works similarly to WhatsApp, Skype, and other chat applications.

“I use LINE a lot. I use it to chat with my family and friends. I also use YouTube to watch Thai and Lao TV programmes. I have never used any other applications except for these two because I don’t know what they are.” – Female legal migrants from Lao PDR.

The older migrants over the age of 30 stated that they do not know how to use other applications in their smart phones. Two migrants who have the accounts with Thai bank heard about their bank’s application on smart phones. Both of them have never downloaded it because they were not familiar with its functions.

When asked about the payment for utilities and other services, five migrants stated that they paid utility bills through their landlords or gave the utilities’ sharing costs to the head of the shared house. They bought mobile phone top-up cards from convenient stores like 7-11, family marts, or nearby grocery stores. One migrant needs to pay utilities’ bills himself and he paid all the bills at convenient stores or post offices.

One migrant from Myanmar mentioned a Thai mobile phone operator that offered the cross-border money transfer to Myanmar. She was not sure whether or not the services are available only for people living in Yangon, the capital city. Since her family does not live in Yangon, she is hesitant to use this service. Currently, she uses the informal agent transfer services.

All migrants stated that they want to have a bank account in Thailand, as well as the ATM cards. The main reason is to increase security for their savings. They also do not want to go the

banks for cash out the money. The undocumented migrants expressed that they do not want to see the bank staff and mentioned anything about their work permit. The ATM cards could also help them with the payment of services. All migrants knew that they can make a payment to vendor, in order words, transfer money to vendors through ATMs.

In summary, the innovation and technology may not have a strong impact on financial inclusion for the migrant groups who participated in the interviews of this research. To assess the impact and demand of financial innovation and technology, the research should be conducted with large sample populations through surveys. Findings from this research pointed out that only the facilitation to access to formal financial services such as savings and the utilisation of ATM cards could provide a positive impact to financial inclusion of migrant population in urban settings.

4.3 Refugee population

Table 2: Demographic Data of Participants (Refugees and Asylum-seekers)

Case no.	Nationality	Sex	Age	Status	Legal Status
7	Somali	Male	20	Single	Refugee
8	Sri Lankan	Female	36	Widowed	Refugee
9	Nepali	Male	30	Single	Refugee
10	Somali	Male	28	Married	Asylum-seeker
11	Somali	Female	24	Married	Asylum-seeker
12	Palestinian	Male	21	Single	Asylum-seeker

4.3.1 Actual needs for financial services and Livelihood Framework Analysis

Vulnerability Context

Refugees and asylum-seekers in Bangkok faced extreme vulnerability context in their countries of origin. From the interviews with six refugees and asylum-seekers, all of them revealed that they had fled their home countries due to the life-threatening circumstances, or they were at risk of persecution due to race, religion and social groups. To reduce the negative impact of the vulnerability context, the refugees decided to seek asylum in other countries.

“I had a husband and brothers. All of them were killed in Sri Lanka. So I had to leave my country with my children. At that time, I was injured by the bullets before I fled to Thailand. I would have died if I did not come to Thailand. Here in Thailand, I received treatment from a Thai hospital for my wounds, but they are not completely healed. The

wounds make it difficult to breath. I look forward to being resettled soon and get the proper treatment.” – Sri Lankan Refugee.

All of the refugees stated during the interviews that they did not have anything with them, except for passports and some cash. They knew very well that they would not be able to return home and had to live abroad on their own. This could be interpreted as that the migration cannot eliminate the vulnerability context of these refugees. However, the component of their vulnerability context would be changes from a life-threatening one to other things such as poverty, access to education, health issues, and so on. The analysis on livelihood assets is, therefore, important to identify the changes in their actual needs and how to provide suitable livelihood interventions for the urban refugee and asylum-seeker group.

Livelihood Assets

All interviewed cases left their homes due to violence. They had nothing with them, except some cash and passports. All of them managed to get a visa to Thailand or Malaysia in their countries through smugglers before departing from the countries. All Somalis arrived in Kuala Lumpur, Malaysia first and then decided to move forward to Thailand. They had to move to Thailand because they were unable to cope with the high living costs in Kuala Lumpur. The Somali refugees and asylum-seekers contacted local smugglers to help them cross the Thai-Malaysia border inland. All Somali said that their passports were taken by the smugglers when they crossed the border and never returned to them.

