



A woman receiving remittances in Colombia. © IOM 2004 - MCO0041  
(Photo: Héctor Mauricio Moreno)

## Gender, Migration and Remittances

IOM is committed to the principle that humane and orderly migration benefits migrants and society. As an intergovernmental body, IOM acts with its partners in the international community to: assist in meeting the operational challenges of migration, advance understanding of migration issues, encourage social and economic development through migration, and work towards effective respect of the human dignity and well-being of migrants.

Representing the second largest source of external funding for developing countries, remittances – money transfers by migrants to their relatives or other persons in countries of origin – are recognized by governments and international organizations as important tools for reducing household poverty and enhancing local development.<sup>1</sup> However, it is often implicitly assumed in research, policy and programmes on the issue that patterns of sending and using remittances are gender-neutral. In reality though, gender not only influences who migrates, when, where, why and how, it also affects the amount and frequency of remittances which migrants send home, as well as how the money is used.

### In countries of destination: Gendered patterns of sending remittances

Migrants' remitting behaviour is influenced by several factors, including, but not limited to, gender, age, education, marital status, and position in the family, as well as opportunities in the destination country. Though the importance of these factors is acknowledged in most studies, data are often not disaggregated by

sex and other factors, and data from different countries sometimes show contradictory results (Orozco et al., 2006).

At the global level, female migrants send approximately the same amount of remittances as male migrants. However, research suggests that women tend to send a higher proportion of their income, even though they generally earn less than men. They also usually send money more regularly and for longer periods of time (IOM et al., 2007). By sending smaller sums more often, women tend to spend more on transfer fees. Therefore, reducing transfer fees and making different transfer options accessible would benefit these women and maximize the positive impact of remittances on their families and communities.

In general, men mostly remit to their wives, while female migrants often send remittances to the person (often a woman) taking care of her children (UN-INSTRAW, 2007), to ensure that the money is spent for the benefit of the children and the household (UN-INSTRAW, 2008a). Female migrants also tend to assume greater responsibility for money transfers



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to extended family members (Orozco et al., 2006). In patriarchal societies, when women marry, they frequently cease to send money to their own family, sending it instead to their husband's family (Piper, 2005).

Motivations to remit vary according to personal circumstances. For example, women who have some responsibility towards sustaining a family remit more than women who migrate autonomously or those who migrate as dependants, for example, as wives or daughters (UN-INSTRAW, 2005). In some matrilineal countries, in cases where sons and daughters migrate, middle daughters tend to remit more because this can increase their chances of profiting from inheritance, while middle sons are the least likely to remit, opting instead to save the money they earn since they are excluded from inheritance anyway (Curran and Saguy, 2001).

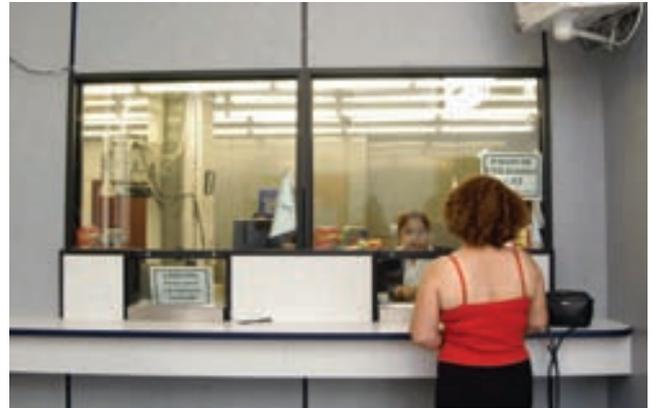
For both men and women, being able to send money home is one of the decisive factors for migration. However, due to traditional gender roles, women migrants (especially single women) may be subject to particular pressure from their families to remit the largest part of their earnings to support their (extended) families back home. Due to this pressure and their feeling of responsibility towards their families, women migrants may accept very difficult living and working conditions.

A study by IOM and UN-INSTRAW provides an in-depth analysis of senders and receivers of remittances between Colombia and Spain by gender, family relations and other sociodemographic factors, including the legal status of migrants. The study also takes into account transfer channels, spending and investment profiles, as well as (co-)development initiatives. It challenges the traditional discourse on migration and development that often portrays women as selfless and sacrificing for their family. Instead, the study proposes to consider migrant women's well-being as a development goal in itself rather than as a means to achieve development for countries of origin. It also raises awareness of the additional burden placed on women if they are considered to be responsible not only for themselves and their families, but also for the well-being of their communities. It recommends addressing the unequal socio-economic structures that push women into migrating to provide for their families and communities (IOM et al., 2007).

