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**Gender remittances:
Preliminary notes about senders and recipients in Latin America and the Caribbean**

submitted by

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*Gender and remittances:
Preliminary notes about senders and recipients in Latin America and the Caribbean¹*

Introduction

Within the changing landscape of migration where both men and women are moving across borders, remittance transfers also follow gendered lines. These dynamics are the differences in sex and social practices that signify the presence of prevailing relationships in the broader context of contemporary transnational migration (Ramirez 2005).

The concept of gender is associated with socially defined meanings of sex, that is to say, the way in which males and females relate. These practices depend on the interplay between power, authority and sex which define roles and relationships between men and women, with direct implications for migration. As Mahler notes, “the integration of women into the paid labor force has altered gender relations significantly” (Mahler 2005). This phenomenon is true for migration as well. Until the 1970s, most migration was perceived to be made up of male players. However, with the transformations of globalization leading to increases in light manufacturing and the demand for labor intensive activities, the feminization of labor has also grown, thus provoking greater female migration, particularly responding to job opportunities as domestic workers, entertainers, farm workers, and hospitality service providers (Sassen 1996; Chang 2000; Ehrenreich and Hochschild 2002).

Remittances, which in large part are a rationale for migration, both inform and are informed by gender. A farm worker remitting to his mother in Zacatecas significantly influences the limits of expenditure his mother can afford. Similarly, a young man from El Salvador working in the cleaning industry assesses both his needs in the U.S. and those of his siblings in El Salvador according to his social condition and income, and then decides what the priorities of the transnational household are. A domestic worker from Paraguay or the Philippines or a Dominican or Cuban entertainer and single mother in Milan will also consider certain priorities and conditions for remitting, including remitting to the person who can take care of their children, a grandmother, aunt or sometimes their father.

This brief note looks at the gender characteristics between men and women senders and recipients as a preliminary approximation of this social reality. The notes are based on statistical description of a survey on transnational communities and families carried out by the author in 2004 (Orozco 2005b).

Although the conditions and context that create migrants vary by power, gender and socio-economic status, the rationales for remitting are generally the same. However, there are some critical gender differences that explain some of the determinants of remittance transfers, such as younger men sending more for nonessentials than women.

While both women and men send money for specific family purposes, women send money under more precarious conditions, which mostly relate to their position in the global economy.

¹ Manuel Orozco, notes presented to the panel “Gender Dimensions of International Migration” at the United Nations, March 2, 2006.

Moreover, recipients of remittances, who are predominantly women, also receive money in a context whereby their social condition is improved by remittances but continues to lag behind that of other cohorts. There are specific policy alternatives that can leverage remittances to improve the socioeconomic condition of senders and recipients.

Some gender characteristics among remittance senders and recipients

The relative composition of female and male migrants varies across regions in the world. In South East Asia, for example, the majority of migrants (that is, over 70%) are short term female workers who spend less than five years in Japan, Hong Kong or Singapore as domestic workers, light manufacturers, nurses or entertainers (Orozco 2005a). Latin American and Caribbean migrants on the other hand are equally distributed along gender lines: migration has shifted from a traditionally male based movement to a flow by both males and females. Concurrently, both men and women assume responsibilities to financially support a transnational household.

When it comes to remittances, however, sex and gender are a key differentiating factor. Men send more money than women do. This is a direct function of income because men have higher earnings and can afford to send more. Moreover, men's propensity to remit is higher by four percent: women remit 16% of their income, against 20% of men. A reason why this is the case may be because the percent of married men with families in the home country is higher than it is among women. Women remittance senders are also a case of gender inequality because their low income status is not commensurable with their education: overall women are better educated than men but they earn less than males.

Another gender characteristic is that men send predominantly to their parent and wives and tend to send more money to the wife than to the parents. This situation stems from the fact that when sending to the spouse they are also sending to the children they left at home. Women on the other hand have a wider range of people to remit to, such as their parents, children and siblings, as well as other relatives including spouses or grand parents. One explanation is that most migrant women are single or single mothers and are expected to face certain obligations as mothers, daughters, sisters or wives or a combination of these.

Moreover, despite their lower socioeconomic condition, women maintain their remittance commitment over time at least throughout their first nine years residing in the United States. Although such commitment is lower than that among men, they maintain their obligations toward their families. Their commitment to visit and speak to their relatives, however, is no different than that of men, and they even help contribute to their families in activities other than remittance transfers: twenty six percent of women say they help their family with other economic obligations, whereas only 19 percent of men do so.