Other refugees and asylum-seekers were aware that their living conditions in Thailand must be difficult. Some of them had never been told about the illegal status of refugees and asylum-seekers according to Thai laws. The persons who knew about this legal status fact still decided to come to Thailand.

“The living condition in Bangkok is not good. I feel that I could blend in with people in Malaysia, while in Bangkok it is difficult for me to blend in. You see, my look is very different. I live alone in the apartment which I rent from a Thai lady. There are other people from both Thailand and other countries living in the same building. I have no one here. I have to survive.” – Somali Refugee.

The information from the interviews revealed that refugees and asylum-seekers lack most of the livelihood assets. Currently, there were no differences in the level of assistance to refugee groups and asylum-seekers group. Most assistance from refugee organisations was reduced. Refugees and asylum-seekers have to depend on their own resources. The Livelihood Asset Pentagon for these refugees and asylum-seekers are shown in Figure 3.

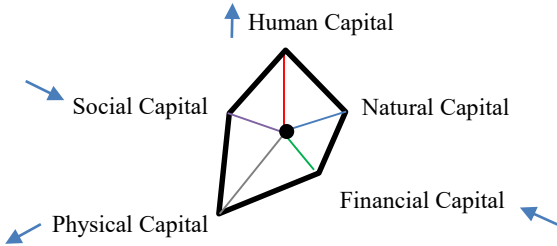


Figure 3: Livelihood Asset Pentagon of Urban Refugees and Asylum-Seekers in Bangkok

From the Livelihood Asset Pentagon, the social capital is declining. All participants indicated that they do not need any social support or social capital. Most of them did not stay in the same areas with other people of the same nationalities, except for their own families. This is because they left their countries for various reasons. They cannot trust anyone from the same countries.

Two Somali explained that they are from the minority clans in their country. They have to be cautious. When the violence occurred, people from majority clans beat them severely and tried to kill them. They are afraid that there might be someone among the Somali community in Bangkok who is member of the majority clans. They are worried that they will become targets again and those people from the majority clans may try to harm them. Thus, both of them do not wish to associate with anyone from Somalia. From the Somali cases, the refugee group considered the social capital unnecessary. They are very careful when they contact other people in order to avoid problems.

With reference to human capital, refugees and asylum-seekers in the interviews have studied in schools before they left the countries. All cases have finished basic education (Grade 6) but only two male cases continued their study to secondary schools. After they left their home countries, they worked part-time and full-time in the host countries in order to earn some money for the living. Two Somali cases reported that they had worked part-time in the kitchens of restaurants in Bangkok. The Nepali refugee used to work full-time at the construction sites. He

can work in open space as his appearance looks similar to that of Thai people, so he can easily blend in with other Thai and migrant workers from neighbouring countries.

“It was hard for me to find jobs here in Bangkok because I look different from Thai people. I used to work as a dish washer in the restaurant near my apartment. One day, my boss said that he could not hire me anymore because the police would come to check all migrant workers in that area. Now I am very afraid. I don’t want to go out from my room at all.” – Somali Refugee.

Refugees and asylum-seekers do have human capital but they cannot use their human capital for productive activities in Bangkok because they live in constant fear of being arrested. During the interviews, two refugees said that they are currently working at the medical room for migrants sponsored by a church. They received some stipends for this job. Both of them have developed skills in providing first aid to patients and stocktaking.

All participants confirmed that they have gained English knowledge while living in Bangkok. Three refugees had attended free English classes supported by a church and international organisations. Two refugees who worked at the medical room participated in a Thai class provided by the UNHCR and international organisations. The children of one refugee have enrolled in the formal school and the tuition fees were supported by international organisations. Based on this evidence, refugees and asylum-seekers have developed the required skills in Bangkok. Their human capitals are also increasing.

