

# ABOUT REMITTANCES



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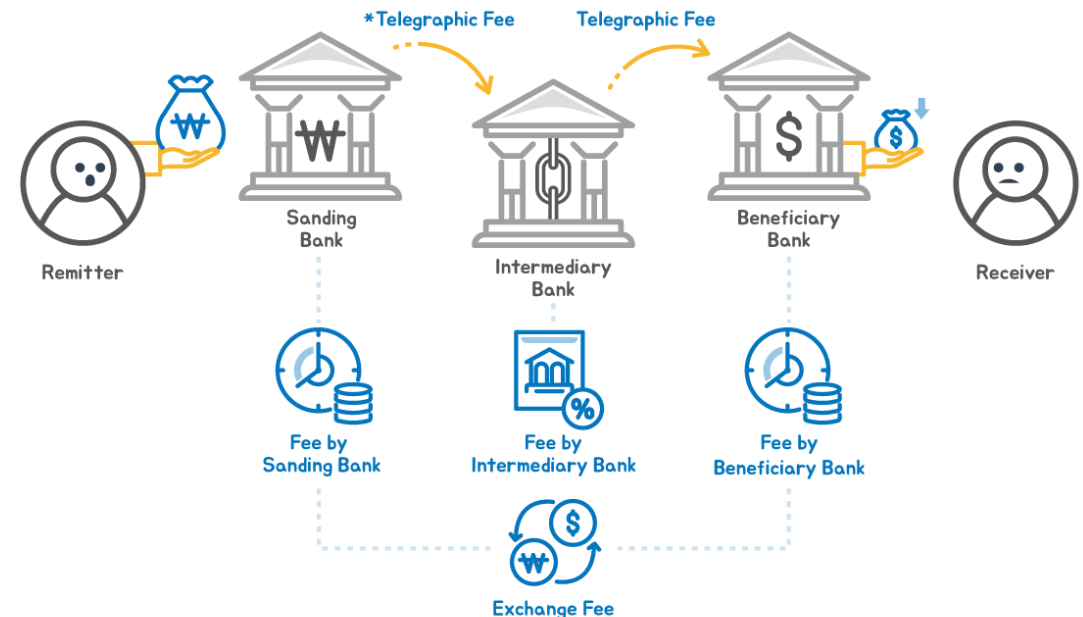


# LEARNING OBJECTIVES

- THE DEFINITION OF REMITTANCES
- FORMS OF REMITTANCES
- REASONS WHY MIGRANTS REMIT
- REMITTANCES FACTS
- THE USE OF REMITTANCES
- REMITTANCES AND BUSINESS INVESTMENT

## Procedures for overseas remittance through existing banks

\*Telegraphic fee : A fee when a cable message from one bank is sent to another for the transfer of money.



Remittance Amount

- Transfer Fee - Telegraphic Fee - Relay fee - Exchange Fee - Receipt Fees =

Amount Received

# WHAT ARE REMITTANCES?

**REMITTANCES** ARE “A SUM OF MONEY THAT IS SENT TO SOMEONE IN ORDER TO PAY FOR SOMETHING.”

OXFORD ONLINE DICTIONARY

SO,

**MIGRANTS' REMITTANCES** ARE THE SUM OF MONEY SENT BY MIGRANTS TO THEIR FAMILIES LIVING IN THE HOME COUNTRY

# TWO FORMS OF REMITTANCES

- THERE ARE TWO FORMS OF REMITTANCES
  - CASH TRANSFERS
    - MIGRANT SENDS CASH TO THE FAMILY
  - IN-KIND TRANSFERS
    - MIGRANT SENDS GOODS TO THE FAMILY

# WHY DO MIGRANTS REMIT?

- **REASONS** WHY MIGRANTS SEND REMITTANCES INCLUDE:
  - HELP MEET CONSUMPTION NEEDS OF THE FAMILY
  - HELP BUY OR REFURBISH A HOUSE/APARTMENT
  - INVEST IN CHILDREN'S EDUCATION
  - INVEST IN BUSINESS
  - PAY BACK FOR THEIR EMIGRATIONS COSTS
  - HELP MEET THE TRANSPORT COSTS OF OTHER FAMILY MEMBERS WHO WANT TO EMIGRATE

# WHY DO MIGRANTS REMIT?

- DO YOU REMEMBER ANDRA FROM THE MODULE “ABOUT MIGRATION”?
- SHE SENDS REMITTANCES TO HER FAMILY
- HER SISTER ZANA HAS STARTED TO DISCUSS WITH ANDRA AND THE FAMILY ABOUT INVESTING IN A SMALL BAKERY
- ZANA HAS SUGGESTED TO USE THE REMITTANCES SENT BY ANDRA AND THE FAMILY INCOME TO FUND THE BAKERY



# REMITTANCES FACTS

- DID YOU KNOW THAT
  - DURING THE COVID-19 CRISIS KOSOVAN MIGRANTS SENT MORE REMITTANCES TO THEIR FAMILIES
  - IN 2020, TOTAL REMITTANCES SENT BY KOSOVAN MIGRANTS TO THEIR FAMILIES WAS 980 MILLION EUROS
  - IN 2021, TOTAL REMITTANCES INCREASED TO **1.153 BILLION EUROS**
  - **SO, REMITTANCES HAVE INCREASED BY 173 MILLION EUROS**