While gender differences between men and women relate to family obligations and income status, remittance recipients also experience gender differences. First, two thirds of remittance recipients are women and, when compared to senders, this means that the decision making process about transnational household needs is handled predominantly by women. Moreover, women remittance recipients manage larger households than men. Second, women tend to receive more money than men but they also are less likely to have a paid job or to earn more money. Twenty six percent of women are homemakers and their households have lower

earnings than any other group. This situation represents an important point because remittances have allowed them to improve their income position (and sometimes their role in the household), although their status as unpaid homemakers remain unchanged.

Paradoxically, their demanding responsibilities as caregivers continue to be hampered by a limited income. Not only do women caregivers earn less than men, they also earn less than women who engage in paid labor outside of the household. However, the number of people under their care is higher than that of other groups.

Third, both men and women take on similar household responsibilities toward their relatives. However, the hierarchy of needs varies across gender. For example, men are more likely to spend the money received in business activities than women, whereas women will put money into clothing and education. A reason as to why men are more likely to invest is because their income position is greater than that of women: while they are able to meet basic needs, a small percentage of men can still manage to invest.

The resulting outcome of such social expenditures due to remittances has been translated into the fact that children are spending longer periods of time in school and their nutritional condition has increased, in turn helping reduce poverty. Studies by the World Bank have shown that overall remittances have helped reduce poverty in several countries (Adams 2005). Because the public healthcare system is unable to provide adequate health care in most of Latin America, remittances have helped to satisfy this necessity. The 2001 Haitian Census shows that those households receiving remittances were more likely to invest in health and education. Studies also found that infant mortality and birth weight among Mexican children, for example, improve with remittances. Lopez-Cordova shows that “remittances may have a positive impact in reducing infant mortality by improving housing conditions, allowing mothers to stay home and care for the newborn baby, or by improving access to public services such as drinking water” (Lopez-Cordova 2005).

Policy implications and considerations

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 in the U.S. are found to be 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. The similar situation is found among female recipients. What policy considerations exist in this context? Two broad policies are 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.

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.

Similarly, the health of remittance recipients is critically important. First, according to remittance senders, one in ten recipients is the child of immigrants and four in ten are parents of immigrants. Second, over twenty percent of recipients are over 53 years of age (ten percent are over 62), and on average they are forty years old. Health matters for older cohorts and given the precarious health care system in most of Latin America, 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. The IMF shows strong evidence that remittances boost growth in countries with less developed financial systems by providing an alternative way to finance investment. In this sense, remittances act as a substitute for the domestic financial system (Guiliano and Ruiz- 2005). Moreover when senders have savings accounts, they are three times more likely to send money to support a family business. Each year of remitting is associated with a 20% increase of in their sending money to pay off loans. Concurrently, remittance recipients with bank accounts receive 27% more in remittances, and the longer they receive remittances, the higher the likelihood that the family will continue to run its business (Orozco 2005).

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Appendix A
Gender characteristics of remittance senders

To whom do you send remittances?

	Female		Male		Total	
	%	Average	%	Average	%	Average
Spouse	7.60	233.71	23.93	353.33	17.48	332.40
Mother/Father	40.65	210.38	36.62	250.75	38.21	233.77
Children	15.73	258.68	11.79	216.06	13.35	235.90
Siblings	17.00	197.48	12.21	210.57	14.10	204.38
Grandparents	5.49	138.94	3.86	200.89	4.51	171.06
Other Family	7.71	260.63	6.21	261.53	6.80	261.13
Friends	0.95	115.00	1.24	183.33	1.13	160.56
Various	4.01	276.89	3.45	520.21	3.67	414.29
9.00	0.21	300.00	0.07	100.00	0.13	233.33
NR	0.63	125.00	0.62	724.44	0.63	484.67
	100.00	218.89	100.00	275.39	100.00	252.97

How often do you travel to your home country?

	Female		Male		Total	
	%	Average	%	Average	%	Average
3 or more times a year	2.40	191.82	2.64	690.28	2.54	501.21
2 times a year	7.73	265.00	8.86	287.11	8.41	278.79
Once a year	22.22	252.23	20.22	255.29	21.02	254.00
Once every 2 years	9.37	198.45	8.86	281.86	9.07	247.18
Once every 3 years	4.25	176.97	3.37	286.78	3.72	236.51
Infrequently	14.71	228.89	13.99	278.48	14.28	257.76
Never	39.32	200.69	42.05	266.26	40.95	240.75
	100.00	219.88	100.00	281.05	100.00	256.36

How often do you call your family?

