

*Testimony before the U.S. Congress and U.S. Helsinki Commission
“Crossing Borders, Keeping Connected: Women, Migration and Development in
the OSCE Region”*

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To members of Congress and the U.S. Helsinki Commission:

Migration in the Organization for Security and Co-operation in Europe (OSCE) region has become a key engine for economic growth and development and is of significance and importance. Migration is an important means by which men and women take care of their families. The patterns of this migration are shaped by gender and, in turn, affect gender dynamics. The majority of the recipients of remittances are women and they improve the quality of life of their families through these earnings which are sent to them. There are also many women who migrate to send money home to their families, and this group of migrants is especially vulnerable.

I will focus my testimony on issues regarding women, migration, and remittances in Central Asia, the South Caucasus, and Moldova, regions and countries where I have conducted extensive fieldwork. Women migrants face conditions that make them more vulnerable than their male counterparts, although they sacrifice as much as men. Moreover, women remittance recipients have to cope with lower amounts of remittances received but still have to manage often larger households. In addition, their access to save or borrow and keep their money at a financial institution is lower than is for men.

I offer some recommendations on development policy that can further cooperation efforts in those and other OSCE countries. Among the issues advanced include encouraging development institutions to integrate migration and remittances within their economic development agendas, explore aspects of financial access, and link remittances to projects on health and education.

a) *Migration from the OSCE countries*

International migration from developing countries that are members of the OSCE may be as high as 40 million. There are 17 million migrants from Central Asia, the South Caucasus, and Moldova alone (Table 1). With few exceptions, the majority of migrants from Central Asia and the Caucasus go to Russia. These migrants come predominantly from rural areas and respond to a regional marketplace for foreign labor that results from Russia’s economic growth and its population decline as well as slow economic development in many of the CIS countries. In other words, migration has emerged as an economic alternative for many people in this region (Figure 1). In the Balkan countries a mix of economic necessity and conflict has preceded international migration. But in general, as in other parts of the world where migration responds to foreign labor demands, migrants go to a major destination, which in this case is the Russian Federation.

In 2006, these migrants remitted nearly US\$10 billion to their home countries, one quarter of which was remitted by women (Table 2). This labor mobility has produced a significant inflow of remittances to these countries contributing both to the households who receive it and to their home country economies. Remittances represent at least three quarters of the household income for these families, making these flows an important lifeline (Table 3). On average 10% of households in the host countries are remittance recipients, and the number rises to over 20% in Moldova.

b) Remittances and Gender Trends

Female migration follows broader patterns of labor mobility. Looking at survey data for more than thirty nationalities of migrants in ten destinations around the world shows that the share of female migrants varies across regions (Table 4). Female international migration responds to different dynamics, one of which is the demand for foreign female labor associated with the feminization of labor in certain industries. For example, Singapore and Hong Kong have a strong demand for female South East Asian labor to work in assembly plants or in the health service sector. Female migration of Moldovans to Italy, for instance, follows a demand for low cost labor for work in the clothing industries and for nurses in the health sector. Migrants going to Russia from Central Asia and the Caucasus, in contrast, have a lower female migrant population because the largest demand for migrant labor is in the oil and construction industries which traditionally rely mostly on male workers.

Gender dynamics in migration also, and importantly, reflect realities in the home country. Lower levels of female migration are associated with lower income levels and larger rural populations. In countries where the rural population is higher, female migration is the lowest. This trend helps to explain the case of migrants in Russia: their countries are predominantly rural societies with less than 35% of the nation living in urbanized centers (Figure 2 and 3).

Women migrants going to Russia are a small percentage of the male migrants. Many of the migrant characteristics of both the men and women are similar, although there are also important differences. Women earn less on average, which is in part explained by the sectors in which they work which tend to assume the model of male (father, husband, etc.) labor, except in the fact that they work in different activities which are often less remunerated. Women work in the service industry as traders and often in markets and in the informal economy, whereas men are more likely to be working in the construction industry. Both men and women have family obligations, particularly sending money home. These migrants, men and women, remit an average of US\$1,500 a year.

Women usually do remit less than men, largely due to the fact that they earn less. Moreover, female migrants from Central Asia and the Caucasus also tend to have different obligations. They are more likely to be married to the husband in the host country, whereas men are more likely to be remitting to their spouses as well as their parents living in the home country (Table 5). Thus, female migrants may have more financial responsibilities because of supporting family in both their home and host countries.

