MIGRANT Remittances

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From the Editors

Dear Readers,

Worldwide remittance flows continue to increase, while showing shifting trends. For example, while in the U.S.-Mexican remittance corridor growth was negative, remittances to Central America, South Asia, and other regions in the world continued to increase. We highlight several elements contributing to this dynamism: new business partnerships, internet and mobile remittance solutions, and institutional programs to sustain and leverage diaspora remittance projects. This issue's country profile is dedicated to Moldova, where remittances play a major role: at 37 percent, in 2007 Moldova's remittances as a percentage of GDP were the highest in the world.

In this issue we explore the case of highly skilled migrants' remittances, considering it to be a very important thread in the current discourse on the development role of diaspora. The research note by B. Lindsay Lowell concludes that "it is income, not education per se, that affects the average amount remitted" and notes that "over time, well-educated migrants become less likely to remit at all compared with less-educated ones."

In this issue's guest article, Saskia Sassen situates her analysis of remittances—focusing on those top-level, highly mobile professionals we could call migrants de luxe—within the dual nature of global labor markets (formal and informal, high- and low-skilled) and of those regulatory environments that grant and formalize mobility rights differently. We look forward to your feedback and suggestions for future issues.

Manuel Orozco and Anna Ferro

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Worldwide Trends in International Remittances

Highlights on International Flows

First quarter 2008 remittance flows in Central America and the Caribbean. This region experienced moderate to slow year-on-year growth in remittances during the first quarter this year. Guatemalans sent $973.4 million, an increase of 9.8 percent compared to 11.9 percent from Q1 2006 to Q1 2007. Remittances to El Salvador, however, were $912.2 million, an increase of only 6 percent compared to 7.9 percent year-on-year growth the previous year. In Honduras, remittances grew 12.2 percent in 2007 but only 6.9 percent in 2008, totaling $626.6 million. The largest growth difference was seen in the Dominican Republic, where remittances rose 17.2 percent in 2007 and only 5.6 percent in 2008.

Negative remittance growth in Mexico. The Mexican Central Bank reported that remittances to Mexico in the first quarter 2008 were $5.35 billion, a decrease of 2.9 percent year-on-year. Moreover, remittances to the country totaled $23.98 billion in 2007, only a 1 percent annual increase compared to 17.1 percent in 2006. Year-on-year growth in 2007 not only slowed but was actually negative in 11 out of the 23 states in the country, including the Federal District (–10.9 percent), Michoacán (–6.4 percent), Aguascalientes (–5.6 percent), and Chiapas (–5.4 percent). The Bank attributes these trends to the slowdown in the U.S. economy—particularly

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Remittances Quarterly Growth 1Q 2006—1Q 200[illegible]t)

	2006				2007				2008
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Mexico	29.1	21.4	12.9	7.7	3.0	–1.2	2.7	–0.2	–0.3
El Salvador	24.6	16.4	12.1	9.2	7.9	7.1	8.0	3.1	6.1
Guatemala	20.2	21.2	27.4	14.4	11.9	13.3	17.3	14.7	9.8
Honduras	38.6	41.9	26.8	20.9	12.0	9.0	12.4	6.9	6.9
Nicaragua	13.0	13.2	18.7	8.7	–4.9	7.7	6.4	14.8	15.4
Colombia	17.1	26.9	14.3	12.3	11.0	–2.0	23.2	29.1	19.9
Ecuador	9.4	17.2	23.3	26.8	3.5	8.5	6.9	3.0	12.3
Jamaica	3.6	7.6	7.4	9.9	7.8	10.0	11.8	13.9	11.9
Dominican Republic	10.6	18.6	17.6	5.6	17.2	10.7	7.2	8.8	5.6

Source: Central banks of each country.

the decline in the construction industry, where 22 percent of Mexican workers are employed—as well as to the increased difficulties in migrating to the United States and, for undocumented workers, in finding a job in the face of increased law enforcement. Remittance growth from the improved method of estimating money transfers is also believed to be leveling off. Approximately 11 million Mexicans live and work in the United States, and remittance income is Mexico's second largest source of foreign income, behind oil and ahead of tourism.