With regard to natural capital, all of the refugees used to live in urban areas in their home countries. As such, they did not need to depend on the natural capital. Similar to Bangkok, they have no requirement in using any natural capital. On the other hand, the physical capital in Bangkok has a significant impact for their livelihood. All of them can access hygiene, medical assistance and education. It might not be at the same level as Thai people but they can ask for assistance from Thai hospitals, schools and churches when required.

The financial capital for the refugee group is very limited and declining. All six participants stated that they did not have money or the incomes were not sufficient for their survival. Somali refugees had to borrow money from their friends many times and they have never returned the

money to their friends. One case said that he did not have money to pay for his room rent but he is lucky because the Thai landlord is very kind and allowed him to pay when he had money.

Interestingly, the Sri Lankan refugee has a bank account with a Thai bank. She managed to open this account with the assistance from her Thai friend when she arrived in Bangkok with a valid visa. This account was opened under her name. She also has the ATM card for this account. She said this account has made her life easier. She can transfer the money to her sister and receive money from people at the church without going far away from her apartment. She also received her wages for cleaning services from her employers through her bank account. She is very happy that she has a bank account.

The young Somali refugee wanted to get a Thai bank account. Based on his ability in using computer programmes and good language skills, he is currently looking for online freelance jobs and he must have bank account for the employer to pay his wages. He said that he will ask his Thai friend to open the account for him. He also expressed that the bank account could help him to gain some additional income without leaving his room.

The Nepali refugee wanted to have seed funding to start his small business like a shoe repair shop. The young Somali, who wanted to do the online jobs, also wanted some money to buy a laptop. The Sri Lankan refugee and Somali asylum-seeker were in need of emergency funds for their children and medical assistance. Another Somali refugee would like to get this emergency fund for his room rent and food for his two babies. However, all of them did not know how they can seek this financial support. When asked about the Rotating Credit and Savings Association (ROSCA) or Ayuuto (in Somalia), five participants were interested in this collaboration system and believed that it could help to satisfy their financial demand for emergency, business start-up and so on.

One refugee was not sure if the ROSCA system is legal here in Thailand. He had this system in his country but he just learned from the interview that the system is also common in Thailand.

“I am living here illegally. So, I have tried to avoid any illegal actions. The life is so difficult in Bangkok. I need money but I won’t do anything illegal. I am illegal enough.”-
Nepali Refugee.

When he learned that the ROSCA system is legal in Thailand, he was interested but he pointed out that it would be very difficult to find trustworthy people to join the group. One Somali refugee said that he did not trust anyone, even his Somali friends. It may be impossible for him to get involved in the ROSCA group.

The Palestinian asylum-seeker is the only case that wanted to use the money transfer service. Currently, his uncle in Australia sends him money monthly through Western Union. This Palestinian is different from other cases. He has a valid passport but his Thai visa has already expired. His uncle, therefore, has to send money to his Thai landlord. The landlord goes to Western Union every month to receive money for him. He is looking for other financial transfer systems that do not require any legal documents.

Livelihood Strategies and Outcome

Similar to the migrant cases, refugees and asylum-seekers had adopted livelihood strategies in migrating to other countries. However, the livelihood outcomes were mainly to seek asylum and to flee from violence or persecution. From the interviews, Thailand was not the first country for their refuge. Somali participants went to Malaysia first as the visa process was not complicated. They decided to move to Thailand because they heard about the low living costs. From these Somali cases, their livelihood strategies were still the cross-border migration but the livelihood outcome was changed to reduce vulnerability.

4.1.2 Impact of financial inclusions and livelihood interventions for urban refugees in Kenya and the implications for Thailand

According to data collected from refugees and asylum-seekers in Bangkok, the demand for financial inclusion is mostly the access to the formal financial system. There are several subsets of needs behind this demand. Half of the group wanted to have bank accounts with a Thai bank to work online, to get loan for business start-up, to use ATMs, to deposit money and so on. One case wanted to receive the transmitted money from overseas.