The distribution of remittances among men and women in Central Asian countries varies. In Kyrgyzstan and Tajikistan, the recipients' gender is relatively even: in Kyrgyzstan 57% of recipients are female, in Tajikistan 58% are males, and in Armenia 66% are female. In Tajikistan women recipients receive money predominantly from spouses and children, whereas male recipients get the money from siblings, children, and other relatives working abroad. In Kyrgyzstan, recipients obtain the money predominantly from siblings although women also receive from husbands and their children. Armenians exhibit characteristics similar to the two other countries: women receive about as much from their spouses as their Kyrgyz counterparts, and like in Tajikistan, their children are the second major provider, followed by siblings (Table 6).

At least three additional points about gender and remittances are significant. First, even though women are the primary recipients of remittances, on average Central Asian women receive lesser amounts of remittances than their male counterparts (Table 7). Second, as in other parts of the developing world, but more pronounced in rural communities, young married women whose husbands migrate often

move into the inlaws' homes to minimize expenses or to be subject to closer supervision. One result of this shift is that the wife's independence diminishes considerably. This pattern has been observed in Tajikistan particularly. Third, financial access among women is lower than men. This is a troublesome matter because financial access is already very low in these countries. For example, in Tajikistan less than 5% of the population have bank accounts, but women recipients sometimes have as low as half of men's in financial access (Table 8). Even when women are able to afford to save money, most of this cash is kept "under the mattress."

c) Some policy considerations to strengthen cooperation

The effects of the intersection between gender and remittances apply to both senders and recipients. First, both men and women face family obligations at home where taking care of daily activities is a priority in the transnational household. Second, gender-based economic differences persist. Women migrants are in a more vulnerable economic condition, faced with transnational family obligations and lower income, and have greater difficulty moving out of their precarious condition. For example, their low income status affects their access into financial institutions and prevents them from taking better care of their families. A similar situation is found among female recipients.

What policy considerations exist in this context? Two broad policy approaches may be identified. First, one approach that looks at increasing the leveraging potential of remittances to improve the conditions of households. Second, an approach that seeks to reduce prevailing gender inequalities that exist to the detriment of women. Here we focus our recommendations on the first kind of approach.

Leveraging remittances for health and education

Given efforts by sending and receiving households to manage their resources in health, education, housing, and basic food, there exist creative opportunities to leverage remittances to improve health and education. Education, for example, is an activity and obligation that involves not only attending public school but also providing quality attention to children to improve their performance. Both public schools and private institutions, NGOs included, are well suited to identify the educational needs of remittance recipient children and their communities in order to offer an array of services, including but not limited to extracurricular educational activities such as arts and crafts, sports, or religious studies, special class tutoring, performance testing and family counseling. Similarly, microfinance and banking institutions are well suited to sell education funds and scholarships for those interested in getting an education. These funds include long term savings accounts, school supplies funds, and school fee scholarships paid by relatives of remittance recipients. Learning from existing experiences in other countries should be a first step exercise to identify mechanisms for policy replication.

Similarly, the health of remittance recipients is critically important. First, migrants remit to at least two children back home and to their parents. Second, over twenty-five percent of recipients are over 57 years of age, and on average they are forty-four years old. Health matters for older cohorts and given the precarious health care system in most of these countries, health services to recipients would have an important impact to most of them, who in the majority have no access to affordable and good health care. Public and private sector institutions can offer a range of insurance products such as medical care, emergency care and dental care, as well as burial and body repatriation. Such initiatives can be directly arranged between a remittance payer, particularly a bank or an MFI, and a health care provider at affordable rates.

Leveraging remittances for financial access

Senders and recipients have major constraints in accessing financial institutions. Development players should concentrate efforts to bancarize women in order to improve their social condition. Their access is currently limited, yet as senders or recipients they hold a purchasing power and demand for financial services. Remittances are a vehicle that banks and other financial institutions can use to reach out to unbanked women and those with limited financial intermediation on both the sending and receiving ends. The ensuing banking relationship potentially affords both senders and recipients with the opportunity to establish credit histories and take advantage of home mortgages, small business loans and health and educational savings plans, among other investments.

Migrant women's integration into the formal financial systems is vital to their economic health, offering freedom from costly check cashing services and predatory lending, and promoting asset development by offering access to important financial services and products. When remittances are introduced into the finance and development equation, the resulting outcome is positive.

