



Centre of Sociological, Politological and  
Psychological Analysis and Investigations



International Agency for  
Source Country Information

# Maximizing the Development Impact of Migration

## Regional Overview - Key Findings

09 December 2010



# Introduction

- Presentation introduces **original concepts** and examines key evidence related to Moldova, Bosnia-Herzegovina (Bosnia) and Romania
- **Universal concept**, country examples provide lessons applicable to:
  - broader demographic and migration trends
  - regional integration issues regarding EU and CIS

## Related to current policy priorities:

- fostering sustainable development in countries of origin by moving **beyond remittance-dependent and consumption-led** economic models
- supporting **efficient circular migration** and ensuring that both the benefits and the costs are equitably managed

# Overall Concepts

- **Underlying premise:** the **accumulation and eventual transfer of wealth** (rather than remittances) motivates circular migrants - it is this ambition that holds the greater promise of being a **substantial and sustainable development** and market-led opportunity
- **Practical goal:** is to **support** (rather than effectively hinder, which is often the case today) the migrants in achieving their personal **migrant savings objective**

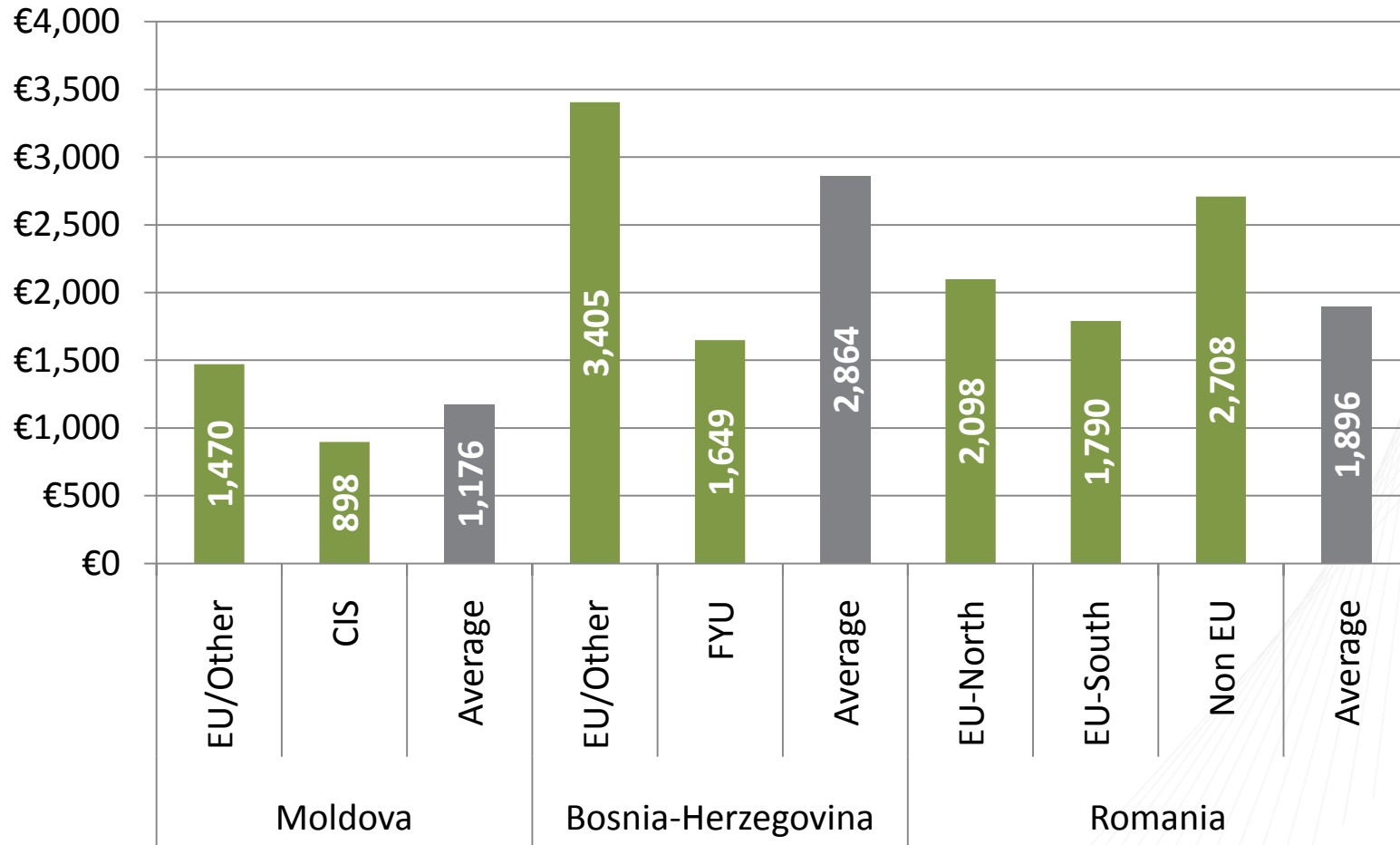
# Objectives

- **Address common market-failure** in countries of origin by linking migration management issues, financial and human capital of migrants, and financial intermediation with sustainable development
- **Promote strategic partnerships** between governments, civil society, and formal financial intermediaries
- **Attract migrants' savings and transfers** towards formal financial intermediation and productive investments in countries of origin
- **Develop and test replicable and durable business models** that expand the frontiers of service delivery, savings, and investment

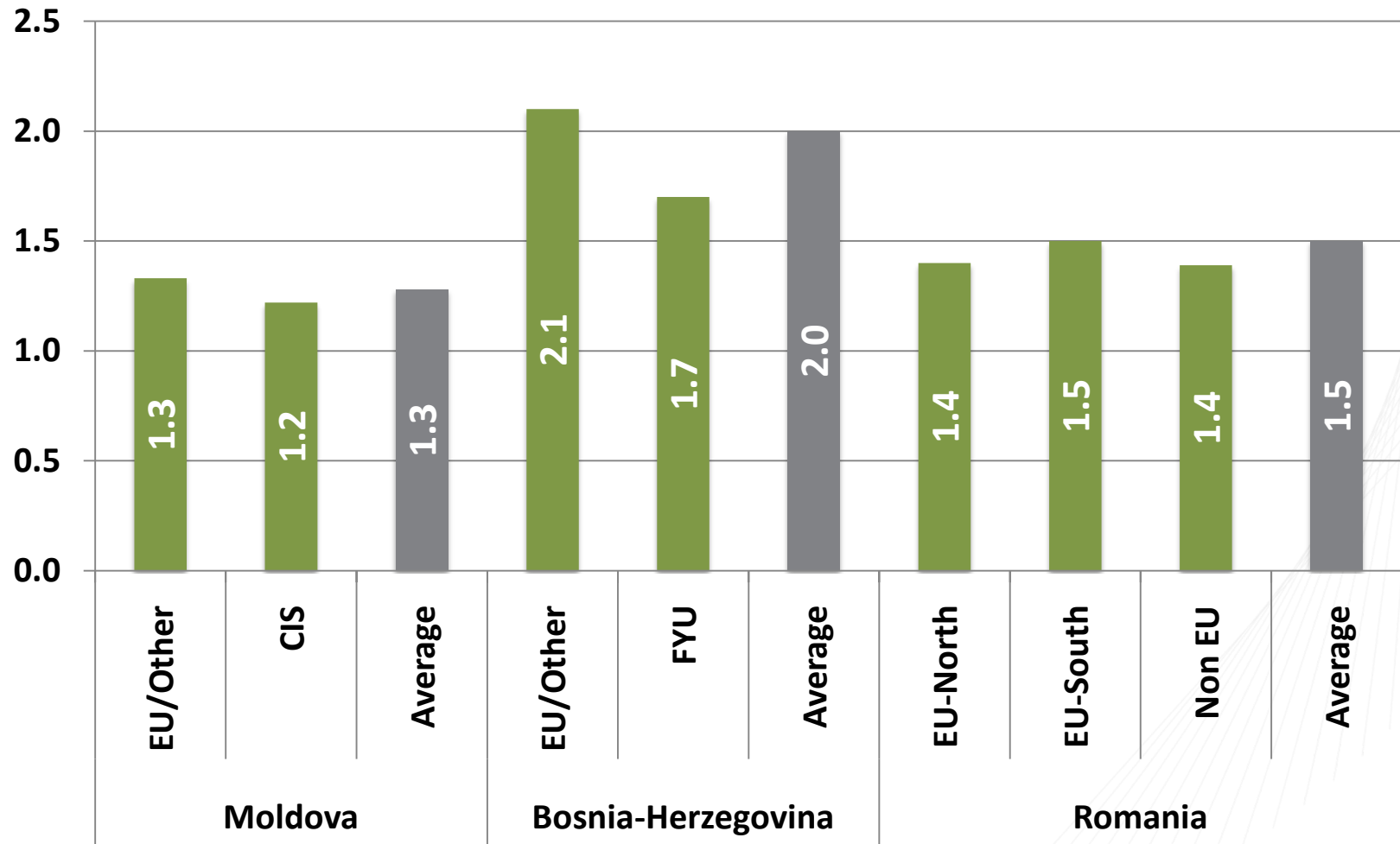
# Standardized Research

- **Methodology:**
  - Consultative approach with key government and industry
  - Household Survey – 965 valid data sets +/-3.2%
  - Migrant survey at key entry points – 2,232 valid data sets
  - Desk Research
  - Qualitative Interviews
- **Advantages:** Cross-country comparison, baseline and longitudinal capacity
- **To date:** Albania, Armenia, Bosnia, Kosovo, Moldova, Romania
- **Upcoming:** Armenia, Georgia, Kazakhstan, Kyrgyzstan, Egypt, Morocco (IOM – OSCE – IASCI – and SOROS?)
- **Medium Term:** Africa (UNIDO), Americas (IADB), Asia (ADB)