	Female		Male		Total	
	%	Average	%	Average	%	Average
2 or more times a week	27.91	233.73	25.09	276.93	26.20	258.59
Once a week	31.14	225.54	37.03	297.15	34.71	271.93
Once every 2 weeks	20.47	198.76	20.24	232.01	20.33	218.68
Once a month	14.87	196.32	13.21	257.72	13.87	231.79
Infrequently	5.60	225.10	4.22	385.08	4.76	310.14
9	0.00	0.00	0.21	416.67	0.13	416.67
	100.00	217.89	100.00	277.54	100.00	253.91

Do you have a savings account?

	Female		Male		Total	
	%	Average	%	Average	%	Average
Do you have a real estate loan?	10.97	281.75	9.72	408.09	10.21	353.64

Do you have a savings account?	26.48	275.04	27.02	348.49	26.80	319.42
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Do you help meet other economic obligations than remittances in your home country?

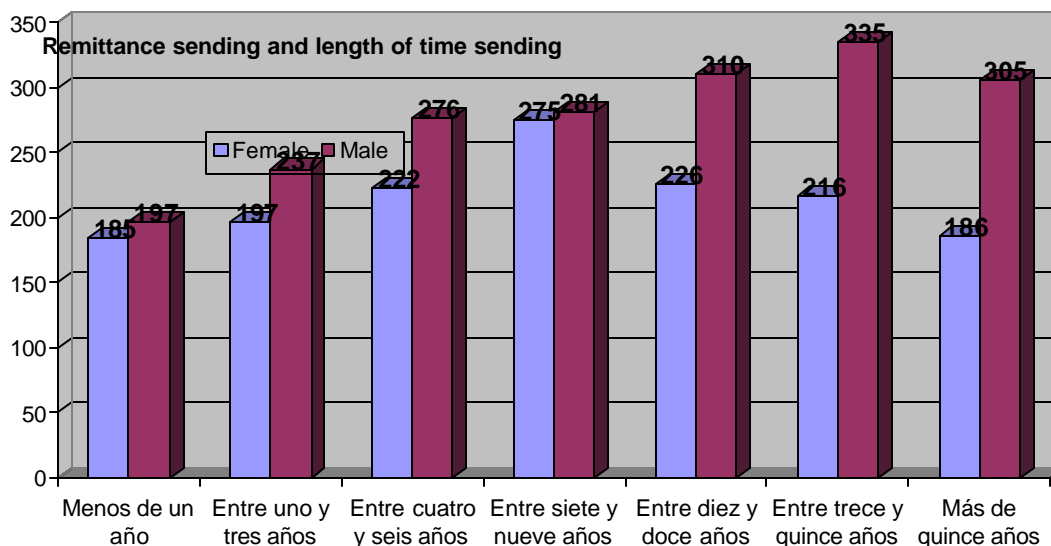
	Female		Male		Total	
	%	Average	%	Average	%	Average
Yes	25.66	255.15	19.52	383.50	21.94	324.07
Do you lend money to relatives for other investments?	5.59	190.00	4.62	462.50	5.00	319.76
Do you have a bank account?	58.01	233.46	49.41	306.18	52.81	274.60

What is your household income?

	Female		Male		Total	
	%	Average	%	Average	%	Average
Up to 10,000	17.80	179.55	19.49	205.42	18.85	196.02
Between 10,001 and 15,000	13.00	184.62	10.90	203.26	11.69	195.39
Between 15,001 and 20,000	14.00	189.93	11.62	215.94	12.52	204.97
Between 20,001 and 25,000	13.40	199.85	13.20	318.70	13.27	274.05
Between 25,001 and 30,000	9.60	192.81	12.95	276.68	11.69	250.71
Between 25,001 and 30,000	7.80	248.82	9.69	306.47	8.97	287.59
9	24.20	258.64	22.03	295.67	22.85	281.01
Over 35,000	0.20	150.00	0.12	500.00	0.15	325.00
	100.00	209.81	100	260.75	100	241.53

How long have you lived in the United States?