The solutions for the above needs may not be satisfied by the available financial services in Thailand. The urban refugees and asylum-seekers in Bangkok are still the hidden population due to their illegal status. The assistance provided by the international organisations and charity organisations may not be well-established due to the inconsistent funding from donors and the

pressure from Thai government that have a strong push back policy. In Kenya, the situation of refugees and asylum-seekers in urban areas seems to be similar to Thailand. However, the urban refugees and asylum-seekers in Kenya are not considered the invisible population, even though they are illegal to live outside the camps. There are many livelihoods and financial inclusion programmes implemented by international organisations. Learning from the successful programmes from Kenya would help leverage the livelihood and financial inclusion interventions in Thailand.

Financial inclusion and livelihood interventions for urban refugees in Kenya

According to Jacobsen (2006), the livelihood interventions for urban refugees and asylum-seekers in Nairobi, Kenya were mainly based on the self-reliance approach. The refugee population in Nairobi is self-sufficient, although the lives outside the camp settlements are difficult. The Kenyan government has imposed a policy against allowing refugees to live outside camps. Thus, refugees are at risk of detention.

According to Pavanello, Elhawary, and Pantuliano (2010), the pull factors drawing refugees from camps to urban areas are the livelihoods betterment and the greater security. Lindley (2011) investigates the livelihoods of Somali refugees in Nairobi. The survey suggested that 43 per cent of urban refugees are self-employed. Many refugees engage in small businesses or petty trade. Some work for malls, hotels and long distance transport companies. Young refugees go to Nairobi for education and do not wish to return to the camps.

One of the successful support programmes for refugees was the African Refugee Programme (ARP) which was established in the late 1990s in the form of a self-help group. The aim of this programme was to provide spiritual support to its members, as well as the food, shelter and education assistance. 80 per cent of members were refugees from the Great Lakes. The members were required to pay a monthly contribution of 50 KES or 7 USD (Pavanello, Elhawary, & Pantuliano, 2010). The contributions from members were given to the vulnerable members such as widows or new arrivals for necessary immediate assistance to settle in the city. This programme represents the effectiveness of community-based interventions for refugees in urban areas. The programme can respond to the needs of refugees and create an environment that can help the refugee communities in the urban context.

For the income generation programmes, Mwaniki (2006) asserts that the international organisations in Kenya use two approaches in the interventions. The grants-based approach has not been encouraged because of the lack of funding. On the other hand, the microfinance-based approach plays vital roles in programme implementation. Through microfinance mechanisms, soft loans or credit can help beneficiaries to start businesses, while these microfinance products can break dependency cycle or refugees. With the repayment for loan, it can help increase the number of future beneficiaries that participate in the programmes.

Many refugees lack official documents. That means they cannot work legally in Kenya. Some people have to work in the informal sectors (Pavanello, Elhawary, & Pantuliano, 2010). Without the official documents, the access of refugee groups to formal financial institutions are limited. This problem has posed additional risks to refugees in terms of security, as they depend only on a cash economy (Mwaniki, 2006). Their goods for sale and earnings are prone to theft because they do not have any other means to keep the cash.

From the advancement of mobile technology nowadays, many refugees in the camps and urban areas in Kenya are using mobile phone banking services such as M-Pesa (Lindley, 2011). However, not all refugees can use the mobile banking service because the SIM card registration in Kenya requires the customers' identity documents. Those refugees who can access M-Pesa are able to use various digital financial services such as money transfer and pay bills without going far away to use ATMs. With the mobile banking system, refugees have reduced the concerns for safety in carrying cash from ATMs back home (Center for Inclusive Growth, 2015).

Many refugees and the urban poor are using mobile phones for their income generating activities (Center for Inclusive Growth, 2015). In Kenya, the World Food Programme has launched the first electronic cash transfers in the refugee camps. Refugees can access to their electronic funds and use digital cash to buy food from local shops. Apart from the mobile banking services, M-Pesa has promoted women to save small amounts of money for health insurance in the M-Pesa accounts. The savings could allow them to access healthcare services and baby delivery operations at the clinic (Collins, 2017).