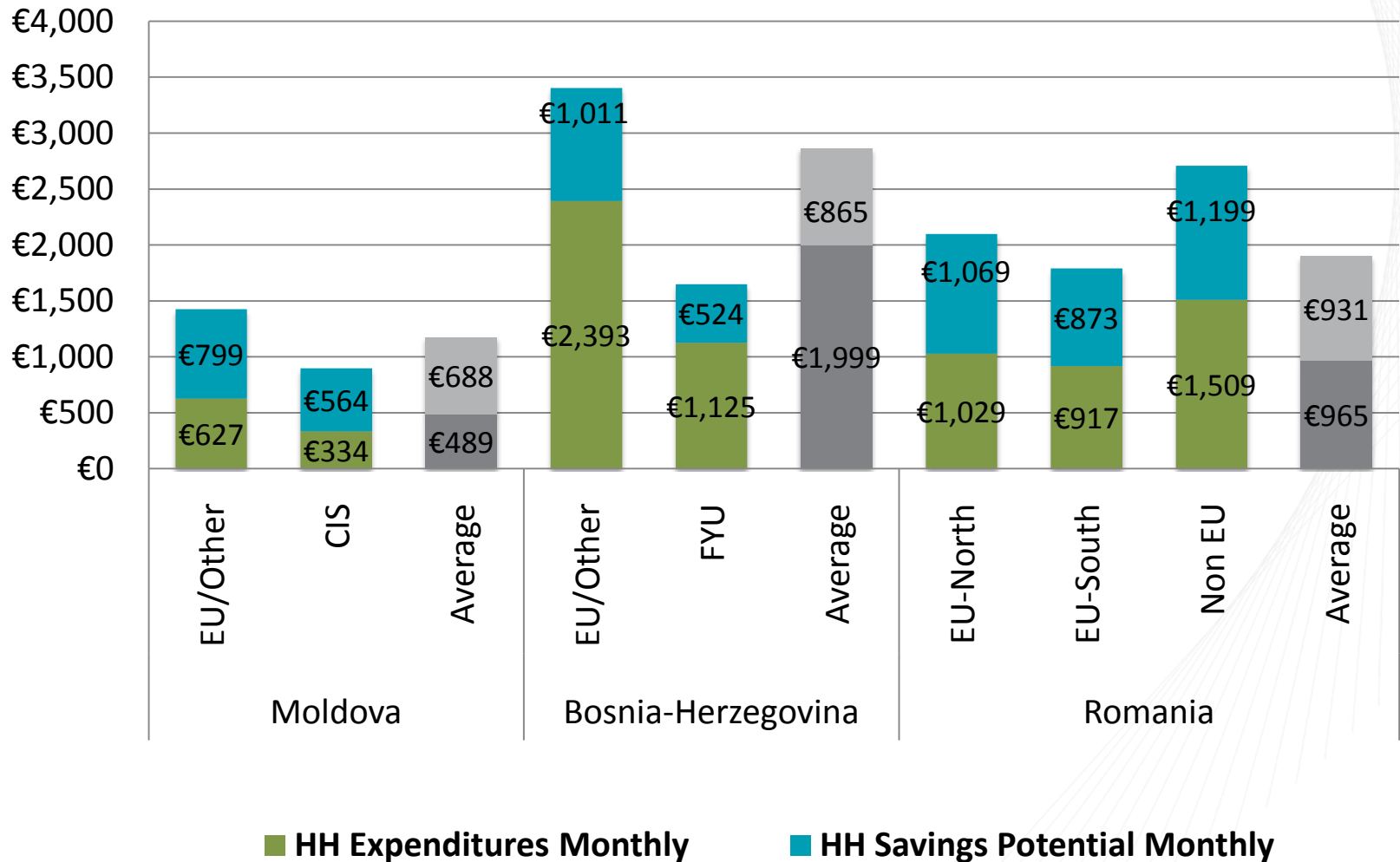
# Monthly HH Income Abroad



# Number of Income Earners Abroad

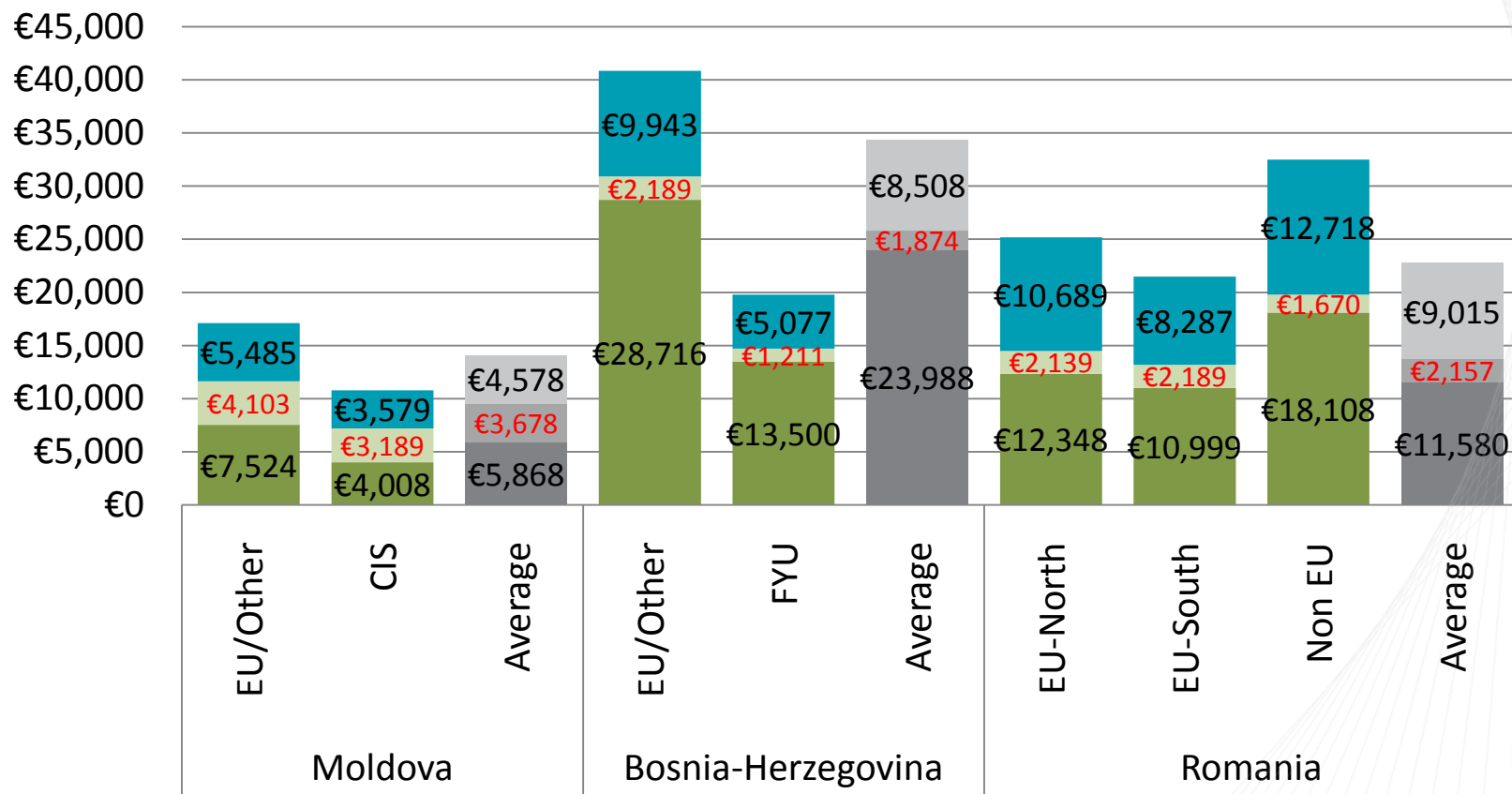


# Monthly HH Income, Expenditures and Savings