	Female		Male		Total	
	%	Average	%	Average	%	Average
1 year or less	2.88	141.40	4.06	202.18	3.59	183.19
1-3 years	21.66	201.14	22.80	236.05	22.35	222.51
4-6 years	25.72	212.67	23.99	266.05	24.67	243.69
6-9 years	20.17	234.30	19.30	281.04	19.65	261.93
10-12 years	13.02	259.75	13.99	285.88	13.60	276.07
13-15 years	5.12	262.27	6.99	259.39	6.25	260.28
15 years or more	11.42	189.34	8.88	426.05	9.89	316.96
	100.00	218.34	100.00	276.11	100.00	253.14



Appendix B
Gender characteristics of remittance recipients

From whom do you receive remittances?

	Male		Female		Total	
	%	Average	%	Average	%	Average
Spouse	11.36	282.98	23.71	359.43	20.31	347.64
Mother or father	24.39	320.51	12.60	244.96	15.85	276.77
Children	15.46	215.88	24.98	246.49	22.36	240.65
Siblings	25.70	316.79	20.38	226.50	21.85	255.67
Grandparents	0.93	248.65	0.35	229.36	0.51	239.01
Other relatives	15.27	343.02	13.52	229.08	14.00	263.91
Friends	6.89	347.56	4.46	426.35	5.13	397.02
	100.00	303.74	100.00	274.38	100.00	282.48

How do you use the remittances you receive?

	Gender	
	Male	Female
Food	74	82
Clothing	45	49
School	36	41
Housing	31	30
Business	12	8
Savings	22	22
Medicine	18	19
Debts	21	19
Health care	28	28

What is the principal reason that you receive remittances?

	Male %	Female %	Total %
Cover the basic needs of the family	75.62	82.39	80.55
Help with emergencies	8.45	5.37	6.20
So that the family can enjoy nice things	4.99	4.37	4.54
To cover debt incurred by the remittance sender	4.80	3.65	3.96
Other	6.14	4.22	4.75
	100.00	100.00	100.00

How often do you talk to your family abroad?

	Gender		Total
	Male	Female	
Two or more times a week	27.93	31.01	30.16
Once a week	30.73	31.09	30.99
Once every two weeks	17.50	16.32	16.65
Once a month	16.39	14.05	14.70
Very little	7.45	7.52	7.50

Do you send your relatives products from your country?

	Gender		Total
	Male	Female	
Yes	49.54	47.99	48.42
No	50.46	52.01	51.58
	100.00	100.00	100.00

Recipients by income, average amount received and number of beneficiaries

	Male			Female			
	Unemployed	Student	Other	Unemployed	Homemaker	Student	Other
Total income (including remittances)	408	503	569	411	395	481	513
Income	277	210	253	191	201	196	219
Remittances received	138	299	316	217	219	298	295
Number of beneficiaries	3	3	3	3	4	4	3
(%)	3	12	85	1	26	6	67

Percent of men and women who help family on other economic obligations

Gender		Total
Female	Male	
25.7%	19.5%	21.9%

What kind of economic activities do you maintain?

	Male		Female		Total	
	%	Average	%	Average	%	Average
Checking account	39.70	378.04	32.61	369.02	34.50	371.79
Savings account	71.01	341.03	68.95	272.03	69.56	292.85
Real estate loan	11.55	332.39	9.63	434.49	10.20	399.97

If your relatives help you with economic obligations, what kind?

	Gender		Total
	Male	Female	
Real estate payments	22.45	28.21	26.63
Small business loan	12.24	5.90	7.64
Student loan payments	15.65	15.90	15.83
Health and/or life insurance	5.44	4.87	5.03
Other investments	30.61	24.87	26.44

Do you have a bank account (not savings) in the country?

	Male		Female		Total	
	%	Average	%	Average	%	Average
Yes	39.70	378.04	32.61	369.02	34.50	371.79
No	60.30	240.71	67.39	225.47	65.50	229.20
	100.00	295.88	100.00	272.79	100.00	278.95

Recipients over 40 years old

	Gender		Total
	Male	Female	
Yes	59.33	50.99	53.30
No	40.67	49.01	46.70
	100.00	100.00	100.00

Level of education

	Average		Total
	Male	Female	
University degree	359.10	287.38	312.95
Some university	336.68	273.87	298.17
High school completed	294.08	255.52	267.23
Primary school completed	260.99	326.63	314.17
No primary school	349.02	196.13	219.87
	310.29	275.75	285.43