### Legal status and working conditions directly influence the ability to remit

The immigration policies of destination countries and the legal status of migrants can have important impacts on their possibilities for sending

remittances. Legal migrants have opportunities for upward mobility in the labour market and better access to information on human and labour rights. This increases their chances of social integration and higher earnings, which in turn allows better access to formal channels of money transfer, as well as enhanced options for investment.



A woman in a money transfer office.  
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By and large, labour migration is facilitated in highly skilled sectors of work, whereas it is more restricted for low-skilled employment, especially affecting women who are underrepresented in the former (IOM, 2008).<sup>2</sup> Today, 20 countries still restrict the migration of women (UNDP, 2009), leading some to borrow considerable sums of money in order to pay for the services of smugglers. As a result, these women are forced to spend their earnings on repaying debts instead of spending remittances on their and their families' needs (UN-INSTRAW, 2005).

Female labour migrants are frequently confined to low-skilled jobs in domestic and care work, hotel and catering services, the entertainment and sex industry, agriculture and assembly lines (OSCE, 2009). This includes many skilled or highly skilled women who face downgrading and deskilling in the country of destination. It is particularly difficult to obtain a work permit and legal status in these low-skilled sectors. Additionally, these sectors are quite regularly characterized by poor working conditions, low pay, withheld wages, considerable insecurity and high risk of sexual harassment, exploitation and abuse, which all influence women's ability to remit and the amount of money they are able to send. Possessing an irregular migration status may increase migrants' vulnerability to labour exploitation and very low wages, which can consequently influence the volume of remittances.

Many migrant women working in low-skilled sectors face particular barriers to accessing formal remittance channels, as they are often confined to secluded accommodation and workplaces and might not be in possession of valid documents. In addition, banks

may not recognize low-skilled migrant women as important clientele as they tend to send only small amounts (UN-INSTRAW, 2005).

In collaboration with UN-INSTRAW, IOM Guatemala has published a working paper on gender and remittances that shows the interaction between the following elements from a gender perspective: patterns of remittance sending; the use of remittances; sending channels; and use of bank services for the payment of remittances. The information presented can serve as a basis for preparing gender indicators that refer to international migration, as well as for formulating public policies, planning diverse programmes and projects, and leveraging the productive use of remittances from a gender perspective. Some of the main findings of the Guatemala study are as follows:

- Males account for 74.2 per cent of all remittance senders, while females comprise 25.8 per cent.
- Forty-five per cent of the remittance beneficiaries are male and 55 per cent are female; of the main recipients, 37 per cent are men and 63 per cent are women.
- The use of bank services by the remittance-receiving population is still incipient, as only 10.1 per cent of the recipients use bank accounts to receive remittances. Men comprise 3.9 per cent of this population, while women account for 6.2 per cent (IOM and UN-INSTRAW, 2007).

### In countries of origin: Control over remittances key to the empowerment of women recipients

Women play a central role as recipients and managers of remittances. Research in Guatemala has shown that 63 per cent of main remittance recipients are women, while in Colombia, they make up 70 per cent of the recipients (IOM and UN-INSTRAW 2007; IOM et al., 2007). The remittance sender may be the husband or a female relative who left other women in charge of the family (though her husband may also live with that family). In order to fully grasp the gendered specificities on the receiving end, it is also important to look at other factors such as marital status or age, as there are differences not only between but also within genders. For example, remittances can be the only income of widowed mothers, who are often excluded from employment and are especially vulnerable to poverty (UN-INSTRAW, 2008b).

The level of control over money also differs from one woman to another. Because households are marked by power hierarchies, it is essential to look at who receives, manages and decides on the use of remittances, as well as societal aspects such as women's access to banking services. Research in Egypt has shown that in two thirds of households with male migrants, women became the head of the household.

In South-East Asia, IOM, with the support of the European Union, works on harnessing the development impact of remittances from Filipino and Indonesian migrants in South-East Asia and Europe through research and policy dialogues. The project has had interesting results:

- A survey of Filipino migrant workers in Malaysia, in which one sixth of the respondents was female, has found that 74 per cent of the respondents remit monthly and that 43 per cent remit to their mothers, 9 per cent to sisters, 8 per cent to wives, and 6 per cent to grandmothers or brothers. This shows that most recipients are female.
- Another survey of Indonesian migrant workers in Malaysia has found some gender differences in handling and investing remittances. While 98 per cent of men sent their remittances themselves, 20 per cent of women stated that employers, agents or siblings sent their remittances for them. The majority of the respondents stated that they cannot afford to invest (50% in Indonesia and 57% in Malaysia), whereas more female migrants declared that the reason they do not invest is their lack of knowledge on investments (17% of women migrants in Indonesia compared to 4% of men, and 14% of women migrants in Malaysia compared to 3% of men). While two thirds of the male respondents were not interested in contributing directly to help communities in Indonesia, close to half of the women expressed an interest in helping their communities.
- A policy dialogue looking at the influence of migration on development from a gender perspective has been held in Davao, Philippines. High-level speakers from the government, IOM and non-governmental organizations (NGOs) discussed the situation of Filipino migrants in Malaysia, efforts to mainstream migration into development plans and the impact of migrant women and men on local development. Barriers to migrant investment were also identified, such as lack of knowledge and support, high business taxes and other legal disincentives, governance issues, competition with big businesses and lack of trustworthy managers. Furthermore, the specific challenges faced by women were discussed, including lack of access to credit and capital, problems in owning assets, reduced mobility, psychosocial barriers and family responsibilities. (For more information, see: <http://www.iom.int/jahia/Jahia/activities/by-theme/migration-development/maximizing-remittances-for-development-southeast-asia> )

Half of these women claimed that they alone made decisions on how to spend remittances, while 36 per cent of the women said they made decisions together with their husbands (IOM, 2010a).

On the other hand, a study in Angola has shown that it is usually the male heads of households, usually the brother, father or uncle of the migrant, who makes decisions regarding remittances utilization, although 84 per cent claimed that women should be consulted at all times (Alvarez, 2009). Decision-making among women often increases with education, age and the duration of marriage, if the money is sent by the spouse (Debnath and Selim, 2009). In some cases, where the husband migrates and sends money to his parents or other (often male) relatives rather than to his wife, she may have to rely on her in-laws or other extended family members for financial resources. This may render the wife and her children more vulnerable to poverty and abuse, including of a sexual nature, from the family and the community (Debnath and Selim, 2009).

However, where women are direct recipients of remittances, the likelihood of greater economic empowerment and decision-making for themselves and for the household is increased (Debnath and Selim, 2009).

### Differing patterns of spending remittances

Remittances help to improve the economic situation of receiving households and are sometimes the only or prime source of income. In addition, remittances act as a social security and safety net for those left behind and for returning migrants. Where women have a high degree of control over the use of remittances, these are usually spent to meet the nutritional, educational and health care needs of household members, especially children (UN-INSTRAW, 2005). Research in Guatemala has shown that 50 per cent of remittances are used for consumption goods, though men spend slightly more on these items than women, who spend slightly more on health and education (IOM and UN-INSTRAW, 2007). Because of this, women's use of remittances has often been considered "unproductive", though it can be argued that investment in food, education and health is an important factor in alleviating poverty and thus, for furthering development (Datta et al., 2006).

Beyond the household, remittances may be used in the form of collective investments at the community level, for instance, if municipal- or provincial-level diaspora organizations build a community library, secure water supply through infrastructure investment, or provide emergency provisions after a hurricane. These measures essentially fill gaps in public services. As

In Tajikistan, IOM implemented a project that aimed to enhance the development impact of remittances. One component of the project was the pooling of migrant remittances to carry out projects the community deemed important, i.e. infrastructure projects. With the help of NGOs, local residents drafted a detailed list of expenses for each infrastructure project, as well as a list of contributors with their signatures, full names and their individual contributions. Thirty per cent of all contributors in these lists were female, which demonstrates the active involvement of women in the development process. As of today, more than 150 small-scale community infrastructure projects have been realized.

The project also included a micro-loan component. Thirty-five per cent of all loans were granted to female heads of households in order to enable them to run sustainable businesses while investing a part of the remittances earned by their family members abroad. Women came up with interesting small business ideas, such as establishing sewing and bakery workshops and thus creating employment opportunities for other women and girls in Tajikistan. (More information at: <http://www.iom.tj/projects.html>)

such, they may have particular significance for women who are generally the ones most affected by the absence of these services. However, due to cultural norms, women are often absent from positions of power in diaspora and local associations and hence are excluded from the decision-making process on how to use collective remittances.

### Investing remittances: Women face additional challenges

Remittances may be used by recipients of remittances, migrants and returnees to invest in businesses and other entrepreneurial activities.

In many cases, it is more often men than women who plan to return to their countries of origin, because for men, migration often means a loss of status and privileges, while women may equate migration with greater personal freedom (Itzigsohn and Giorguli-Saucedo, 2005). This can explain why men often allocate a bigger proportion of their remittances to business investments or land purchases in their countries of origin.

Compared to men, women send a higher proportion of their salary as remittances, and they mostly spend these on basic household needs. As a result, women are often left with less money for longer-term investments such as small businesses. Furthermore,



A migrant in her bakery in Nariño, Colombia, a business she runs thanks to savings obtained while working in Spain through IOM's Temporary and Circular Labour Migration programme.  
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with domestic responsibilities that are traditionally assigned to them.

