

# **Remittances and their potential for savings in countries of origin – Armenia and Tajikistan**

**Expert Group Meeting on Strengthening Capacities  
for Migration Management in Central Asia,**

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# Migration and Development

## Driving Forces

Push Factors  
Pull Factors  
Inter-country networks

## Migration

## Development Impact

## Countries of Origin

Financial transfers  
Skills and technology transfer  
Brain-drain

## Countries of Destination

Filling labour shortages  
Public Finances  
Wages & Employment

## Policies/strategies

Overseas employment  
Enhancing the development  
impact of remittances  
Mitigating the adverse effects of  
brain-drain  
Return of qualified  
Engaging the diaspora

## Policies/strategies

Assessing migration needs  
Admission policies  
Post admission policies  
Diaspora organizations

International Cooperation

# Remittances

## 1. Introduction

- USD 316 billion remitted to developing countries in 2009 (World Bank).  
Down 6% from 2008 due to the global economic slow down
- The World Bank has published the following estimates for inward remittance flows (mainly but not only from Russia) in 2009:

	USD millions (2009)	As share of GDP (2008)
Armenia	729	8.9%
Azerbaijan	1243	3.4%
Kyrgyzstan	882	28%
Moldova	1211	31%
Tajikistan	1747	50%

- Compared to 2008 there is a fall in remittances to the above countries by about 30%.

# Remittances

- Remittances costs generally low in the region
- Stakeholders – remittance sender and receiver; private funds
- Three main issues around remittances – services; development impact; data.
- Costs and Benefits of remittances

# Remittances

## 2. Results of ILO-EU Studies in the Region (Armenia and Tajikistan)

### 2.1 Armenia (survey of 1000 migrant families and banks/MFIs - 2008)

- 73% of migrants in Russia; 8% in United States; 4% in Ukraine
- 25% women and 75% men; 55% of migrants in 26-45 age group
- Seasonal migrants: 22%; Absent for two years and more with several visits-39%
- 71% of migrants receive remittances
- 80% HHs who have migrants abroad receive remittances at least quarterly (20% monthly)
- 82% of remittances is spent on current consumption

# Remittances

## Savings

- Savings from remittances - 8% (mostly for special events) represents a large sum
- However little savings are kept in banks
- 14% of respondents have an active bank account
- 3% of HHs who save keep a portion in banks
- Reasons: Habit, mistrust of banks, amount too small
- Awareness of available savings schemes: 27%
- Awareness greater among account holders: 60%

# Remittances

## Remittance backed products (UNIBANK)

- Debt servicing from remittances
- Overdraft facility (upto USD 500 for regular remittance receivers)
- Direct payment from remittances for utility bills and the other municipal payments
- Smart card for transfers

Some banks use remittance history as a criteria for lending (secondary source of income of client) and to promote deposits

[https://www.yunbaogao.cn/report/index/report?reportId=5\\_7887](https://www.yunbaogao.cn/report/index/report?reportId=5_7887)

预览已结束，完整报告链接和二维码如下：



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% of migrants between 25-45 years old

on – labourers and construction

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-35%

ts receive remittances

o have migrants abroad receive remittances at  
y (and 20% monthly)

al remittance channels (MTOs and Banks)

emittances account for >50% of income

nces for immediate consumption needs