# REMITTANCES FACTS

- DID YOU KNOW THAT
  - GERMANY IS THE MAJOR SENDING COUNTRY
  - HISTORICALLY, AROUND 40% OF REMITTANCES CAME FROM MIGRANTS RESIDING IN GERMANY
  - ***IN 2021, 39.2% OF TOTAL REMITTANCES CAME FROM GERMANY***
    - ***SO, ALMOST 450 MILLION EUROS OF REMITTANCES CAME FROM GERMANY IN 2021***

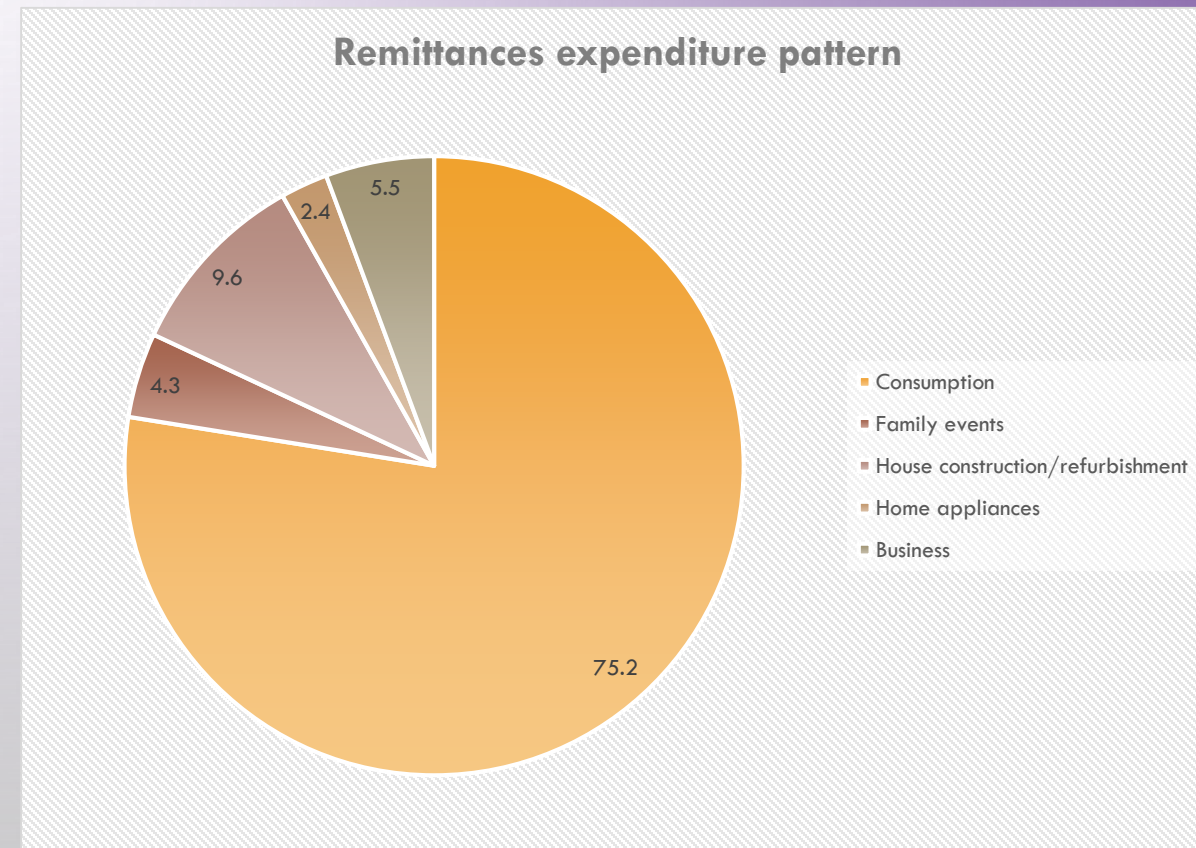


# REMITTANCES FACTS

- DID YOU KNOW THAT
  - AROUND ONE IN FOUR KOSOVAN HOUSEHOLDS RECEIVES REMITTANCES
  - AROUND 30% OF REMITTANCE-RECIPIENTS ARE **FEMALE-HEADED HOUSEHOLDS**
  - IN 2021, THE AVERAGE MONTHLY AMOUNT OF REMITTANCES THAT A KOSOVAN HOUSEHOLD RECEIVED WAS AROUND 250 EUROS (DFD STUDY)
  - THE LIKELIHOOD OF RECEIVING REMITTANCES IS ALMOST THE SAME BETWEEN HOUSEHOLDS LIVING IN RURAL AREAS AND THOSE LIVING IN URBAN AREAS

# WHAT ARE REMITTANCES USED FOR?

- KOSOVAN HOUSEHOLDS USE THE MAJORITY OF REMITTANCES, AROUND 75%, TO MEET CONSUMPTION NEEDS
- ONLY AROUND 5.5% IS USED FOR BUSINESS INVESTMENT (DFD STUDY)