Generally, the urban refugees in Nairobi are self-reliant (Lindley, 2011). The international organisations and institutions have worked together to facilitate self-reliance initiatives of those

refugees, by creating a more enabling environment that can increase the livelihood assets and outcomes (Jacobsen, 2006). According to the UNHCR (2015), training and coaching on skill enhancement and business development were provided to urban refugees in Nairobi and Mombasa. Other online platform and digital work opportunities have been explored.

Through a crowdsourcing platform like KIVA Zip, refugees in Nairobi were able to get access to financial credit from lenders around the world. KIVA Zip is a microfinance programme that connects borrowers with the lenders directly, and it offers loans without interest and fees. The small capital from lenders through KIVA Zip could help refugees to start and grow their businesses. The payments from KIVA Zip are sent via M-Pesa and the loan repayments are also done via M-Pesa. Therefore, the refugees do not need bank accounts or internet access. Although KIVA Zip achieved great success on its refugee micro-lending programme, it discontinued operations in Kenya (UNHCR, 2015).

What implications can be drawn for Thailand? What are the livelihoods interventions and financial inclusion options for refugees in Thailand?

Based on the information gathered from the studies in Kenya and the data collected from urban refugees and asylum-seekers in Bangkok in this research, the feasible options for financial inclusion and livelihood interventions for urban context in Thailand would include:

a. Establish the self-help group or community-based interventions

The self-help group like the African Refugee Programme (ARP) can help some refugee communities in Bangkok. From the interviews with refugees in Bangkok, this option might not be possible for some national groups such as Somalia and Sri Lanka that have conflicts between clans and races. However, the self-help group may have positive impacts for refugees from other nations. Once the self-help group is formed, the members can then decide on the priorities, and even approach to the international organisations or financial institutes to request for specific assistance. The new arrivals and vulnerable persons could receive immediate assistance from other members and be able to better cope with the livelihood problems.

b. Collaborate with crowdfunding companies

As part of income generating activities, the crowdfunding platform could extend the job opportunities and capital access for urban refugees and asylum-seekers. Based on the interviews

with refugees in Bangkok, some participants expressed that they wanted to start businesses and some wanted to do the online jobs. Similar to the KIVA Zip pilot programme in Kenya, the urban refugees can propose their entrepreneurial or business initiatives, and raise financial capital to start up their businesses. Since the mobile banking system in Thailand may not be ready for refugees to utilise, the payment from and repayment to crowdfunding platforms would need to be agreed upon in collaboration between the humanitarian organisations and crowdfunding companies.

c. Provide skill training and coaching

In Kenya, the training and coaching in skills enhancement and business development were provided to urban refugees and asylum-seekers. Similar training and coaching could also benefit the urban refugee groups in Thailand. Based on the fieldwork of this research, the most important training for urban refugees in Bangkok would be Thai language skills. The ability to speak and understand Thai can help them to work and access to public services. For other training, the international organisations may contact the organisations that delivered the skill training or business development coaching in Nairobi to obtain their training documents and adapt them to fit the Bangkok context. On the other hand, the skills training needs can be explored with the crowdsourcing companies or through the training needs assessment with refugee groups.

Apart from the above three viable options, there are other innovations and technology that could help the livelihoods and financial inclusion interventions for urban refugees. The next section will explore the constructive options as well as impact from innovation and technology that, which if made available in the future, could help transform the lives of urban refugees in Thailand.

4.3.3 Innovation and technology to support financial inclusion for urban refugees and asylum-seekers in Thailand

Refugees and asylum-seekers have smart mobile phones. They also use the LINE or WhatsApp application to contact people in Thailand and other countries. Somali refugees wanted the mobile financial system so that they could be able to cash-out the money at the agents or stores near their residences. They just did not want to go out far away from their homes. Mobile money may be one of the good technologies for this particular service. With only the authorised codes, the refugees can then cash-in or cash-out money from the nearest convenient stores like 7-11

marts or family marts. The important point for this kind of financial service is to make sure that they have less-restricted requirements for identity documents when they cash-in or cash-out the money at the stores.

