



...Close to Families

The Power of Remittances

Focus Group Discussions

Finding

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- ▶ What does the discussions find out about the development impact of remittances on recipient households behaviour:
 - ⇒ Welfare;
 - ⇒ Investments;
 - ⇒ Return migrants and entrepreneurship;
 - ⇒ Education attainment;
 - ⇒ Health; and
 - ⇒ Other

Focus Group Open-ended Discussions...



Methodology:

- Conduct the FGDs by a skillful moderator;
- After field record, data analyses and interpretation;
- Mayor findings, conclusions and recommendations;

Groups selection:

- Target Groups identification;
- Group Compositions;
- Group sizes;
- Contacting and informing participants:





Question 1: Remittances and Households Welfare;

- How do the welfare of households depends on or be measured upon the number of migrants?
- What is the significant of having a family member worker abroad?
- Do you think that actually the migration situation is changed? What explains this variety? What about the number of immigrants now, is it increasing? What about returned immigrants?

Question 2: Remittances, Growth and Investments: :

- How the remittances are influencing the investments of a recipient households in Albania?
- Do households that receive remittances direct a larger fraction of their income to investments in housing? What about investing in business, tourism activities, farming or what else? How they are utilizing the remittances?
- How do the remittances vary by consumption to investments?



Question 3:

Administration of remittances, expenditures and saving;

- Who administers the remittances within a family?
- Do recipient households save a fraction of remittance income?
- Are remittances spent, mostly on daily consumptions goods? How do expenditures in education and health vary with remittances?
- Who are the main accesses of remittances transactions, Banks, Money Transfer Operators (MTOs), in person?
- How often and how much the households receive remittances in a month or in a year?

FGDs results and key findings



What do they actually
know and think?



Major findings in line with significant broad topics;



- Remittances received have an effect to household income being still a stable resource of living in many families in particular in rural areas. The households receive remittances based on the number of workers they have abroad and as well the amount depends on the hosting place where they are migrants.
- Even so, the number of households who receive remittances is becoming lower, because migrants who moved earlier have supported financially a lot their families in order to reach the living standard. As a result, actually the households gave assistance of a different kind as education abroad for their relatives, health assistance and etc.

Major findings in line with significant broad topics;



- During this long run of migration cycle, a considerable number of migrants have created their families leading their life integrated in the social life abroad. A lot of migrants have rejoined their parents abroad and others one are still rejoin, so this means less assistance for the other relatives left at home country.
- On the other side, there are present the cases where migrants who moved earlier returned home and transferring the know-how from abroad and engaging the remittance incomes and other financial resources (credits, loans etc), they started their own businesses activities and investments of various types as shops, restaurants, hotels, food, clothing and etc.
- Many educated migrants found unskilled jobs in labour markets, so they intend to return in their home country.

Major findings in line with significant broad topics;



- **Migrants remit smaller amounts and in fewer times as much the poor households needs. They remit small monthly amounts, 50-100 Euros per household expenditures which are composed by unemployed, disable persons and old-age for food consumption and non-durable goods. Remittances of this direction go mostly into rural area where the living standards are lower.**
- **Whereas, the remittances of bigger quantities are used for investments (purchase of houses is still considered a safe investments) or other long-term investments.**

Major findings in line with significant broad topics;



- Small monthly remittances transactions have evolved from physical transmission to a market dominated by cash-to-cash wire transfers through Money Transfer Operators (MTOs). The MTOs currently dominate the Albanian remittances market; meanwhile there are present few transactions in bank to bank account of bigger amounts as they still continue to be transmitted physically.
- It is difficult to save. Even that, saving and expenditure vary with amount remit per households and their location. The poor households in rural area consume the income from remittances entirely, so their saving rate is not positive. For them, remittances operate more as a mechanism for meeting anticipated risk, while for those of upper remittances become significant *after* the corresponding households have been hit by negative income shocks that have reduced their saving capacity.
- Whereas, there are present cases of several rural households movements toward urban area who have purchased houses in the city supported financially by the remittances.



Impact of Remittances

It is quite difficult to separate migration effects from the pure remittances effects. In fact, the increases in household income after remittances will have a positive effect on many dimensions of household welfare.

Migration has slowed but remains a significant force, helping to reshape lives and whole economies throughout the region.

Economic growth is strongly supported by remittances from abroad that remain an important source of revenue for the Albanian economy.

Remittances primarily help poor families to deal with economic shocks.

Return migration is more prevalent and returnees earn more using the experience accumulated abroad.

Some specific migrants groups—defined by urban status—remittances, increase young's educational attainment.

Study areas to be developed in the future:



Trade and foreign investments:

- Migration involvement in trade, foreign direct investments, tourism sector and other profit activities in the home country.

Social dimensions:

- Remittances influence of investments in education and health, their distribution per households members according to their age and gender.
- Influence of investments in education (quality, affordability, enrollment rates, etc).
- Influence of investment in health (affordability of health care, population health, communicable of diseases from return migrant and etc)?
- The impact of government policies on remittances and return migration and policies and actions for building up human capital or other new suggestions.

Skilled worker migration, skilled labor, trends in the brain drain:

- Variety of costs and benefits of both countries (hosting and in developing countries) and policy implication;
- The labor market in the home country and its benefit from the return migration of skilled worker.