Remittances to Pakistan surge. In the first seven months of the fiscal year (July 2007–January 2008), Pakistan received $3.26 billion in remittance inflows, a 22.4 percent increase from the same period last year. Inflows in January stand at $557 million, a 42 percent jump year-on-year. The largest remittance inflows come from the United States, Saudi Arabia, the United Arab Emirates, and the Gulf Cooperation Council countries.

Bangladesh remittances up 38 percent. The over 5 million Bangladeshis working abroad sent $689 million in February 2008, a 38 percent year-on-year growth. In the first eight months of the current fiscal year (July 2007–February 2008) remittances increased 26 percent year-on-year, totaling $4.84 billion. Behind the export-oriented garment industry, remittances are currently the second largest source of foreign income. This growth is partially ascribed to the strong economies in the Middle East and Gulf regions where many Bangladeshis work, as well as to migrants' increased skills. Other popular destinations for Bangladeshi migrants include the Middle East, the United States, the United Kingdom, Germany, Italy, and Japan.

Prospects for remittances from the United States to Latin America in 2008. A recent survey on remittance patterns in the first quarter of 2008 by the Inter-American Development Bank (IADB) foresees that remittances in this corridor will total $45.9 billion this year, similar to the amounts from the previous two years. Though the number of people sending money may decrease in 2008, those who are sending money are doing so more often and in higher amounts. The main factors affecting the patterns of remitting are the slowdown in the U.S. economy and the negative attitudes about immigration in the United States. *See Publications.*

Update on global remittance trends in 2007. Worldwide remittances rose 7 percent in 2007 to $318 billion, of which $240 billion went to developing countries, according to the latest World Bank report. India topped the global list of the remittance recipients with $27 billion, followed by China with $25.7 billion, Mexico with $25 billion, the Philippines with $17 billion, and France with $12.5 billion. *See Publications in the February 2008 issue.*

Latin America and the Caribbean. Remittances reached $65.5 billion in 2007, but growth is at a seven-year low. Growth reductions were most pronounced in Brazil and Mexico.

U.S. Commonwealth. The Northern Mariana Islands Department of Commerce reported an 8.4 percent decrease in remittance income from 2006 to 2007 (from $102.2 million to $93.6 million), the sharpest decline on record.

Africa. Nigeria received $3.3 billion in 2007 from its diaspora, according to the World Bank. The Central Bank of Nigeria reported that total currency in circulation is

$7 billion at the end of March—the highest recorded level this year—and reached its highest figure in December 2007. Remittances from Nigerians in Europe and the United States may have fueled the increase in currency in circulation. The World Bank also reported that Kenya ranked as the second most popular destination for remittances in Africa with $1.3 billion, ahead of Sudan ($1.2 billion), Senegal and Uganda ($0.9 million each), and South Africa ($0.7 million). Kenya's Central Bank estimates that Kenyans remitted $53.9 million in January 2008 at the height of the political crisis.

Europe. In 2007, Romania's remittance flows accounted for €7.2 million, mainly from migrants in Italy and Spain, according to the Romanian Commercial Bank. Remittances have increased, likely from the growing labor migration since Romania entered the European Union. Notably, Romania's foreign direct investment (FDI) dropped from €9.2 million in 2006 to €7 million in 2007. Armenia received more than $600 million in FDI and $1.5 billion in remittances last year, the latter up nearly 40 percent from previous year. Most investor firms and the majority of remittance senders are said to be based in Russia.

Asia. The most recent data from the Central Bank of the Philippines show that Filipinos abroad sent a record $14.3 billion home, setting records for both annual and monthly amounts in 2007. December marked the twentieth month of inflows amounting to more than $1 billion. [Note: Our February 2008 issue cited a figure of $10.5 billion as the total for 2007.]

Remittances from Spain and Italy in 2007. The 4.5 million migrants living in Spain—which represent 10 percent of Spain's population—sent close to $13 billion in remittances to their home countries in 2007, 19.5 percent more than in 2006, according to Spain's Central Bank. Thirty-six percent of all foreign nationals in Spain come from Latin America, and Colombians, Ecuadorians, and Bolivians remit the largest amounts of money: 23 percent, 20.2 percent, and 11 percent of the total remitted, respectively. Moroccans and Romanians follow, each group sending around 6 percent of the total. After years of increasing outflows from Italy—from €518 million in 2004 to €777 million in 2006—the Lombardy Region, which has the highest migrant population in the country, registered a decrease in remittance flows, sending €756 million in 2007. While the number of immigrants in the region has increased, the average amount remitted has diminished, possibly as a result of family reunification.