The Nepali refugee said that he wanted to gain access to seed funding without submitting any legal documents. In response to this need, the crowdfunding platforms such as KIVA or Zidisha would be one of the options for the refugees with a need to participate in the income generating activities. As for the need of emergency fund, the international organisations may consider a similar crowdfunding platform to raise fund for the most vulnerable refugees. However, the organisations should pay attention to the security of the refugee cases when publishing information on the crowdfunding platform.

The crowdfunding platform can support the fundraising activities of international organisations or charity organisations. With the real life stories, the individual donors can see the impact of their donations to the lives of people, and they may also encourage other potential donors to participate in the crowdfunding platforms to help reduce social problems together.

The crowd-working or crowdsourcing platform for micro-works can support refugees who want to find online jobs. Refugees can get involved in the income generation activities through the crowd-working platform. In Thailand, the partnership with the largest freelance platform like Fastwork could help refugees to find micro-works online and earn some money. They could do these online jobs from home or at nearby computer and gaming shops. This can help reduce the risk of getting arrested.

In the Thailand context, a major drawback of crowdsourcing and crowdfunding technology is the transfer of funds and payments from these platforms to refugees. Many of them have neither bank accounts nor ATM cards. Currently, the mobile banking system in Thailand cannot be linked with the crowd-working or crowdfunding platforms. The involvement of international organisations at the initial stage to establish possible mechanisms with the crowdsourcing and crowdfunding companies is the key.

The innovation and technology can facilitate useful financial services and platforms for the refugee population. The crowd-working platform can generate a positive impact in terms of income generation activities for refugees. Apart from the earnings that the refugees will receive

from their online jobs, the innovation and technology also has an indirect impact on mental health. When the refugees engage in productive activities, their mental health will be improved and eventually be able to cope with life's challenges.

4.4 Conclusion

This chapter presented the study's findings as derived from the interviews conducted with the different migrant groups in Thailand. It addressed each research question as posed in chapter one. An analysis of findings was given in this chapter.

The next chapter wraps up the study, and presents concluding statements as well as recommendations from the study.

CHAPTER FIVE CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

Migration, displacement and human rights pose a great challenge to many countries across the world. In Asia and Africa where people in several nations are still struggling to make a living in the competitive environment, the migrants and refugees might have faced even more serious financial and social hardships than the local populations. To help the marginalised groups in societies like migrants and refugees, interventions such as financial inclusion and social integration may create an enabling environment for economic and social development.

In this final chapter, the researcher provides the research conclusion of this study as well as the recommendations for stakeholders including civil society organisations, governments, academia and so on. Some recommendations also involve the progressive policy and regulatory framework in Thailand on migration that might not be feasible at this moment. Nevertheless, with the strong advocacy from public and private sectors, it will lead to significant changes in Thailand's migration policy in the near future.

5.2 Conclusion

The objective of this research paper was to examine actual financial needs and livelihood strategies of urban migrants and refugees in Thailand. The findings in the previous chapter illustrated the difference in financial needs between migrants and refugees. The Livelihood Framework Analysis revealed that urban migrants and refugees have adopted different livelihood strategies due to their unique needs and livelihood goals.

In this study, the labour migrants from neighbouring countries such as Myanmar, Lao PDR and Cambodia have relatively good livelihood assets. They can work freely throughout Thailand and have minimum wages guaranteed by the Thai government. The policy and regulations to protect the rights of migrant workers are in place. Their appearances are similar to Thai people,

hence despite not having identity documents or work permits, they can easily blend in and face minimum risk of being arrested.

In terms of physical capital asset, the legal economic migrants can access to various public goods and services in Thailand. They may receive healthcare from public hospitals and send their children to Thai schools for free until Grade 6. Apart from health and education, the access of migrants to formal financial services is still low. The urban refugees and illegal migrants are able to utilise some public goods and services such as emergency services, public transportation, healthcare, and basic education. However, the extent of access to public services for refugees and illegal migrants is very limited.