One key component of financial access is education. A collaborative effort between governments, the donor community, civil society and banking financial institutions can be established to form a financial literacy project aimed at remittance recipients' financial education and financial access. The purpose of the project should consist of setting up financial literacy educators at select bank branches across the country in cooperation with banking and non-banking financial institutions. A recent pilot program on financial literacy among performed during a six month period in Moldova to 5,000 remittance recipient clients showed that 80% of those receiving financial education would express their interest in having financial services. Moreover the results of an intake evaluation form showed a strong correlation between owning a savings account and having prior knowledge of financial issues.

Mobile transfer technology has emerged as an alternative to cash-to-cash international transactions that provides secure, immediate and value added transfers. Consumers can receive transactions that are loaded into their devices, and cash the remittance or perform transactions with vendors accepting the mobile device operation. Adopting mobile transfers includes enabling point of sale terminals (POSTs) at merchant locations visited by Moldovan recipients. The government of Moldova can support both the tax exemptions on the importation of POSTs and explore the regulatory environment that can permit international foreign currency transfers in a mobile device account associated to a bank. The international donor community has expressed interest in working on modernizing payment systems adopting and adapting new technologies. The mobile transfer device is an efficient mechanism, more practical than mobile banking, but depends on the adequacy of friendly telecommunication guidelines in foreign and domestic currency payments, and a merchant network of POSTs accepting card or mobile based transfers.

Table 1: Migration in Central Asia, Caucasus and Moldova

| | # of Migrants | Russia (%) | Other |
|--------------|---------------|------------|-------|
| Azerbaijan | 1,370,927 | 62% | 38% |
| Georgia | 1,035,670 | 61% | 39% |
| Moldova | 663,418 | 45% | 55% |
| Armenia | 780,509 | 62% | 38% |
| Kyrgyzstan | 596,645 | 78% | 22% |
| Tajikistan | 813,760 | 47% | 53% |
| Ukraine | 5,877,810 | 61% | 39% |
| Kazakhstan | 3,598,107 | 72% | 28% |
| Turkmenistan | 258,596 | 68% | 32% |
| Uzbekistan | 2,346,105 | 39% | 61% |

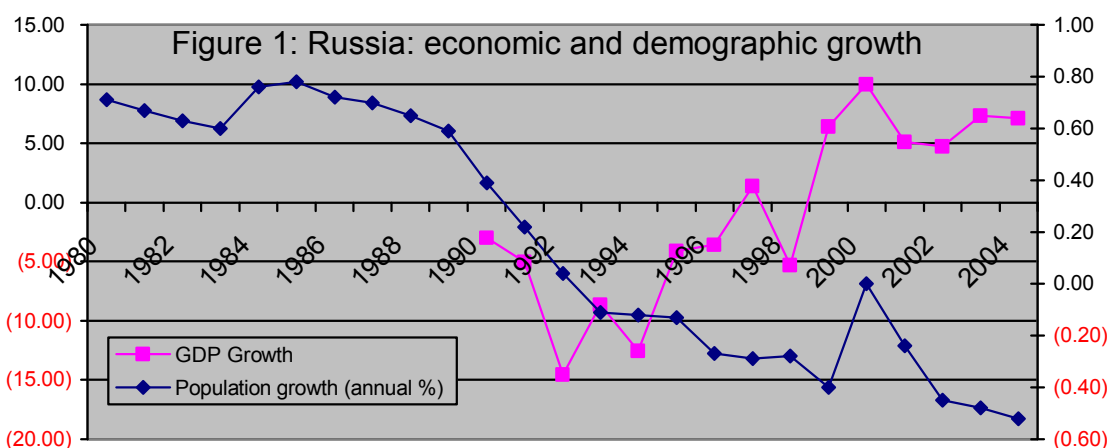


Table 2: Remittances to selected Central Asian and South Caucasus countries and Moldova

| Country of origin | Amount remitted |
|----------------------|------------------|
| Armenia | 917,209,290.00 |
| Azerbaijan | 1,395,414,508.06 |
| Georgia | 1,171,401,727.50 |
| Kazakhstan | 3,540,783,952.50 |
| Kyrgyzstan | 585,442,717.50 |
| Moldova, Republic of | 802,124,760.00 |
| Tajikistan | 816,845,137.50 |
| | 9,229,222,093.06 |