Gender affects the Colombian migration experience in Spain. A study by the United Nations Institute for Research and Training for the Advancement of Women (UN-INSTRAW) and the International Organization for Migration (IOM) on Colombian migrants in Spain shows that when women migrate, families reunite most often in the destination country (Spain), rather than in the home country. However, male migrants are more likely to build a new family in Spain and stop sending remittances to their families in the home country. Notably, the study found that women send money more often and for a longer period of time, though they have lower salaries than men. Furthermore, female migrants' remittances are more likely to go toward an investment, such as a home, than males' remittances because a female migrant's earnings constitute an additional income in the household. Colombians in the diaspora worldwide sent home nearly $4.5 billion in remittances in 2007. *See Publications.*

Remittance flows to the South Caucasus. Approximately €718 million were remitted to Moldova, Georgia, and Azerbaijan from Russia in 2007. A study by the European Bank for Reconstruction and Development (EBRD) reveals that more than 80 percent of remittances to these countries is spent on daily expenses, such as housing, food, clothing, and medicine. The study also shows that the majority of recipients are low-income and live in rural areas. Moreover, while few remittance receivers and senders in Russia have a bank account, many rely on the banking system to transfer remittances. *See publication citation in the February 2008 issue:* Orozco, M. *Worker Remittances and the Financial Sector: Issues and Lessons in the South Caucasus.* European Bank for Reconstruction and Development.

Impact of remittances in Africa. The African Development Bank study on migrant remittances in the Comoros, Mali, Morocco, and Senegal highlights significant differences in the volume of informal remittances, ranging from 25 to 80 percent of total remittances depending on the banking system and services and on the presence of money transfer operators in origin countries. Sixty to 85 percent of beneficiary households use remittances for consumption, and 25 to 60 percent for housing investments. Furthermore, migrants in lower-skill jobs (75 percent) transfer 10 to 15 percent of their income ($160 to $250 per month per migrant) to cover consumption needs, while migrants in higher-paid or higher-skilled jobs allocate most of their remittances to investments. In addition, transfers directed to housing or investments increase with the age of the remitter. *See Publications.*

Migrant use of the internet to remit is growing in some corridors. Online money transfer operator Xoom reported a 400 percent increase in transfers from the beginning of 2007 to April 2008. In the United States, Florida is a leading state for online transfers, particularly those originating in Miami. Xoom transfers money to 32 countries, of which the Philippines is the most popular destination. The company is embarking on a campaign to promote transfers to Latin America, particularly Peru.

Western Union update. In the first quarter of 2008, Western Union's revenue increased by 12 percent to $1.3 billion. International transfers experienced 19 percent growth in both revenue and transactions and constituted nearly 70 percent of the company's total revenue. Moreover, transfers originating outside the United States grew at a faster rate than U.S.-origin transfers. The company added 50,000 locations in India, where it experienced over 50 percent revenue growth. In Mexico, revenue grew by 1 percent and continues to improve. Moreover, Western Union is expanding in South Africa through an agreement with a South African financial service organization, ABSA, and in the U.S.-Latin America and Caribbean corridors, the company is adopting mobile technology with a pre-paid mobile phone supported by Trumpet Mobile and available through Radio Shack. The product will allow users in the United States to send money from their phone both domestically and to Latin America and the Caribbean through Western Union.

Regulatory Issues Around the World

Safaricom encounters regulatory barriers in the United Kingdom. Mobile phone company Safaricom planned to introduce its money transfer service, M-Pesa, in the United Kingdom after its experience with the service in Kenya, where the majority of rural population depends on mobile phones for communication and lacks access to bank account ownership. The UK is one of the top sources of remittances to Kenya and one of the top destinations for Kenyans studying abroad. However, Safaricom is running into barriers from UK authorities asking it to meet regulatory requirements governing banking, money transfers, and exchange rates.