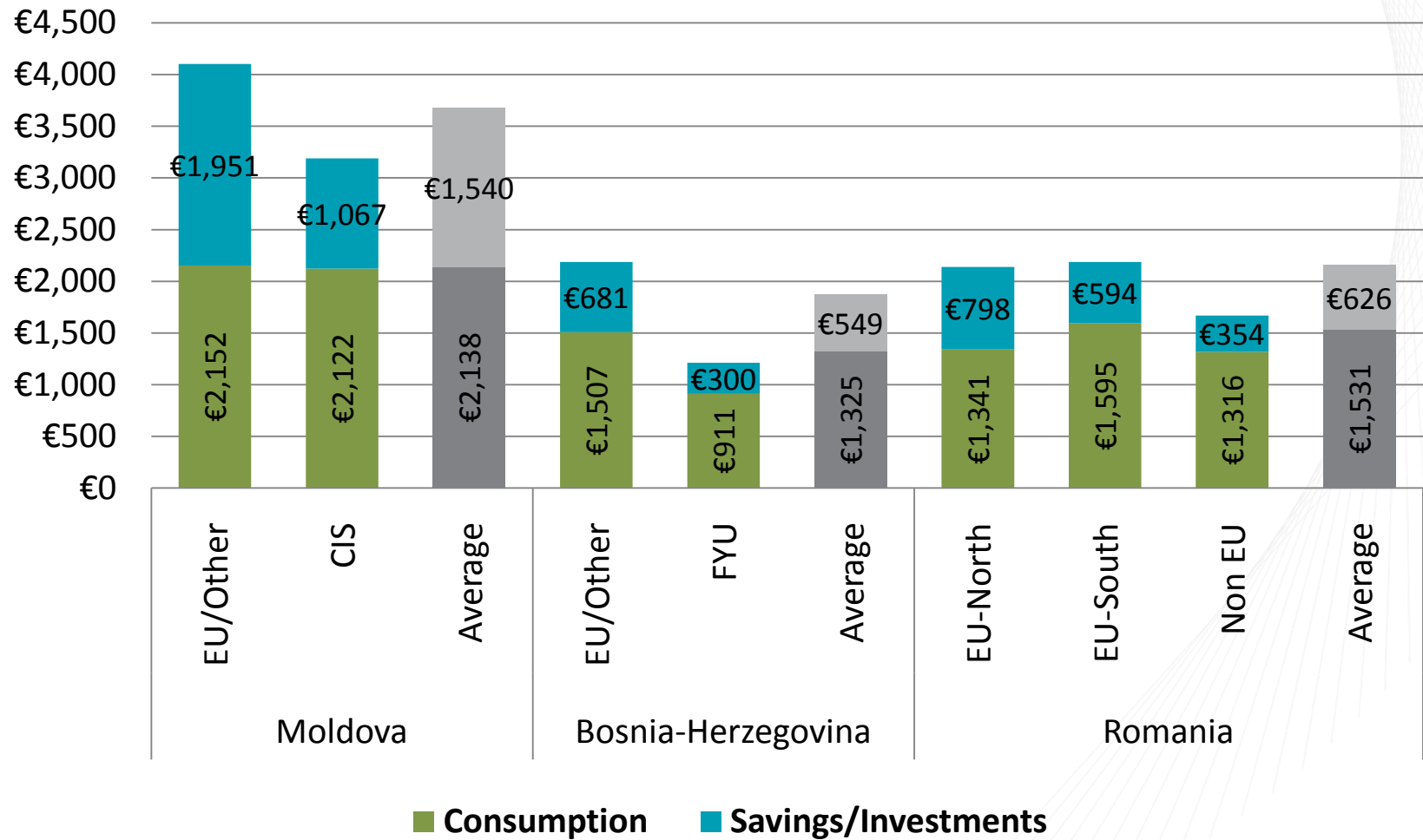


# Annual Expenditures, Remittances, Savings

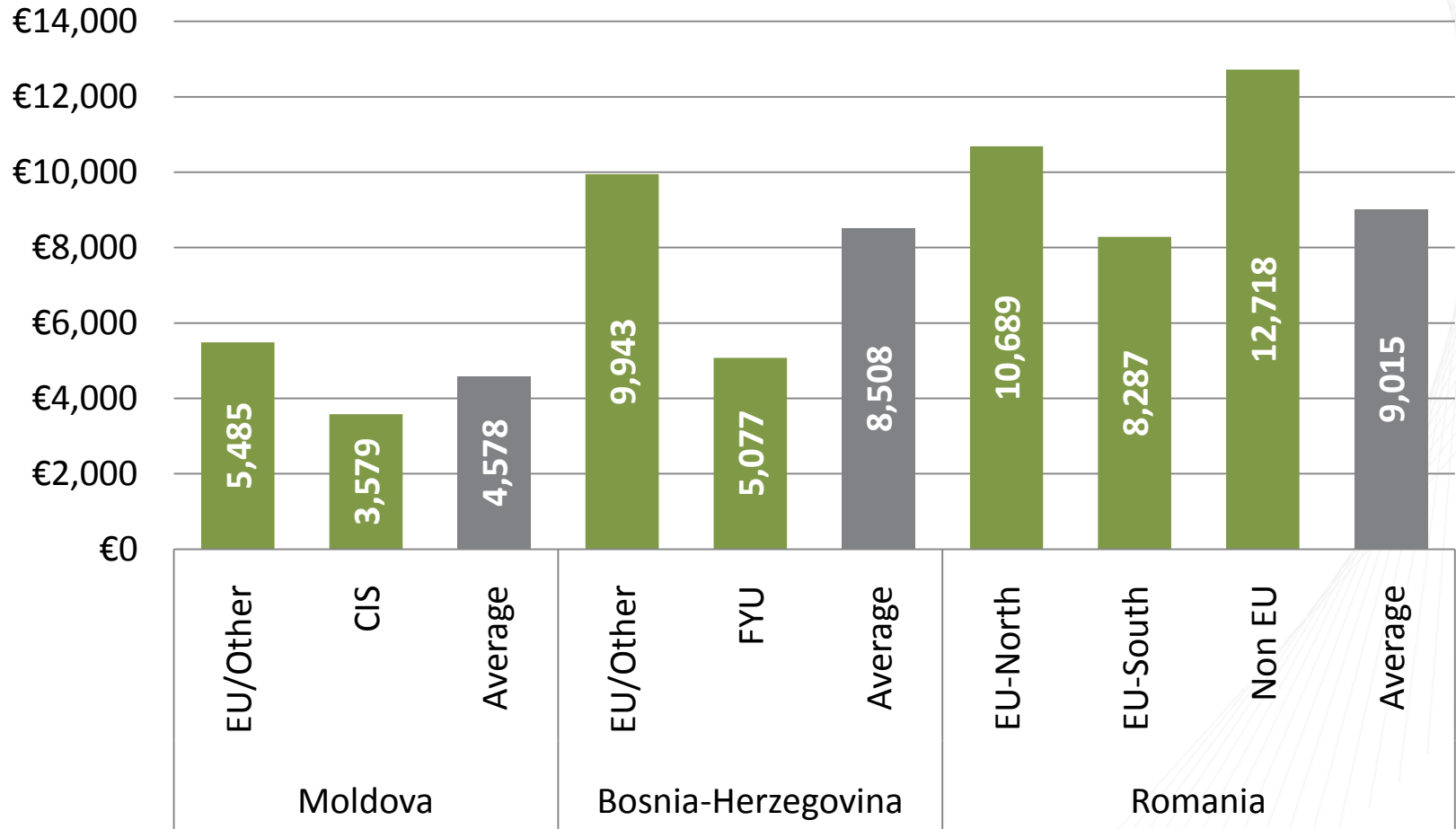


■ Annual HH Consumption   ■ Annual HH Remittance Values   ■ Annual NET HH Savings