Table 3: Dependence on remittances (remittances as % of all income earned) and recipients

| | Male | Female | Recipients |
|------------|------|--------|------------|
| Azerbaijan | 60 | 60 | 10 |
| Moldova | 78 | 100 | 30 |

Table 4: Migrants worldwide per gender

| Country Remitting From | Male | Female |
|------------------------|------|--------|
| Hong Kong | 4 | 95 |
| Singapore | 28 | 72 |
| Japan | 49 | 51 |
| Spain | 55 | 45 |
| Argentina | 56 | 44 |
| Netherlands | 57 | 43 |
| US | 61 | 39 |
| UK | 67 | 33 |
| Russia | 75 | 25 |
| Ghana | 85 | 15 |

Figure 2: Migrants and Rural population in country of origin

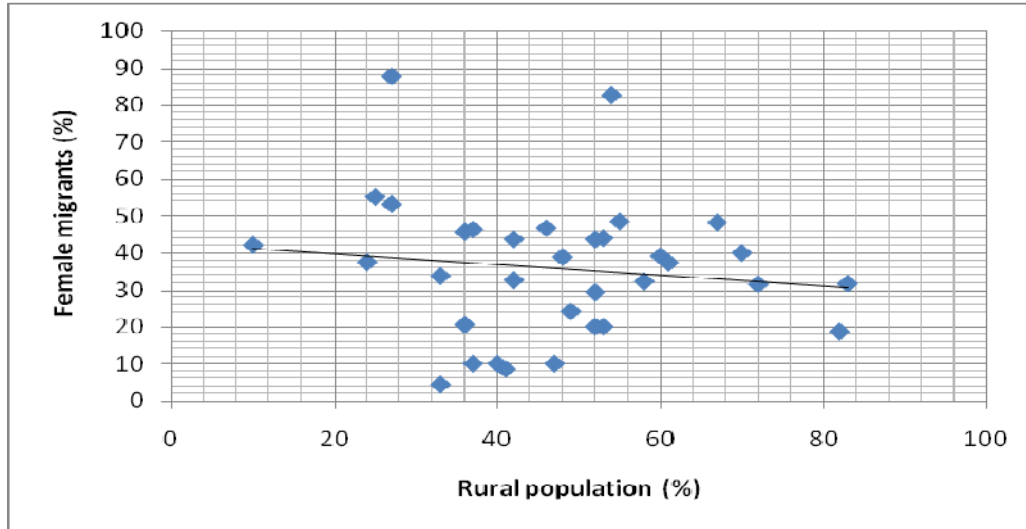


Figure 3: Migrants and per capita GDP in country of origin

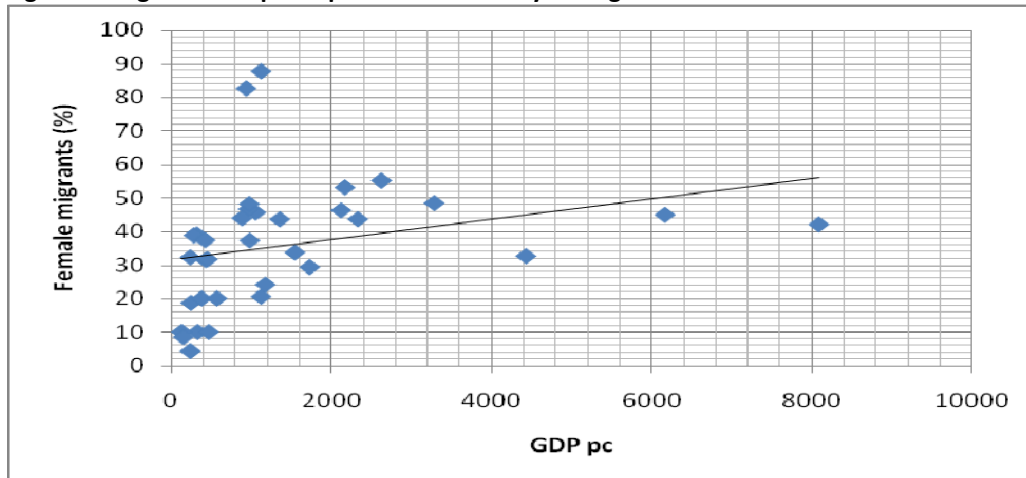


Table 5: Beneficiaries of remittances

| | Male | | | Female | | |
|------------------|---------|--------|-------|---------|--------|-------|
| | Parents | Spouse | Other | Parents | Spouse | Other |
| Azeri | 71 | 13 | 16 | 66 | 3 | 31 |
| Georgian | 67 | 16 | 18 | 62 | | 38 |
| Moldavian | 42 | 40 | 18 | 55 | 4 | 41 |