International Cooperation and New Initiatives

Accidental death program protects remittance recipients. *Remesas Siempre Seguro*, an initiative of Gigante Express and Pan-American Life, allows a remittance sender to guarantee a monthly payment for 36 consecutive months to his/her family members in Central America if he/she has an accidental death. The product can be purchased with a money transfer at a Gigante Express location in the United States.

Financing Facility for Remittances (FFR) to provide grant financing for nonprofit organizations. The International Fund for Agricultural Development (IFAD) announced the 2008 second call for proposals directed at improving remittance transfer channels, linking remittances to financial products and services, and developing investment opportunities for the diaspora. With a $13 million multidonor fund, the facility seeks to focus on the rural poor in Africa, Asia, Europe, the Near East, and Latin America and the Caribbean through the financing of projects of up to $250,000, to be implemented within a two-year period. Deadline for concept proposal is May 30, 2008. For more information, see http://www.ifad.org/ruralfinance/remittance/index.htm.

Launch of initiative for African women in Italy. Migrant Women for Development in Africa (WMIDA) intends to work with migrant women from West Africa residing in Italy, and the groups these women have founded, in order to help them create and invest in small and medium-sized enterprises and social projects to support their home countries' development. It is promoted by the IOM and supported by Italy's Ministry of Foreign Affairs. Other actions include mapping the female African population in Italy, promoting joint projects with Italian entities, and researching the women's access to financial services and costs to transfer money.

Mobile Remittance Schemes

In March, **China Unionpay (CUP) and Singapore OCBC Bank**, in partnership with four Chinese banks, launched a real-time remittance service to China. The service allows overseas Chinese to deposit money through banks, ATMs, or mobile banking and to immediately withdraw funds from over 7,000 bank branches or almost 500,000 ATMs throughout China. CUP cards can also be used for purchases at over 870,000 merchants worldwide. Other large banks, including the Agricultural Bank of China, are planned for inclusion in the program.

Afric Xpress expands mobile phone payment and domestic remittance services. Afric Xpress Services Inc. will use Cyphermint Inc.'s "txtNpay" technology to expand services available to subscribers in Ghana. Using the mobile wallet technology, subscribers will be able to purchase goods, pay bills, and transfer funds between bank accounts.

M-Paisa becomes Afghanistan's first mobile money transfer service. Vodafone and Roshan, an Afghan mobile phone operator, are forming a partnership to provide financial services, such as loan disbursement and repayment, in collaboration with microfinance institutions such as the First MicroFinanceBank and FINCA, among others. Roshan's retail outlets will serve as points of service to pay in or withdraw money. To serve clients who are illiterate, the companies are developing a voice recognition system.

Remittances and Financial Intermediation

More competition in Uganda. DFCU Bank Ltd has acquired a superagent license to pay out remittance transfers for MoneyGram, ending Bank of Africa Uganda's hold on the market for transfers from this leading international money transfer organization (MTO). The partnership is expected to strengthen the bank's financial base and also expand the MTO's coverage in Uganda. MoneyGram currently has 100 service locations compared to 170 for Western Union. DFCU Bank also plans to create seven additional branches in 2008. It is reported that the remittance market in the country is growing 5 to 7 percent annually from workers in Europe and from the increasing number of students going to universities abroad.

Microfinance International Corporation merges with El Camino. California-based El Camino and Microfinance International Corporation (MFIC) have merged to expand market access, particularly in California and Texas. Both agencies share the goal of bringing banks and credit unions more fully into the remittance marketplace; currently, only about 10 percent of migrants use banks or credit unions to send money. The merger will give MFIC partners access to 5,000 banks, 9,000 credit unions, and over 200,000 MTOs.

Indian bank opening new branches in Europe. ICICI Bank UK Plc, an Indian private bank, recently opened a branch in Frankfurt to attract high-value private clients and become involved in financing trade between India and Germany. It also opened its ninth British branch in Leeds in order to attract remittances from one of Britain's largest Indian populations.

West Africa meeting and recommendations. A meeting to discuss improving access to banking and financial services in West Africa took place in Accra in March 2008. Participants drew up a coordinated roadmap for making the financial sector more competitive and explored ways of integrating the various financial sectors in the subregion to foster socioeconomic development. Among the topics discussed were the creation of regional information technology platforms and innovative savings financial products; the enhancement of rural banks, credit unions, and microfinance institutions in remittance-receiving countries; and the establishment of a regional Inter-Bank Real Time Gross Settlement System to facilitate efficient trade settlement and funds transfer.