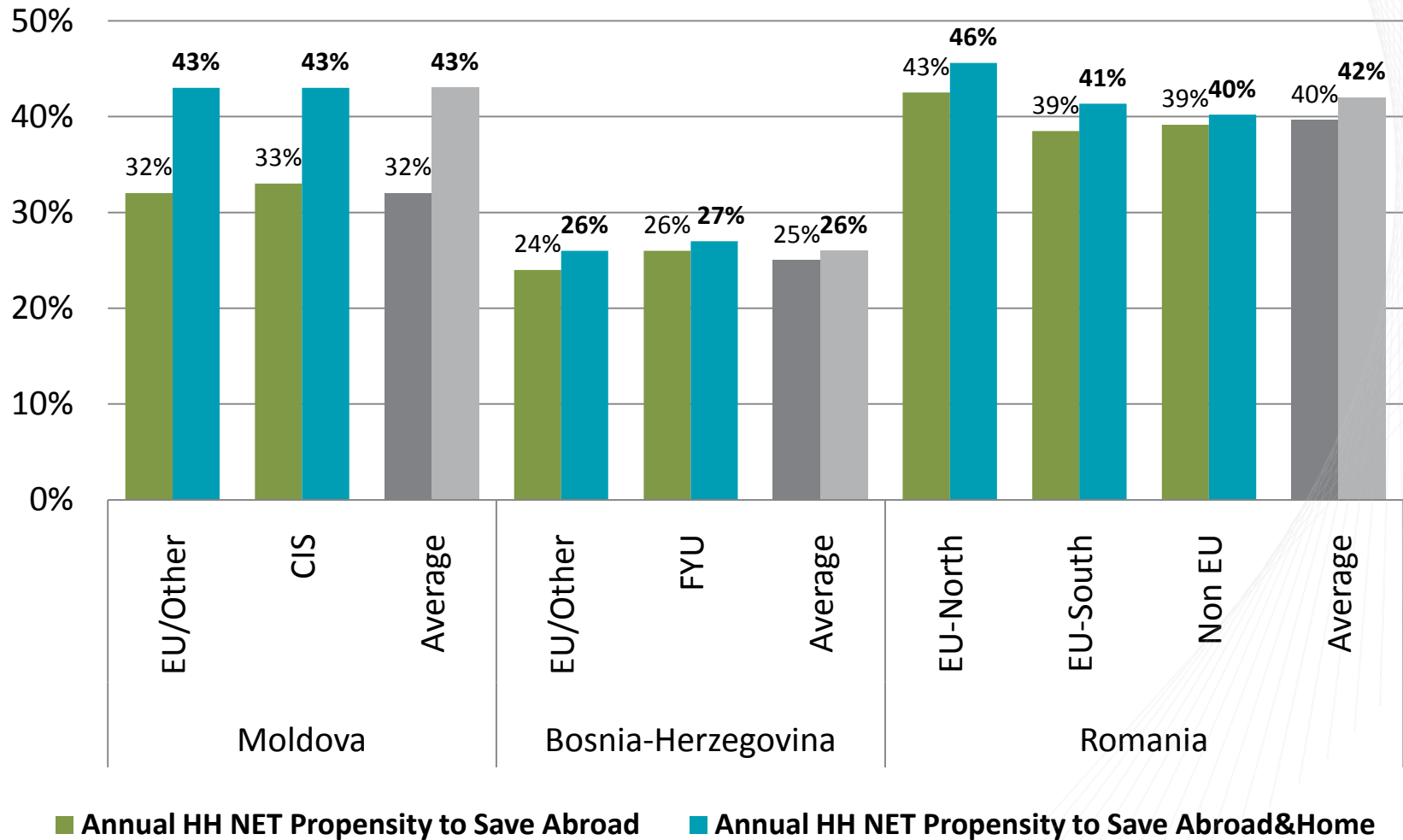
# Annual Remittance Values by Purpose



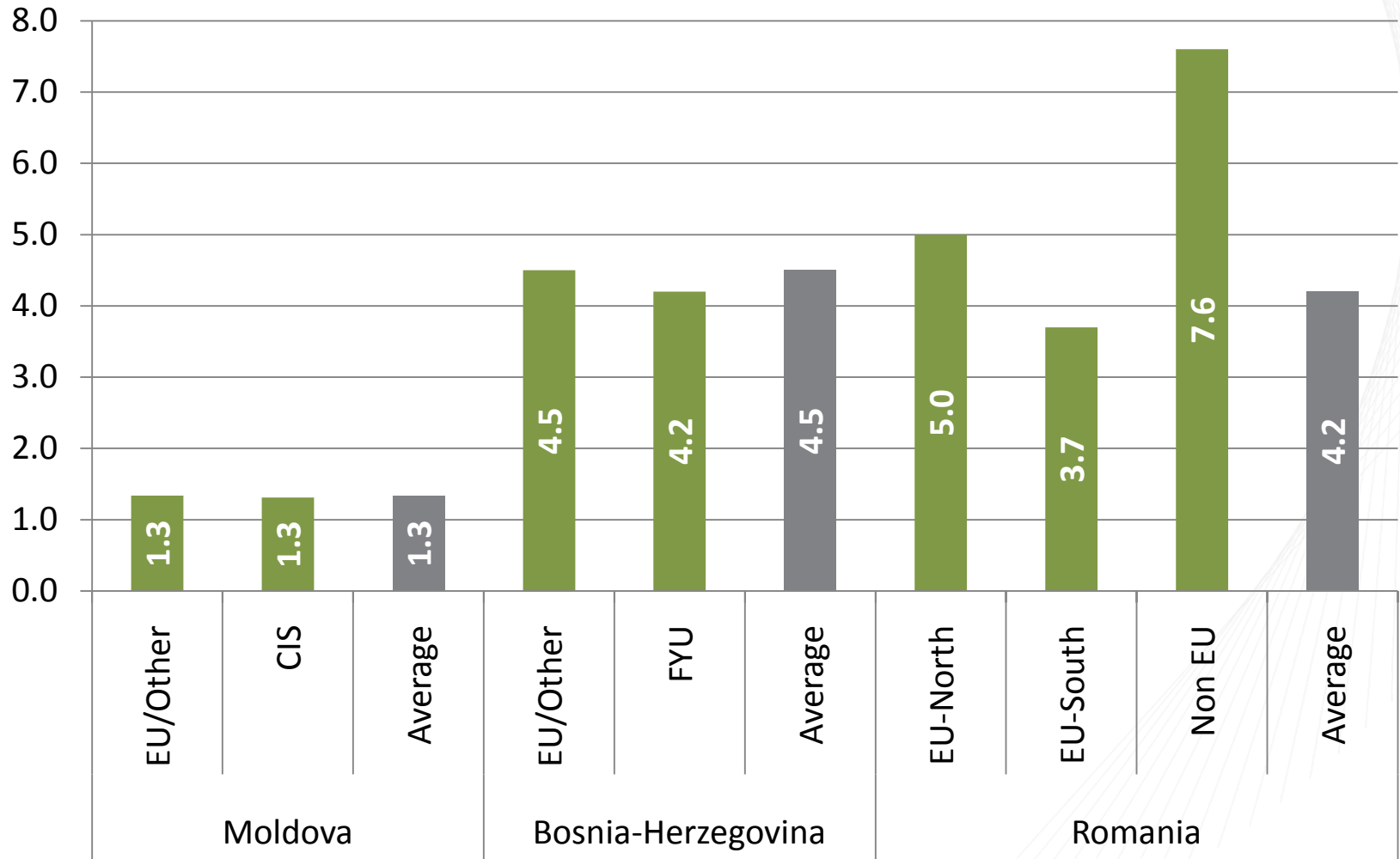
# Annual Net Savings Abroad



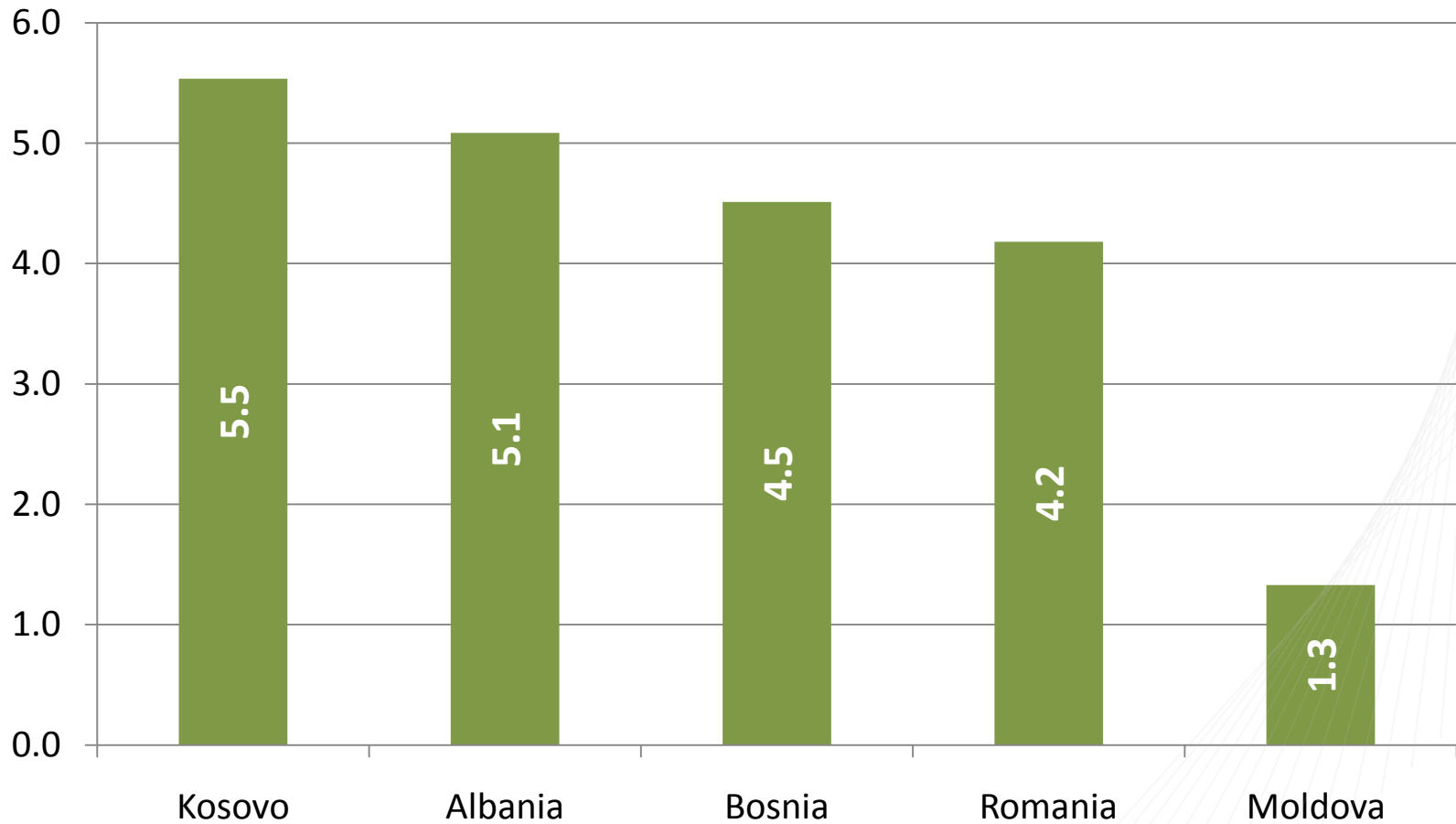
# Propensity to save Abroad/Abroad and Home