Table 6: Relationship of remittance sender (%)

| | Kyrgyzstan | | Tajikistan | | Armenia | |
|-----------------|------------|--------|------------|--------|---------|--------|
| | Male | Female | Male | Female | Male | Female |
| Spouse | 9 | 24 | 1 | 43 | 1 | 26 |
| Parent | 14 | 6 | 13 | 12 | 29 | 16 |
| Children | 9 | 23 | 16 | 20 | 19 | 21 |
| Siblings | 53 | 44 | 39 | 15 | 32 | 18 |
| Grandparents | 0 | 1 | 9 | 2 | 1 | 1 |
| Other Relatives | 14 | 11 | 16 | 12 | 12 | 17 |
| Friends | 16 | 5 | 3 | 0 | 6 | 3 |
| NR | 5 | 1 | 7 | 2 | | |

Table 7: Average amount received by sender's relationship

| | Armenia | | Tajikistan | | Kyrgyzstan | |
|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | Male | Female | Male | Female | Male | Female |
| Mean | 1879 | 1661 | 1786 | 1249 | 4388 | 3284 |
| Spouse | 500 | 1920 | 1250 | 1244 | 5642 | 3690 |
| Parent | 2580 | 2167 | 2652 | 787 | 3962 | 2425 |
| Children | 1898 | 1852 | 1640 | 1190 | 2010 | 3644 |
| Siblings | 1530 | 1286 | 1859 | 1275 | 3481 | 2396 |
| Grandparent | 200 | 300 | 2211 | 2000 | | 382 |
| Other | 775 | 1118 | 1152 | 1721 | 5006 | 4829 |
| Friends | | | 1290 | | 2101 | 2666 |

Table 8: Bank account ownership (%)

| Kyrgyzstan | | Tajikistan | | Armenia | | Azerbaijan | | Georgia | |
|------------|--------|------------|--------|---------|--------|------------|------|---------|----|
| Male | Female | Male | Female | Male | Female | Male | Male | | |
| 27 | 20 | 5 | 3 | 36 | 30 | 32 | 17 | 12 | 10 |

Migrants and remittances received in some selected OSCE countries

| | Migrants | Remittances |
|--|----------------------|--------------------------|
| Albania Albania | 819,668 | 1,984,666,808 |
| Andorra Andorra | 7,662 | 13,923,686 |
| Armenia Armenia | 780,509 | 917,209,290 |
| Azerbaijan Azerbaijan | 1,370,927 | 1,395,414,508 |
| Belarus Belarus | 1,784,015 | 1,815,601,785 |
| Bosnia and Herzegovina Bosnia and Herz. | 1,266,784 | 2,292,786,653 |
| Bulgaria Bulgaria | 923,617 | 1,198,876,808 |
| Croatia Croatia | 608,207 | 1,420,815,728 |
| Estonia Estonia | 187,816 | 339,681,828 |
| Georgia (country) Georgia | 1,035,670 | 1,171,401,728 |
| Kazakhstan Kazakhstan | 3,598,107 | 3,540,783,953 |
| Kyrgyzstan Kyrgyzstan | 596,645 | 585,442,718 |
| Latvia Latvia | 234,935 | 394,868,388 |
| Lithuania Lithuania | 324,583 | 428,285,453 |
| Moldova Moldova | 691,395 | 802,124,760 |
| Macedonia | 258,851 | 519,702,585 |
| Poland Poland | 2,278,513 | 4,756,416,990 |
| Romania Romania | 1,057,974 | 4,781,407,125 |
| Russia Russia | 12,098,614 | 13,793,754,301 |
| Serbia Serbia | 1,681,493 | 3,639,133,958 |
| Tajikistan Tajikistan | 813,760 | 816,845,138 |
| Turkmenistan Turkmenistan | 258,596 | 259,790,700 |
| Ukraine Ukraine | 5,877,810 | 6,468,448,343 |
| Uzbekistan Uzbekistan | 2,346,105 | 2,408,024,264 |
| Total | 40,902,256.00 | 55,745,407,493.00 |

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