From the findings, both migrants and refugees in Bangkok have low financial capital assets. Many migrants have language barriers and unclear understanding about the financial and banking system in Thailand. The financial literacy of migrants is still low, especially about new financial technology like mobile banking. On the other hand, their needs for financial services and products are simple; for example, they wish to have ATM cards or open bank accounts in Thailand. These needs can partly be easily satisfied by the existing financial services, and partly difficult as the most important missing puzzle piece is the constructive policy on financial inclusion for migrants and displaced persons.

The data analysis presented that the migrants have better social capital than refugees. The urban refugees in Bangkok have much more difficult lives than other migrants or displaced persons from South East Asian countries. Refugees living in Bangkok do not have any access to public services. They are considered as the invisible population and have to keep low profile to avoid the risk of detention and deportation. Due to their invisible status, the responses to their needs have never been adequate (Pavanello, Elhawary, & Pantuliano, 2010). Some refugees may have to adopt negative and high-risk coping strategies to survive. Many refugees are living in fear of arrest. They stay in their rooms all the time, and have not engaged in any productive activities. This social isolation and loneliness could affect the mental health of vulnerable refugees.

The financial inclusion and livelihood interventions in Kenya could be applicable for refugees in Thailand. The roles of financial technology, as well as the emergence of crowdsourcing platforms, have a positive impact in accelerating the financial inclusion of refugees. Innovation and technology can promote inclusiveness of refugees to various income-generating activities

and ensure protection, assistance and solutions for refugees. Meanwhile, the implications from Kenya to make formal financial services more inclusive for migrants may not be suitable for Thailand. The reason is mainly because the migrants have demands for simple formal financial services, most of which are already provided by Thai banks. However, their legal status and language barrier may prevent them from accessing those formal financial services, to some extent.

From the livelihood analysis, both migrants and refugees lack skills and resources that are required to increase their income and employment opportunities. The Thai language skills can help them expand the job opportunities, while providing them with better security in daily life. With the ability to speak and understand Thai, they could communicate with officials, public service staff or bank tellers to access necessary services or emergency assistance. Apart from the general livelihood and skills training programmes, international organisations may need to consider other unconventional skills enhancement training and coaching programmes, for example, business development, mobile banking and e-wallet, crowdsourcing platform, smartphone application and so on.

5.2 Recommendations

Based on the findings from this study, the following recommendations might help to create the enabling environments for financial inclusion of migrants and refugees in the urban context of Thailand.

- A comprehensive needs assessment (quantitative and qualitative) on livelihoods and financial inclusion could explore the actual needs of the migrant and refugee population in Bangkok and other big cities in Thailand. The needs assessment framework must be inclusive of age, gender and diversity mainstreaming participatory strategy to hear the voices from vulnerable groups. The data collected from the comprehensive needs assessment can help international organisations, agencies, and donors in their strategic planning in order to manage the declining financial resources.
- In Thailand, many migrants and refugees do not have access to formal financial services due to their legal documentation, although their demands of financial services still exist and remain unsatisfied. The use of informal agents for money transfer is inevitable. An indirect way to help migrants and refugees address their financial needs is to promote the cost-effective

informal banking. Innovation and financial technology can offer the low-cost delivery channels between agents which finally reduce the transfer fees charged to migrants and refugees. The digital finance also helps strengthen the network of agents and expand a range of financial products and services. For instance, apart from money transfer services, the agents may be able to provide microloans to their migrant and refugee customers. Additionally, the formal financial institutions may need to develop basic saving accounts for displaced persons that require less documentation and come with easy cash-in and cash-out options. The micro health insurance is one of the financial products that can reduce health vulnerability of migrants and refugees. The insurance help migrants and refugees to get emergency assistance or basic treatment from the hospitals without worrying about the medical expenses and identity verification problems.

- The international agencies and donors should consider providing the coaching sessions for new arrival groups of migrants and refugees. The important information of Thailand such as culture, social contexts, their legal status, risks related to detention and deportation, and the available skills training could be shared. In the long run, these organisations may encourage the migrant and refugee communities to run these coaching sessions regularly for new arrivals, while the international organisations should work on the development of livelihood interventions, and the institutional mapping for other programmes such as vocational training, business development, Thai language courses, financial literacy course, child day care services or psychosocial support.