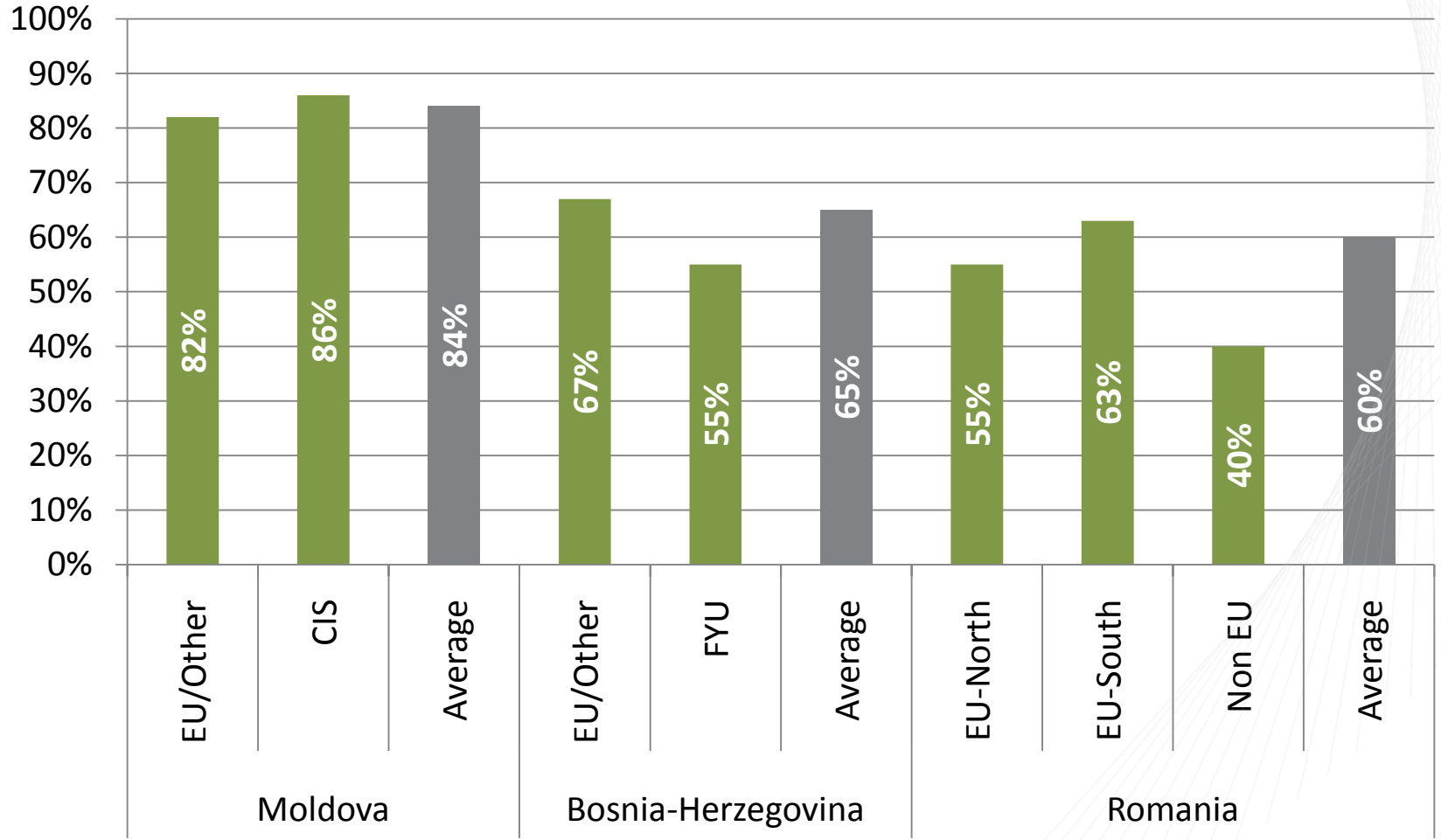
# Savings to Remittance Factor



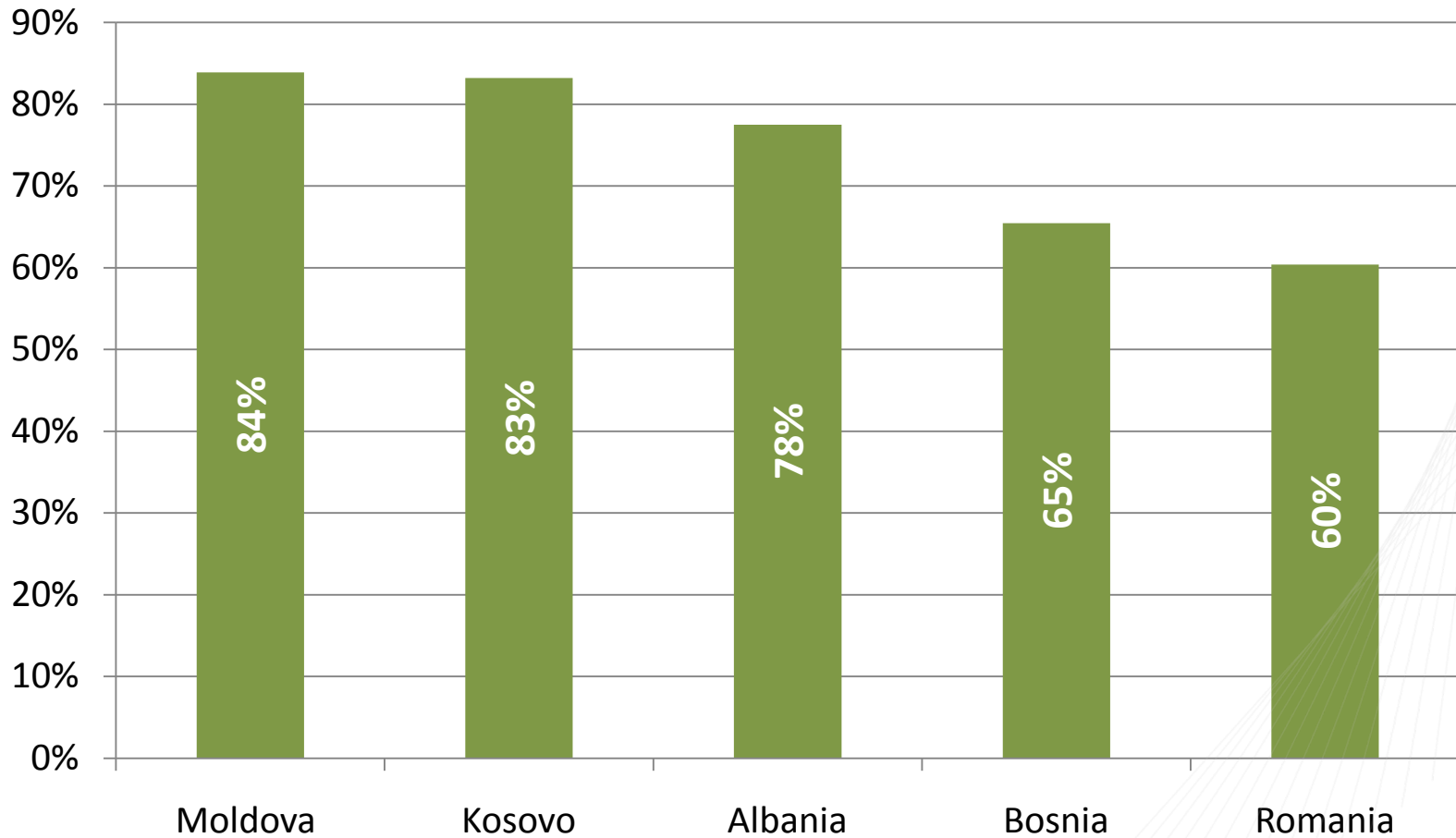
# Savings to Remittance Factor



# Propensity to Remit

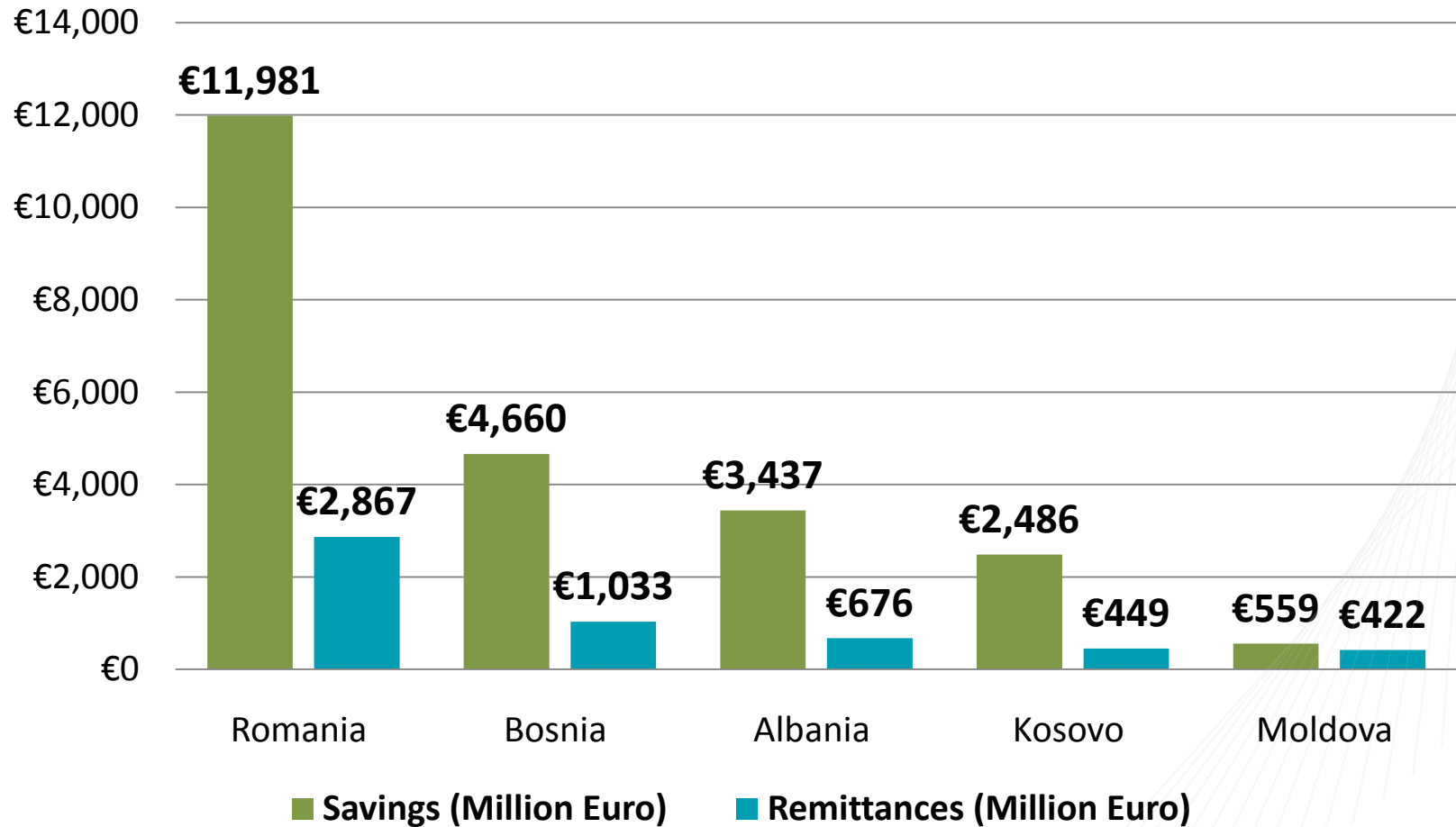


# Propensity to Remit





# Annual Savings and Remittances Values



# Regional Overview

<i>All figures in Euro</i>	Moldova	Albania	Kosovo	Bosnia	Romania
	2009	2008	2008	2009	2010
HH Income Monthly	1,176	2,305	3,857	2,864	1,896
Number of Incomes	1.27	1.87	1.96	2.0	1.48
HH Expenditures Monthly	489	1,457	2,252	1,999	965
HH Savings Monthly	688	848	1,605	865	931
<b>Annual GROSS HH Savings</b>	<b>8,256</b>	<b>10,180</b>	<b>19,256</b>	<b>10,383</b>	<b>11,172</b>
<b>Annual Remittance Values</b>	<b>3,678</b>	<b>1,673</b>	<b>2,946</b>	<b>1,874</b>	<b>2,157</b>
<b>Annual HH Savings Abroad</b>	<b>4,578</b>	<b>8,507</b>	<b>16,310</b>	<b>8,508</b>	<b>9,015</b>