Federal Bank in India announces a web-based transfer service in the United States. Fed-India Remit Service (FIRSE) allows members to send money with no service fee at the prevailing exchange rate on the day the deposit is made. The bank is partnering with Bank of America for this service and will be using Automated Clearing House (ACH) to process the transactions. Transfers are said to take three to four days to complete.

Credit union financial education. The World Council of Credit Unions (WOCCU) and the Iowa Credit Union League (ICUL) are leading a pilot project to link remittances and financial education. In this one-year project, which began in April 2008, three credit unions in Iowa will use WOCCU's IRnet VIGO remittance transfer service and receive marketing assistance and financial education assistance from Coopera Consulting to help them target clients through partnerships with college English classes for Latinos, among other nontraditional initiatives.

New Online Resources for Remittances

The French Development Agency has launched an MTO rates website. The new site allows users to compare rates of different MTOs operating within France.
http://www.envoidargent.org/

The Inter-American Development Bank has posted an interactive map of U.S.-based remittances. The map shows the amount of remittances sent from each state in the United States to Latin America and the Caribbean.
http://www.iadb.org/mif/remesas_usamap2008.cfm?language=English&PARID=6

RESEARCH NOTE

Remittances by the Highly Educated

B. Lindsay Lowell (Director of Policy Studies, Institute for the Study of International Migration, Georgetown University)

Many observers assume that highly skilled migrants are more likely to remit than lower-skilled migrants, or that they differ little in their transnational financial behavior. But the story is more complex than that. Before presenting the case, let us agree to characterize "skill" as a migrant's education because it is the agreed-upon proxy in this context, even though we readily acknowledge that schooling is an imperfect measure of true skill. And let us also agree that there are reasons to believe that well-educated migrants have different financial behaviors, including remitting, than less-educated ones.

Consider the conflicting arguments on education and remitting behavior.[1] On the one hand, well-educated migrants enjoy good earnings, and we should expect them to be disposed toward sending money back home. They may also be more able to maintain transnational relationships, which would also predispose them toward remittances. On the other hand, the well-educated tend to have migrated through legal channels, often having been educated in their host country. Moreover, they are more likely to have smaller families in both their host and their source countries, and they tend to bring their spouse and children with them when they migrate. So having fewer intimate ties to home, and having more assets to help them integrate into the host country, means they may actually be less likely to send remittances.

Consider some research findings. After taking income into account, research on Latinos finds that there is no difference in the average amount (in absolute figures) that a well-educated migrant remits, compared with a less-educated migrant. This is consistent with the argument that educated migrants are not more disposed to send remittances, at least for samples that capture only individuals who remit.[2] At the same time, samples that include both migrants who remit and those who do not confirm the expectation that well-educated individuals are less likely to remit at all than are less-educated migrants.[3] In particular, more educated persons, those in skilled occupations, and those who speak English well are less likely to remit, as found in three different data sets and for six different Latino populations in the mid-1990s.[4] Each year of education reduces the likelihood that a Latino worker remits by somewhere between 5 and 7 percent. It is income, not education per se, that affects the average amount remitted: the higher the income, the higher the average remittance in absolute terms. Moreover, over time, well-educated migrants become less likely to remit at all compared with less-educated ones.

Some readers may be surprised by these findings. But they should not go on to dismiss the significance of the transfers made by the well educated. Yes, there is some reason to think that remittances by themselves will not cancel out all possible ill effects of brain drain.[5] But high-income migrants remit a fair chunk of all remittances. Further, research finds that the well-educated are also more likely to remit, even holding income constant, for productive purposes, such as for paying off business and education loans.[6] And they are more likely to remit through formal mechanisms with leveraging impacts, using savings accounts, credit cards, or ATM transfers. There is also good reason to believe that the well-educated are more likely to send money home in other ways, such as buying remittance-backed bonds or putting savings in foreign-currency savings accounts.[7] In short, the well-educated remit differently, presenting nuanced analytic, marketing, and policy opportunities.[8]

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2 Taylor, Edward J., 2002. "Do Government Programs 'Crowd In' Remittances?" In Rodolfo de la Garza and B. Lindsay Lowell (eds.), *Sending Money Home: Hispanic Remittances and Community Development*. New York: Rowman & Littlefield; and Lowell, B. Lindsay, Manuel Orozco, and Johanna Avato, 2006. "Gender-Specific Determinants of Remittances and Gender-Specific Remittance Mechanisms." Report to the World Bank, Gender and Development Group.