# REMITTANCES AND BUSINESS INVESTMENT

- ***IMAGINE HOW MANY BUSINESSES WOULD FLOURISH IF MORE THAN 5.5% OF THE 1.15 BILLION EUROS OF REMITTANCES WERE INVESTED IN BUSINESS!***

# REMITTANCES AND BUSINESS INVESTMENT

- ***IMAGINE HOW MANY BUSINESSES WOULD FLOURISH IF HOUSEHOLDS USED MIGRATION-RELATED BUSINESS KNOWLEDGE AND NETWORKS FROM MIGRANTS LIVING IN GERMANY?!***

# REMITTANCES AND BUSINESS INVESTMENT

- IN KOSOVO, THE UNEMPLOYMENT RATE OF WOMEN IS 33%
  - AND, ONLY 21% OF THE WOMEN PARTICIPATE IN THE LABOUR FORCE
- AROUND 30% OF THOSE THAT RECEIVE REMITTANCES ARE FEMALE-HEADED HOUSEHOLDS
- ***IMAGINE HOW MANY WOMEN-OWNED BUSINESSES WOULD FLOURISH IF HOUSEHOLDS USED REMITTANCES AND MIGRATION-RELATED BUSINESS KNOWLEDGE AND NETWORKS FROM MIGRANTS!***

# REMITTANCES AND BUSINESS INVESTMENT

- ***WHAT DO YOU THINK IS NECESSARY TO MOTIVATE HOUSEHOLDS TO INVEST REMITTANCES IN BUSINESS DEVELOPMENT?***

# REMITTANCES AND BUSINESS INVESTMENT

*This is what Zana and her family need to be motivated to invest remittances in business!*

Financial literacy

Information about government grants, subsidies and business advice

Information about makerspaces, incubators, business advisory services

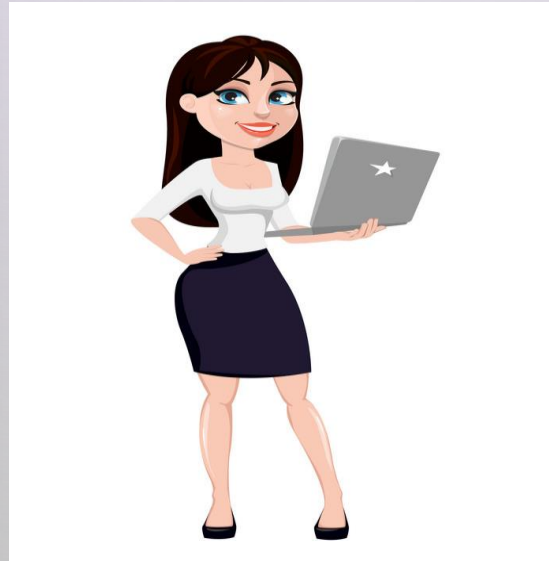
Information about how to apply for a loan

Marketing skills

Information about how to pay taxes

Entrepreneurial and managerial skills

Information about how to research the market



# QUESTION 1

- REMITTANCES ARE THE SUM OF MONEY SENT BY MIGRANTS TO THEIR FAMILIES LIVING IN THE HOME COUNTRY.
  - A. TRUE
  - B. FALSE



## QUESTION 2

- REASONS WHY MIGRANTS SEND REMITTANCES INCLUDE :
  - A. HELP MEET CONSUMPTION NEEDS OF THE FAMILY
  - B. HELP BUY OR REFURBISH A HOUSE/APARTMENT
  - C. INVEST IN CHILDREN'S EDUCATION AND/OR BUSINESS
  - D. ALL OF THE ABOVE

## QUESTION 3

- GERMANY IS THE MAJOR SENDING COUNTRY, BECAUSE
  - A. HISTORICALLY, AROUND 40% OF REMITTANCES STEMMED FROM GERMANY
  - B. HISTORICALLY, ONLY AROUND 10% OF REMITTANCES STEMMED FROM GERMANY
  - C. HISTORICALLY, ONLY AROUND 15% OF REMITTANCES STEMMED FROM GERMANY
  - D. ALL OF THE ABOVE

# QUESTIONS 4

- AROUND 30% OF THOSE THAT RECEIVE REMITTANCES ARE FEMALE-HEADED HOUSEHOLDS
  - A. TRUE
  - B. FALSE

# QUESTIONS 5

- THE FOLLOWING ARE THE KEY FACTORS THAT MOTIVATE REMITTANCE-RECIPIENTS TO INVEST IN BUSINESS:
  - A. INFORMATION ABOUT GOVERNMENT GRANTS AND SUBSIDIES
  - B. FINANCIAL LITERACY SKILLS
  - C. ENTREPRENEURIAL AND MANAGERIAL SKILLS
  - D. ALL OF THE ABOVE

# REFERENCES

- [HTTPS://WWW.YOUTUBE.COM/WATCH?V=3I3UURDUDAM](https://www.youtube.com/watch?v=3I3UURDUDAM)
- [HTTPS://WWW.YOUTUBE.COM/WATCH?V=P38C0KNXDWU](https://www.youtube.com/watch?v=P38C0KNXDWU)
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