<b>ANNUAL SAVINGS ABROAD (Million)</b>	<b>559</b>	<b>3,437</b>	<b>2,486</b>	<b>4,660</b>	<b>11,981</b>
<b>ANNUAL REMITTANCES (Million)</b>	<b>422</b>	<b>676</b>	<b>449</b>	<b>1,033</b>	<b>2,867</b>
<b>SAVINGS TO REMITTANCE FACTOR</b>	<b>1.3</b>	<b>5.1</b>	<b>5.5</b>	<b>4.5</b>	<b>4.2</b>

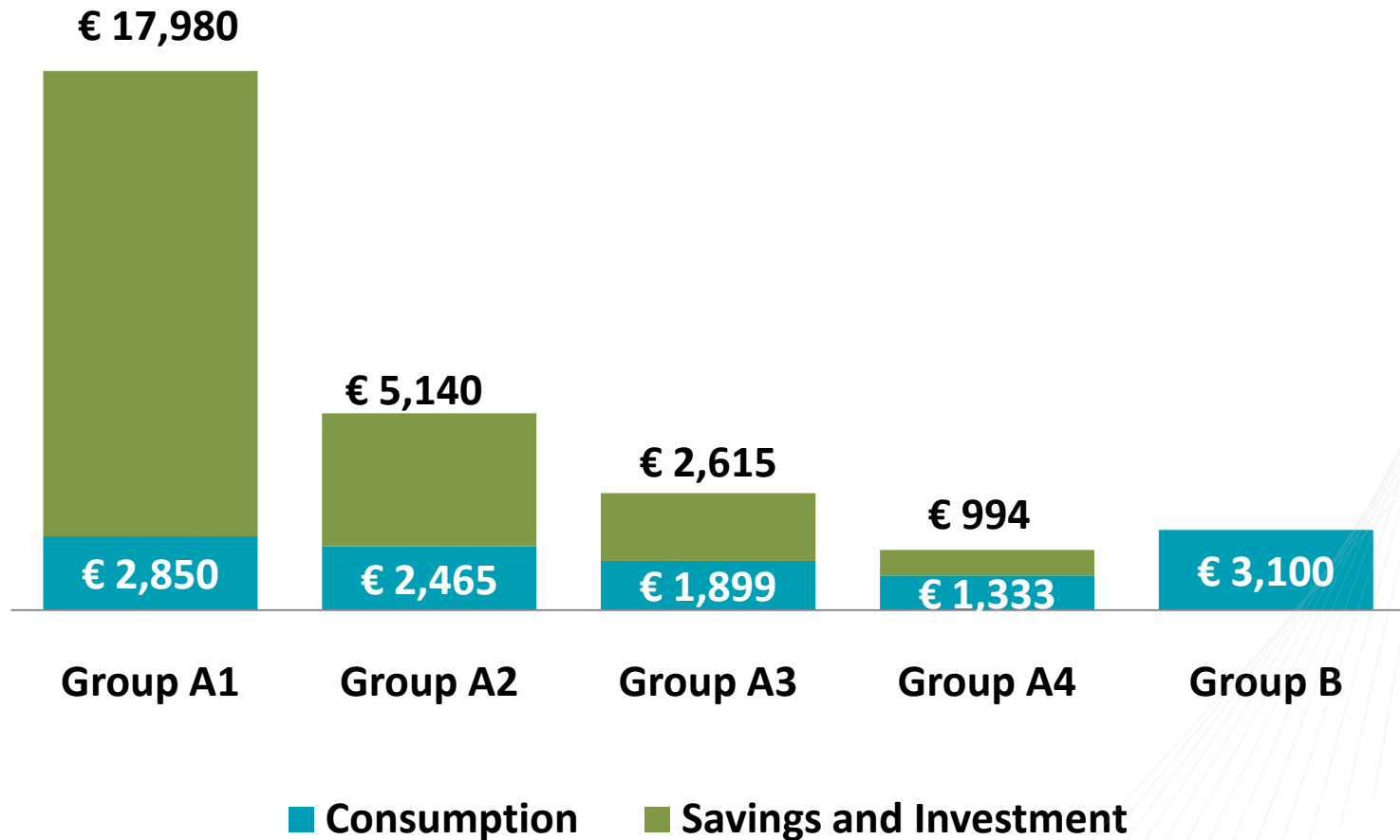


# **Moldovan migrants' household profile**

# Key groups profile

Grp #	Group-Description	Sub-Freq	Sub-%	Freq	%
<b>Total Respondent Groups (N)</b>				<b>2,313</b>	<b>100%</b>
<b>A</b>	Declaring Savings/ Investment as part of Remittances		100%	851	37%
<b>A1</b>	Saver/Investor - highest level	86	10%		4%
<b>A2</b>	Saver/Investor - high level	184	22%		8%
<b>A3</b>	Saver/Investor - lower level	254	30%		11%
<b>A4</b>	Saver/Investor - lowest level	327	38%		14%
<b>B</b>	Declaring 100% Consumption of Remittances			1,090	47%
<b>C</b>	Non remitters			372	16%