3 The type of sample affects the measure of remittances. See McKenzie, David J., and Johan Mistiaen, 2007. "Surveying Migrant Households: A Comparison of Census-Based, Snowball, and Intercept Point Surveys." IZA Discussion Paper No. 3173.

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GUEST ARTICLE

Two Global Geographies for Remittances: States Formalize One But Not the Other

Saskia Sassen (Helen and Robert Lynd Professor of Sociology, Committee on Global Thought and Department of Sociology, Columbia University)

Much media and scholarly attention has gone to one world of remittance flows: the world of low-wage immigrants and how much these flows can matter to some of their countries of origin. However, there is a second world of remittance flows. And while it has received far less attention from the media and scholars, it has attracted far more from governments and the supranational system. It is the world of the new transnational professional class. Thus, the top remittance recipient countries include rich countries. In absolute numbers, France (at $12.7 billion) ranks fourth and Belgium ($6.8 billion) ranks sixth among all countries in the world, followed by Germany ($6.5 billion) and the United Kingdom ($6.4 billion). Most of this money flow can be attributed to high-income workers. And even if we consider the top recipients—India ($21.7 billion), China ($21.3 billion), and Mexico ($18.1 billion)—we know that a growing share of remittances are coming from these countries' transnational professionals.

It must be added that the share of remittances as a percent of gross domestic product (GDP) is much lower in rich countries than in developing countries. In countries of the Organisation for Economic Co-operation and Development, for example, the average stood at only 0.2 percent of GDP in 2005, while some developing countries evinced staggering shares: in Tonga the share was 31.1 percent, followed by Moldova (27.1 percent), Lesotho (25.8 percent), Haiti (24.8 percent), Bosnia and Herzogovina (22.5 percent), and Jordan (20.5 percent).

These two worlds of remittances signal the incipient formation of two global labor markets, one at the top and the other at the bottom of the economic system (Sassen 2006: chapters 5, 6 and 7). The first is the transnational market for top-level managerial and professional talent in a variety of economic sectors, from finance to highly specialized engineering, and addressed by a growing set of public and private regulations. The other type of global labor market consists of a mix of formal and informal labor flows, with perhaps the most visible circuits being those of the "global care chains"[9] (Parreñas 2001; Ehrenreich and Hochschild 2003; Hirata 2006), light manufacturing, construction, and farming. The middle sectors of firms and of the workforce in developed countries remain overwhelmingly centered in nationally scaled labor markets. These global markets are generally seen through the lens of local labor markets in the places at issue; the tendency is to overlook the fact that some of these local labor markets might also be one site in global labor market circuits.

While they share a globality that the middle sectors lack, these two incipient global labor markets exist in radically different regulatory environments. Participants in the first market constitute a migrant workforce with portable rights; participants in the other can barely count on basic human rights. The World Trade Organization (WTO) and the North America Free Trade Agreement (NAFTA), as well as other free-trade agreements, give transnational professionals mobility rights constituting a new legal "infrastructure." Professionals in each of the specified sectors, which include finance, business services, and telecommunications, may reside in any signatory country for at least three years and enjoy various rights and protections. This runs in the face of the explicit position of free-trade agreements, which is that they do not deal with immigration. The mobility rights they give professionals are buried under such headings as "the internationalization of trade and investment in business services" and so on for all the pertinent service groups. This language obscures the fact that these are mobility rights given to what are ultimately migrant workers.

This global regime for "migrant workers" with rights is unlikely to become a model that can be extended to low-wage migrants. The new transnational professional class is generally considered economically beneficial and therefore unproblematic. It seems far-fetched that national governments would agree to trade treaties that provide the same rights to less-skilled migrant workers. Notably, in the most recent free-trade negotiations, the U.S. Congress made it clear that the Central America Free Trade Agreement (CAFTA) could not include migration provisions for any type of worker. And yet, before we realize it such provisions might appear in new types of agreements, when we consider that several multinationals are beginning to supply firms anywhere in the world with lower-level workers and professional households with "standardized" nannies and housekeepers.