- To build up livelihood assets, the international organisations should establish partnerships with the private sector and international impact sourcing companies such as KIVA, Zidisha, Samasource, or the local crowdsourcing platform like Fastwork in Thailand, to open up employment and business start-up opportunities for migrants and refugees. On the other hand, the advance blockchain technology that running behind the crowdsourcing platforms can build trust with the individual donors through transparency and accountability. Donors will be able to track their donations and decide to provide more capital funds to support the activities of international organisation or individual vulnerable refugees. The additional funding and contributions from individual donors through crowdsourcing platforms can directly alleviate the migrants and refugees from poverty. The international organisations can divert the contribution from traditional donors to use in other humanitarian aid projects.

- The advocacy for the rights of migrants and refugees should be strengthened, including the legislations regarding basic healthcare and education. The Thai government may need to consider the economic benefits from migration. Migrants and refugees arrive with skills and abilities that can contribute to economic development. Despite making migrants and refugees

illegal, the policy implications should be formulated in such a way that regularised their status as legal labour migrants. At present, there are some particular jobs that Thai people do not wish to engage in such as farming, fishery, cleaning and waste management, domestic work, construction works, and so on. The foreign workers like migrants and refugees can fill this labour gap. Instead of making them invisible and illegal, the government can seize this opportunity to let them stand in the light. With the proper immigration registration process in place, the government will then be able to monitor the movement of migrants and refugees in Thailand. For this recommendation, the researcher noted that it required the ratification of the refugee convention, which is unlikely to happen in Thailand at the moment.

The sharp growth in migration represents both a challenge and an opportunity. The important task is that we need to turn the challenge into an opportunity. Better understanding of urban contexts will help develop workable interventions for financial inclusion of urban displaced persons, eventually building resilience and reducing poverty among migrants and refugees.

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APPENDICES

Appendix 1: Topic Guide for Interview

1. Socio-economic data including legal statuses

- Gender: F or M
- Age:
- Status: Single / Married / Divorced
- Country of origin:
- Migration final destination:
- No. of Family Members:
- Family members residing in Thailand? Y/N
- Family migrated together with the interviewee? Or Before/ Later?
- Legal status in Thailand:
- Availability of financial infrastructure in the country of origin: Bank account / money transfer /mobile platform / internet

2. Main reasons for migration and your final destination of migration

Examples:

- Employment
- Better Economic & living condition
- Flee from war, conflict, political unrest, or prosecution in home country
- Education (for themselves or for their children)
- To apply for asylum seeker and refugee status in Thailand, but to seek resettlement in other country (onward movements)

3. Your living and working conditions

Describe...

- living conditions: type of home, size of home, food and meals, medical support
- community: neighbourhood, community/ social/ religious group, language, schools
- working conditions: workplace, working hours, colleagues, monthly income and spending, social security/ medical scheme for employee.

4. Types of financial products and services you currently use

Examples: Any subsistence from organisation, debts (borrowing), savings, money transfer

5. How do you access these current financial products and services

Examples: Self-help group, religious community, charity organisation, Thai authorities, Thai formal financial institutes, informal financial group/ individual (Thai or same nationality)

6. Factors considered when using formal and informal financial products and services

Examples: Repayment amount/ timeframe, collateral, interest rate, legal or non-legal documents to be submitted or presented

7. Actual financial product and service needs

- Savings
- Borrowing (for personal needs and investment for business)
- ROSCAs
- Insurance
- Money transfer
- Collateral assistance
- Payment facilitation including digital money / mobile wallet / application

8. Obstacles and difficulties in access to financial products and services

- Legal status/ identification documents
- Confidentiality concerns / risk to be arrested
- Language barrier
- Unable to provide collateral to secure microcredit
- Suitable financial products/ services are not available in host or home countries

9. Benefits and expectation in using financial products and services

- Facilitate payment needs
- Increase security for their savings
- Facilitate money transfer needs
- Increase their livelihood

- Create income generation opportunity

10. Financial technology you currently use or you will use it, if available.

- Mobile money/ e-wallet
- ATM
- Cash card
- Banking App on mobile phone