# Investment and consumption pattern of key groups

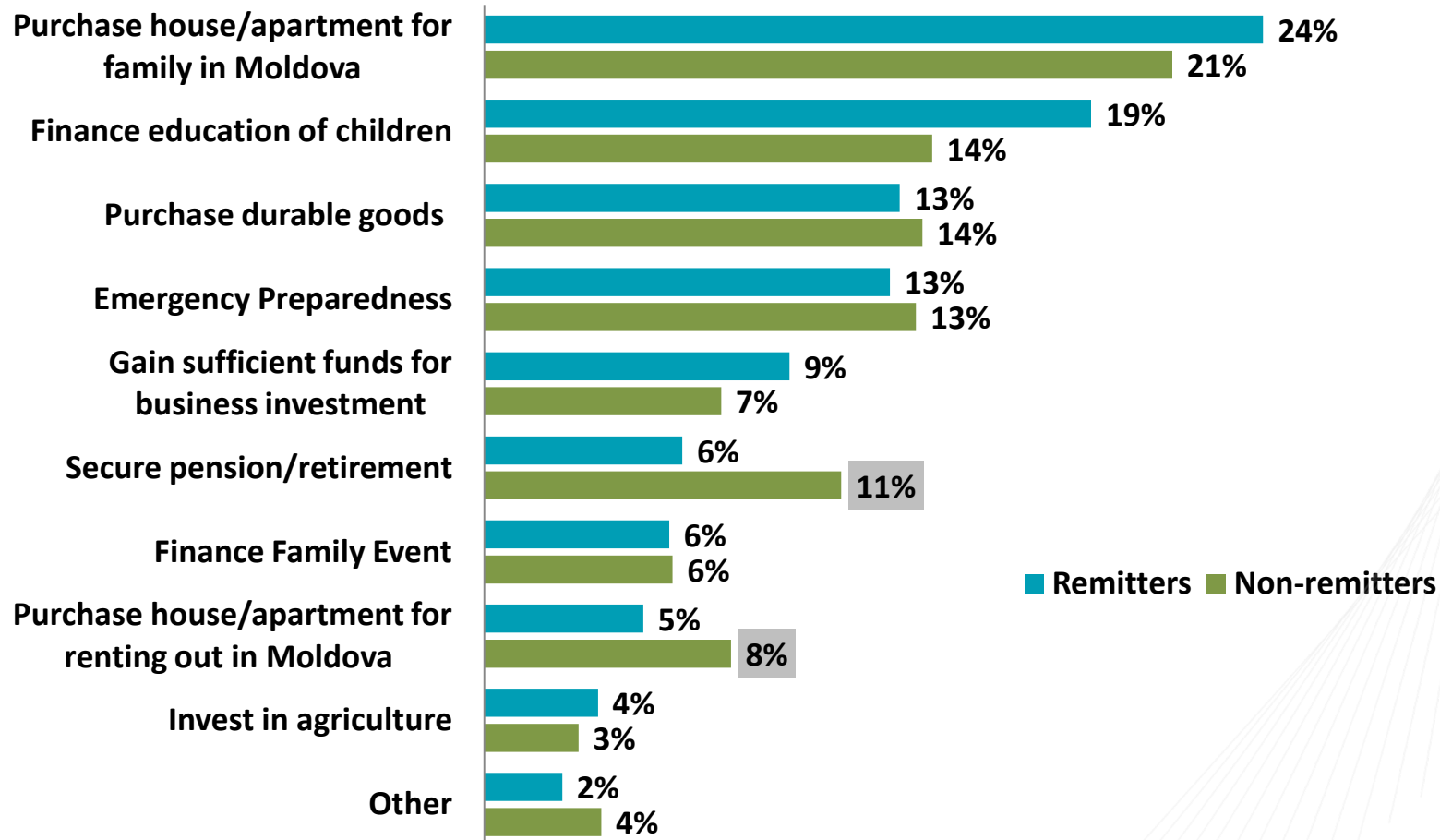


# Financial Overview by Savings/Investment Groups

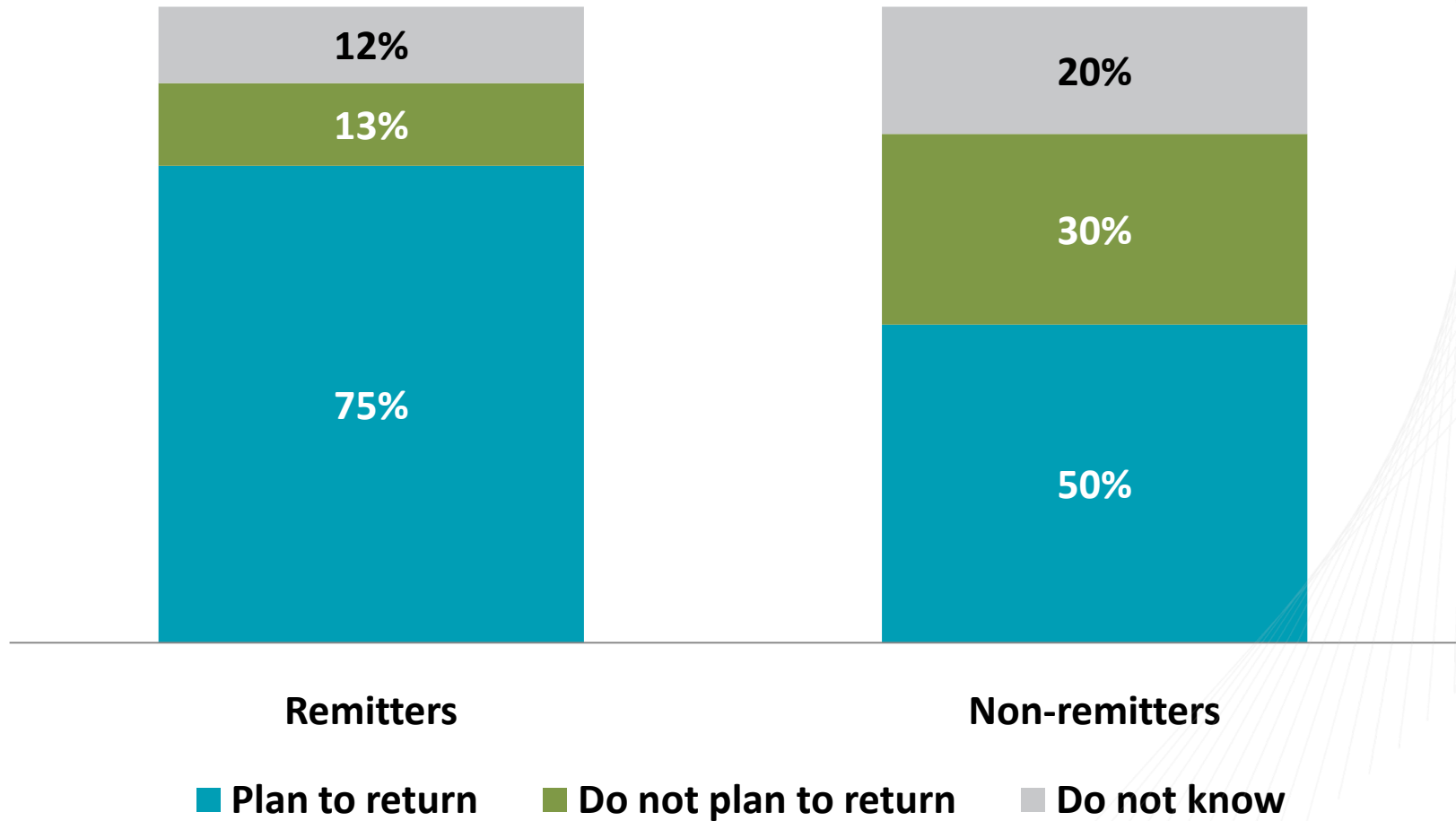
	Group A1 (4% of N)	Group A2 (8% of N)	Group A3 (11% of N)	Group A4 (14% of N)	Group B (47% of N)	Group C (16% of N)	Average (A, excl. Group B,C)	Average (Total N)
<b>A.</b> Income Value	€ 2,280	€ 1,270	€1,116	€958	€ 1,153	€ 1,221	€ 1,206	€ 1,183
<b>B.</b> Expenditure Level	€ 692	€ 421	€ 400	€ 378	€ 496	€ 618	€ 426	€ 490
<b>C.</b> Balance A-B (Gross Savings Potential)	€ 1,588	€ 849	€ 716	€ 580	€ 657	€ 603	€ 780	€ 693
<b>D.</b> Annual Gross Savings Potential(Cx12)	€ 19,056	€ 10,188	€ 8,568	€ 6,948	€ 7,884	€ 7,236	€ 9,360	€ 8,316
<b>E.</b> Remittances Value	€ 20,830	€ 7,605	€ 4,514	€ 2,327	€ 3,100	€ 0	€ 5,991	€ 3,678
<b>F.</b> Gross Savings Potential minus Remittances (Net Savings Potential) (D-E)	-€ 1,774*	€ 2,583	€ 4,054	€ 4,621	€ 4,784	€ 7,236	€ 3,369	€ 4,638
<b>G.</b> Savings/Investment Component of Remittances (Euro)	€ 17,980	€ 5,140	€ 2,615	€ 994	€ 0	€ 0	€4,091	€ 1,540
<b>H.</b> Savings/Investment Component of Remittances (% of E)	86.3%	67.6%	57.9%	42.7%	0.0%	0.0%	68.3%	
<b>I.</b> Net Savings Potential plus Savings/Investment Component (F+G)	€ 16,206	€ 7,723	€ 6,669	€ 5,615	€ 4,784	€ 7,236	€ 7,460	€ 6,178

*\*Negative balance is due to savings from previous years, supplementing remittance value for 2009 for investment and savings purposes*

## Remittance senders and non-senders have basically the same savings objectives....



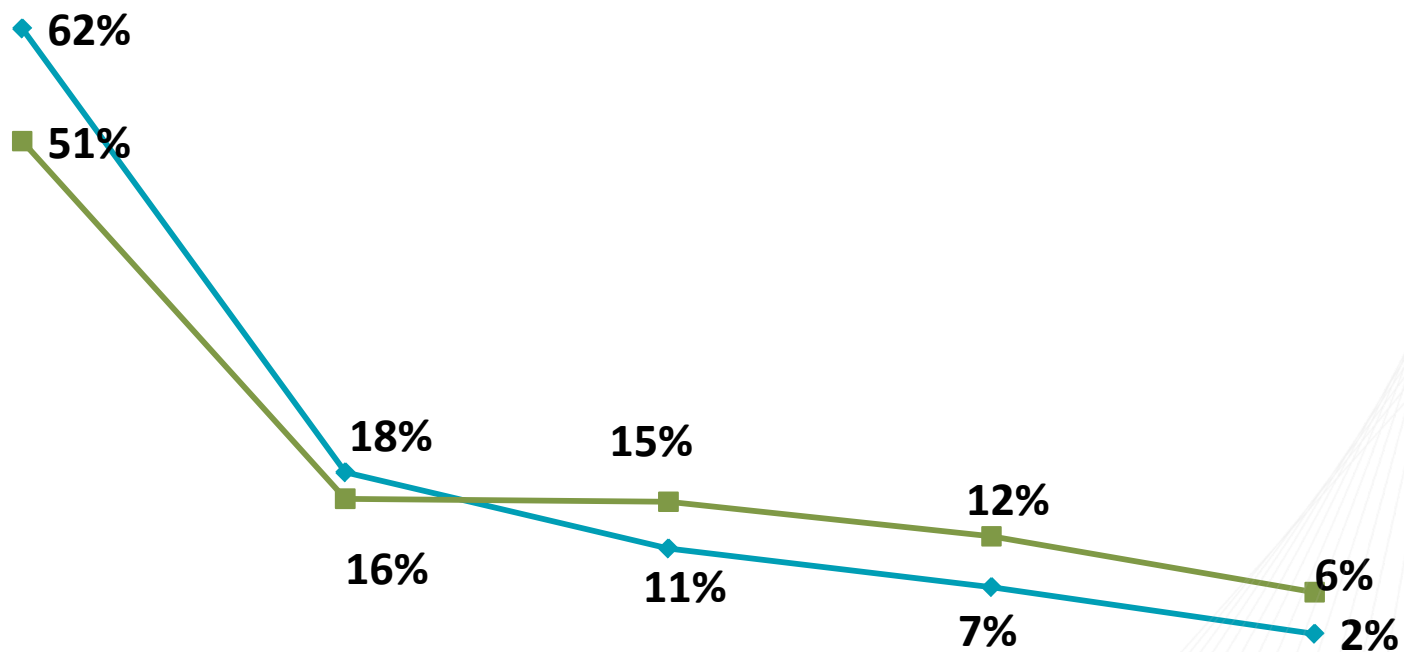
# Return intentions and propensity to remit are strongly related