9 A condition whereby "international domestic workers and caregivers who leave their homes to care for others abroad also have their own children and elders to look after." See Chapter 2 of the UNFPA 2006 report, *A Passage to Hope: Women and International Migration*. http://www.unfpa.org/swp/2006/english/chapter_2/millions_of_faces.html.

COUNTRY PROFILE: Moldova

Population: 4,320,490 (July 2007 est.). Population growth is currently negative at –0.11 percent, with an average family size of three and a life expectancy of 70. Twenty-one percent of the people were living on $2 a day as of 2003. The adult literacy rate is high, at 99.1 percent. The population is closely split, with 53 percent living in urban areas and the remainder in rural areas.

Migration history: Moldova is one of the poorest countries in Europe. After gaining independence from the Soviet Union in 1991, political problems and loss of export markets created high unemployment, prompting the first wave of migration. From 2000 to 2005 the number of migrants living abroad grew from 100,000 to over 400,000. Currently, 25 percent of Moldovan households have a member living abroad.

Host countries: Russia and Italy are the primary destinations for Moldovan migrants. Turkey and Ukraine also draw many Moldovans.

Estimated number of migrants abroad: A 2007 report by the International Organization for Migration (IOM) estimates that about 345,000 Moldovan migrants were living abroad at some point in 2006. However, differences in data collection and extensive seasonal migration make precise data collection difficult. While migration has increased for all subgroups since 1999, the majority are male migrants and from rural areas. Of all migrants abroad, 59 percent are estimated to be in Russia, followed by 17 percent in Italy. Due to differences in visa requirements, 40 percent of the workers in the EU are estimated to be working illegally, a figure much smaller than that for counterparts living in countries of the Commonwealth of Independent States (CIS).

Common occupations of migrants: Most migrants work in low- to medium-skill positions. Nineteen percent of migrants have graduated from a university. Moldovans in Italy and Turkey tend to be female and usually work in the service sector. Males are more common in destinations such as Russia and Portugal and work in labor-intensive sectors such as construction, industry, and mining. The average migrant is 35 years old but age, length of stay, gender, and occupation differ with destinations. Men in construction in CIS countries are largely seasonal workers staying an average of 5 months, whereas seasonal labor is much less common for migrants in EU countries, where the average stay is over 15 months. Most migrants have already secured jobs before migrating.

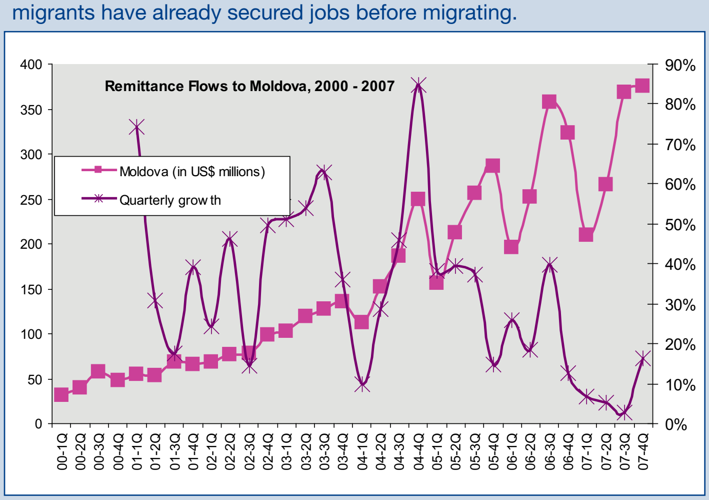
Moldova

Estimated remittance flows: In 2007, Moldova was the top receiver of remittances as a percentage of GDP worldwide, at 37 percent. The country is estimated to have received $1.2 billion in 2007. According to official data, over 60 percent of receiving households get less than $1,000 a year, and migrants send on average $439 per transaction. However, the true figure is likely higher, as a large number of seasonal workers bring money back on return trips.