### Remittances: Promoting gender equality?

In general, it may be assumed that women's active role as senders and recipients of remittances can act as a catalyst for change in gendered power relations, by improving women's decision-making, economic status and inclusion in the labour market. As senders of remittances, migrant women may acquire a new role as primary provider for the family, whereas women staying behind may assume more responsibility, thereby obtaining more autonomy in managing household resources and taking on traditionally male roles in the community (UN-INSTRAW, 2007).

where women invest in small enterprises, their business ventures may be hindered by limited access to credit or land ownership, low financial literacy due to educational gaps, limited experience in running a business and investments in saturated markets seen as appropriate for women, such as beauty salons (UN-INSTRAW, 2005). Many women employed in low-paid sectors may not be in a position to save money to invest upon their return. They may not even have adequate pension, leaving them with no choice but to migrate again in old age. Additionally, women may find it difficult to combine entrepreneurial activities

Though remittances may be a factor leading to a renegotiation of women's position in the society, sociocultural factors such as education, religion and women's political participation play a significant role in determining gender roles. Macroeconomic events, such as the decline in remittances during the economic and financial crisis of 2009, can threaten the sustainability of changes, as they can negatively impact not only household welfare, but also girl's enrolment in schools and overall gender equality (Buvinic, 2009).

Supported by the Italian government, the WMIDA (Migrant Women for Development in Africa) project aims to enhance the migration and development link by promoting migrant women's active role in entrepreneurial activities to foster socio-economic development and reduce poverty in their countries of origin.

- The following are some of the findings of the IOM and CeSPI study, "Sub-Saharan migrant women in Italy: Transnational life and financial inclusion of Ghanaian and Senegalese women", released in February 2009:
  - On average, African women are less financially integrated than both African men and migrant women in general. Their interaction with banks is weaker and limited to basic financial products such as current accounts.
  - As regards remittances, Sub-Saharan African women are in line with the general sample of migrant women: 79 per cent of African women send money home on a regular basis.
  - Although showing propensity and capacity to save autonomously, Sub-Saharan women tend to use only basic deposit and payment instruments (their use of payment instruments is very widespread), whereas their access to credit is limited: 27 per cent of the sample of Sub-Saharan women has an ongoing bank loan (as against 33% of migrant women in general), and a large percentage deems such instrument as not yet necessary.
- As part of this initiative, IOM promoted the creation of a website ([www.mandasoldiacasa.it](http://www.mandasoldiacasa.it)) that enables migrants to compare the fees charged and services offered by money transfer operators for sending remittances from Italy to 14 countries of origin.
- WMIDA also aims to involve West African migrant women's associations in development activities through investments of remittances in small-to-medium enterprises (SME) in countries of origin. Twelve SME projects developed by women migrants were supported in six West African countries by means of a grant (the grant covers 30% of the SME total cost; the rest is covered by migrants' personal investment and other sources), as well as professional training and tutoring on business start-up and management. A network of public and private actors in destination and origin communities also assists migrants' SMEs, in keeping with the decentralized cooperation/co-development approach. WMIDA-supported SMEs mostly deal with agriculture or agro-processing, but also include activities in the services, tourism and construction sectors. Furthermore, these SMEs often have a vocational training component in favour of women and youth in the target community. (More information at: [http://www.italy.iom.int/index.php?option=com\\_content&task=view&id=37&Itemid=61](http://www.italy.iom.int/index.php?option=com_content&task=view&id=37&Itemid=61))

## IOM Policy Objectives

In the framework of its activities on remittances, IOM strives to:

- Develop gender-sensitive strategies that aim to increase the development potential of remittances.
- Support the inclusion of gender considerations in international, regional and bilateral policy dialogues on remittances and development.
- Disseminate good practices in the area of gender and remittances.
- Collect and disseminate remittances data disaggregated by sex and age in order to contribute to greater knowledge and understanding of gendered patterns of sending, receiving and investing remittances.
- Support the introduction of safe, simple, accessible and affordable remittance channels responsive to the particular circumstances and needs of both documented and undocumented migrant men and women.
- Disseminate before, during and after migration reliable and accurate gender-sensitive information to migrants and remaining household members regarding the possibilities for sending, receiving and investing remittances, with a specific focus on promoting control over resources by the women left behind.
- Facilitate gender-sensitive financial literacy and/or business training for men and women migrants, returnees and beneficiaries of remittances.
- Support women's participation in decision-making processes related to the collective use of remittances.

### Related IOM Fact Sheets

- *IOM and Remittances*

### Endnotes

1. See also the IOM and Remittances fact sheet.
2. Here especially Chapters 2, 3 and 11.

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