# Comparing 'Region of Migration' with category of remitters

◆ CIS   ■ EU/Other countries



Group B

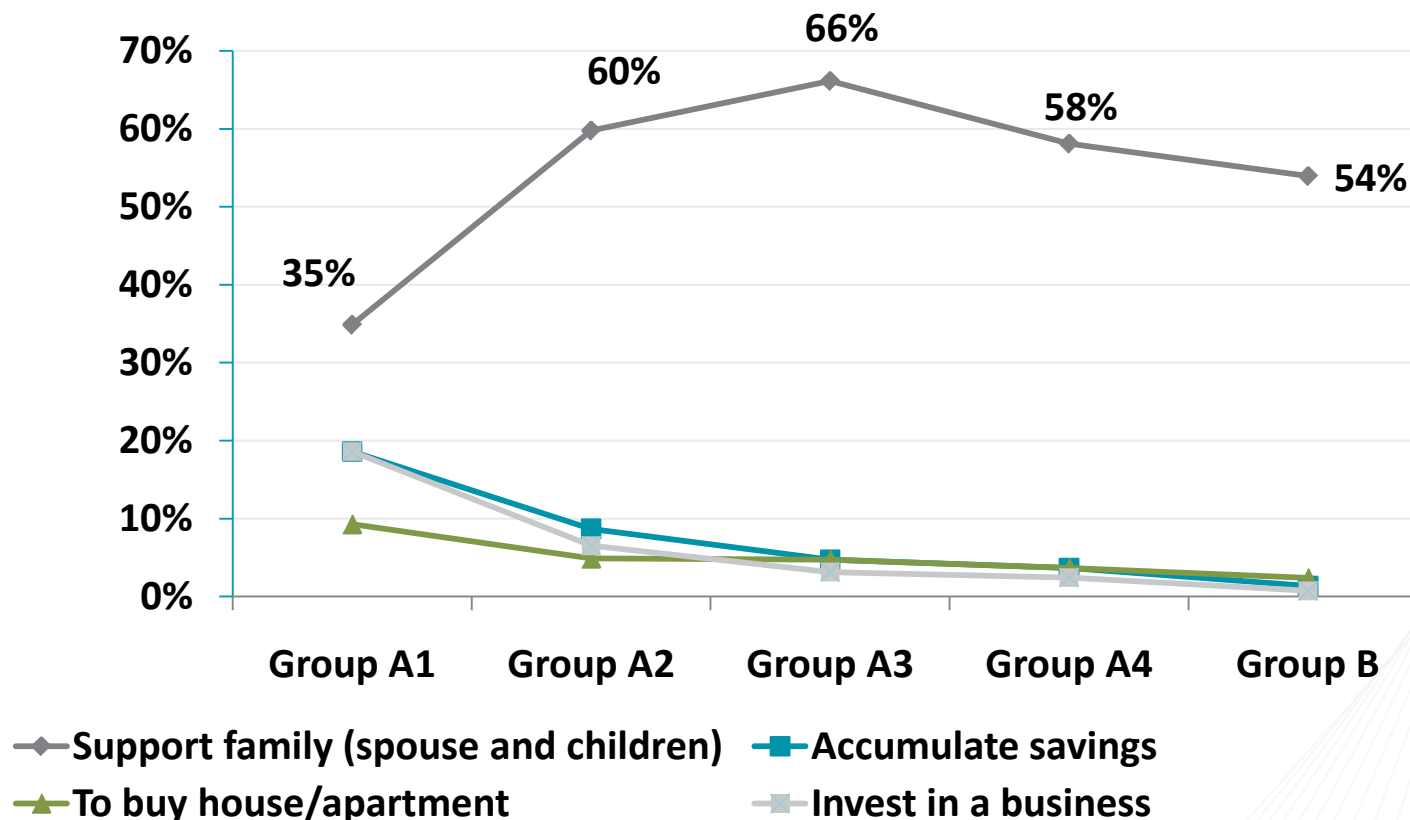
Group A4

Group A3

Group A2

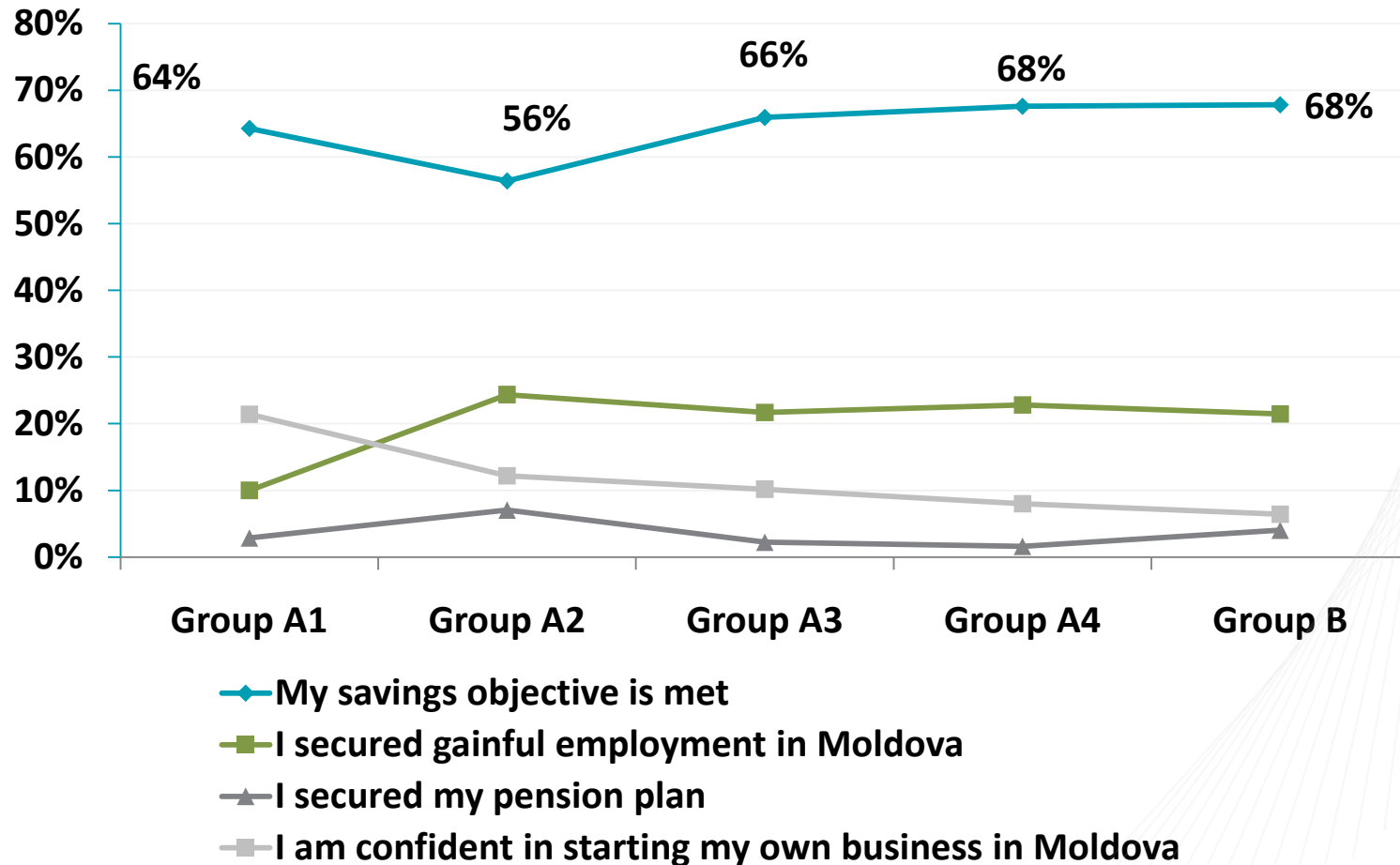
Group A1

## The lower the importance of “supporting family members“ in Moldova, the higher the savings/investment component of remittances



Can you rank the most important purposes for transferring money to Moldova?  
– Cross-tabulated with remittance levels (A4-A1)

## Meeting the savings objective is consistently the most important precondition for return



*“Which PRIMARY condition has to be met before you will consider returning to Moldova on a permanent basis?” – Cross-tabulated with remittance levels (A4-A1)*

# Conclusions

- Circular migration results in **considerable savings and investment potential**
- Key determining factors relate to the presence of **suitable local conditions** and migrant/saver-specific **incentives**
- Given their numbers, circular migrants and their HHs comprise a **significant human and financial resource** and a **substantial potential market** for interested and imaginative actors in the financial sector
- Experience shows that, to date, these important findings remain **largely unexplored** by financial intermediaries and governments alike

# Disclaimer

This informative material was performed within Project „**Devinpro Moldova 2009/2010**”. The Project is implemented in partnership by **Centre for Sociological, Politological and Psychological Analysis and Investigations CIVIS** from Republic of Moldova and **International Agency for Source Country Information** from **Austria**.



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**Thank you!**