Common money transfer methods: Thirty percent of receivers using formal remittance services use banks to pick up money sent from abroad; this is followed by money transfer agencies. However, as noted earlier, a significant number of Moldovans hand-deliver money on visits or upon return. Approximately one-third of migrants continue to use informal mechanisms despite equal and sometimes higher costs compared to formal mechanisms. The large number of seasonal workers is likely another reason so many Moldovans decide not to use formal transfer mechanisms.

Use of remittances: Remittance recipients are overwhelmingly immediate family members. Funds are applied most frequently to food and utilities, followed by education and health expenses. Approximately 26 percent of households in Moldova receive money from abroad, and two-thirds of remittance receivers are female. Only 12 percent of receivers hold formal bank accounts; nearly half rely on informal saving methods.

IOM mission in Moldova: The IOM has extensively researched migration and remittances in Moldova and throughout Europe since 1951. The organization is heavily involved in combating global human trafficking and is working with the Moldovan Ministry of Internal Affairs to create a counter-trafficking database. In collaboration with the International Labour Organization and the Ministry of Economy and Trade of the Republic of Moldova, the IOM is building a National Remittance Program to increase data available on migration and expand financial access and communication linkages to Moldavians at home and abroad.



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- April 10–11. Policy Seminar: Diaspora and Homeland Development. Chisinau, Moldova. http://www.iom.md/migration&development.html#remit
- April 20–21. Regional Trade Agreements, Migration and Remittances. Special Focus on CAFTA and Latin America. Sam Houston State University, Huntsville, USA. http://www.shsu.edu/~eco_www/resources/conference08.htm
- April 23. Primera Asamblea Anual. Remesas Instantaneas S.A., Managua, Nicaragua. http://www.folade.org/new/
- April 26. Latin American Studies Program Fifth Walker Symposium. Colby College, Waterville, Maine, USA. http://www.colby.edu/las/events/index.html
- May 7–8. International Conference on Financial Education. Organisation for Economic Co-operation and Development and U.S. Treasury. Washington, D.C. http://www.oecd.org/document/15/0,3343,en_2649_201185_40056207_1_1_1_1,00.html
- May 12–15. Transnational Assembly of Remitters and Families, The Global League of Community Sustainers. The Transnational Institute for Grassroots Research and Action (TIGRA). Mexico City. http://www.ligaconvention08.org/
- May 14–15. Mobile Money Summit 2008: Expanding Markets, Transforming Lives. International Finance Corporation, Consultative Group to Assist the Poor, UK Department for International Development, and the GSM Association. Cairo. http://www.mobilemoneysummit.com/index.shtml
- May 14–15. Channeling Remittances through Credit and Savings Cooperatives in Latin America. Center for Latin American Monetary Studies (CEMLA), German Cooperative and Raiffeisen Confederation (DGRV). Quito. http://www.cemla.org/actividades/2008/20805-dgrv.pdf
- May 24. Role of Remittances in Achieving Millennium Development Goals. COS Utrecht, the Netherlands. Info: Doris Alfafara: d.alfafara@cosutrecht.nl http://www.cosutrecht.nl/
- May 30. Abstracts due for papers for the Third International Colloquium of the International Network on Migration and Development. Event will be held in Costa Rica December 4–6, 2008. http://meme.phpwebhosting.com/~migracion/rimd/pagina_tipo_uno.php?seccion=convocatoria_3coloquio
- June 16–17. Congreso Internacional de Cooperación al Desarrollo. Focus: Women and Institutional Strengthening. Madrid. http://tinyurl.com/3syjuj
- June 17–19. Partnership for Making Finance Work for Africa Forum. Accra. www.mfw4a.org
- June 17–19. Worker's Remittances: Capturing New Market Opportunities. Berlin. www.workersremittances.com
- June 20–21. Third African Women in the Diaspora Conference. Minneapolis, USA. http://www.mawanet.org/
- June 21. Feria de la Migración y las Remesas. Cochabamba, Bolivia. http://www.remesasydesarrollo.org/7.0.html?&tx_galileoevents_pi1[showUid]=59&no_cache=1
- September 1. Applications due for Western Union Foundation's "Our World, Our Family" program, which will fund 80 educational projects by nonprofit organizations worldwide. http://corporate.westernunion.com/wu_foundation.html

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