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Household Surveys to Measuring Remittances  
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### **Session V**

## **A COMPARISON OF RECENT INTERNATIONALLY COORDINATED HOUSEHOLD SURVEYS ON INTERNATIONAL MIGRANT REMITTANCES: IN SEARCH OF COMMON GROUND**

Background paper\*

### **I. Introduction**

1. As international migration continues to become increasingly important on a global scale so does the need to improve the collection and quality of migration data.

This need is a result of many factors, including difficulty accepting common definitions of migration, data collection issues (e.g. migration is a relatively rare event), difficulty measuring the true size of migration, as well as lack of information to measure the impact of migration for both receiving and sending countries. Migrant worker remittances are a good example of this, as better definitions, methods of data collection, and measurement still need to be developed. Household surveys can play an important role in collecting and improving data on remittances, particularly with regards to their impact and characteristics of senders and receivers.

2. As international migrant remittances have become an increasingly important part of sending countries' economies, there has been a corresponding increase in the amount of work devoted to measuring the topic, particularly at an international level. Several countries include basic remittance questions on their national Censuses, while many others include more detailed remittance modules on national household surveys. In addition, there has been a recent proliferation in the number of internationally coordinated surveys to measure remittances, including those developed or sponsored by the Department for International Development (DFID), the Inter-American Development Bank (IDB), the International Migration Organization (IOM), the International Labour Office (ILO), and the World Bank.

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3. For the most part, surveys asking remittance questions have been developed independently of one another. Development of a harmonized set of concepts and questions is essential to obtain comparable data and to enhance reliability and validity of survey questions. How have remittances been measured and concepts defined in recent internationally coordinated surveys? What are the similarities between these survey instruments, and in what ways do they differ in terms of coverage and measurement? Can international survey instruments be better harmonized and coordinated? These are just some of the questions this paper addresses.

## **II. Current measurement of remittances from a Balance of Payment perspective**

4. Current measurement of remittances is derived from “Balance of Payment” (BOP) sources, but these suffer from a number of limitations. These include the inability of banks to distinguish between short- and long-term migrants; lack of information about “informal” (e.g. hand-carried) or “in-kind” (e.g. goods) remittances; difficulty including transactions made at money transfer centres (which make up a large percentage of remittances); inability to identify flows (where remittances came from, went); and different recording and reporting practices of BOP across countries, and even within countries, over time. While recently proposed changes to the BOP framework (e.g. Luxembourg group, Mode 4) ameliorate these problems somewhat, there are still limitations to what a BOP data system can provide.

5. In brief, under the old BOP framework, there were three components of the BOP balance sheet that made up remittance payments: migrant (or worker) remittances, employee compensation, and migrant transfers. Acknowledging weaknesses in conceptual and measurement practices, new concepts and definitions for measurement of BOP have recently been developed by IMF with input from other international organizations.<sup>1</sup> These changes include introducing four categories to measure remittances (personal transfers, personal remittances, total remittances, and total remittances and transfers to non-profit institutions serving households (NPISH)), changes in the conceptual use of migration and residence status, elimination of the concept of “migrant remittances” (replaced by “personal transfers”), and reporting of bilateral flows.

6. Under old BOP definitions, “migrant” or “worker” remittances were defined as private transfers (cash or in-kind) made from resident to non-resident households in other countries (in other words, from migrant workers considered “residents” of the host country to households resident in their country of origin). “Residency” is determined by having lived for at least one-year in the host country, regardless of visa status. During the first year of living in another country, migrant household members are still considered to be part of their original household in their country of origin. Per this definition, migrants in the country less than one year (non-residents) can not make remittance transfers, but rather all transactions are instead considered to be part of “compensation of employees” (in fact, the entire income of non-resident migrants is included in this category). By definition, “compensation of employees” is the entire income received by individuals while working in a country other than the one in which they are resident, for work performed in and paid by a resident of the host country. The third remittance component was “migrant transfers,” or the total net worth of migrants transferred from one country to another at initial time of migration (considered for up to one year).

7. Under the newly proposed BOP framework, concepts of personal transfers and remittances are still based on residency, thus the concept of “migrant” is no longer relevant. “Personal transfers” replaces the term “migrant remittances,” and includes all current transfers in cash or in-

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<sup>1</sup> 2006. *Definition of Remittances*. United Nations Technical Subgroup on Movement of Persons, Mode 4. Outcome paper.

kind made or received by resident households to or from other non-resident households. This includes all sources of income, independent of relationship between households, or purpose of transfer. Previous residency definitions still apply, thus transfers made between households of less than one year would be included as part of employee compensation and “migrant transfers” are now called “capital transfers between households.” “Personal remittances” are all “personal transfers” plus “net compensation of employees” plus “capital transfers between households.” “Total remittances” are personal remittances plus social benefits (which includes social insurance and social assistance benefits, such as pensions). The most inclusive new category is “total remittances and transfers to non-profit institutions serving households,” which includes total remittances (as previously defined) and all flows from abroad either received by households directly or indirectly through NPISHs in the home country for the benefit of the household. Finally, reporting of bi-lateral remittance flows will be encouraged. Aside from the change to personal transfers, all new definitions are expected to be supplementary items countries are encouraged, but not required, to complete.

8. While these changes improve the conceptual approach used to define and measure remittances, they do not make it easier for Central Banks to provide data reflecting these changes. The BOP method is still severely limited because countries (e.g. Central Banks) often had difficulty reporting remittance data per IMF’s old guidelines, and I suspect will continue to do so even with new definitions. Banks are not normally able to distinguish between short- and long-term migrants, which makes identification of residents and non-residents difficult. This lack of residency information creates inconsistencies in how countries report data to IMF. Due to this problem, under the old BOP framework, most researchers added all three relevant BOP components to yield one figure for migrant remittances, which is roughly equivalent to the new “total remittance” category. In addition, many countries do not even report remittance data on their BOP sheets (for example, in 2003, 87 countries did not do this, including important labour migrant receiving countries like Canada and the UAE).<sup>2</sup> Even among countries providing data, there are inconsistencies between what is included in each category, as well as method used to calculate it. Most countries use actual transactions made, but others use alternative sources to compute an average remittance figure, and then multiply this by the total migrant population. Also, for any given year of IMF-reported data, countries often supply data based on different year vintages. There are even inconsistencies within countries in how and what they report as BOP items from year to year. All these factors conspire to make it very difficult to create comparable datasets across countries and over time. Improvement to conceptual definitions of remittances and reporting guidelines will help ameliorate these problems, but they will still exist.

9. Unfortunately, problems are not limited to inconsistent country reporting. There are a number of transactions normally considered to be forms of remittance payments, but are not usually included in BOP remittance data, including remittances made “in-kind,” such as payments made on behalf of relatives or friends in the home country (e.g. school or medical bills), remittances in the form of household goods (e.g. televisions, washing machines, etc.), and donations to origin-country institutions. Often these sorts of remittances are misclassified as export revenue, tourism receipts, and/or FDI (foreign direct investment) in BOP reports.

10. In addition, small remittance transactions made at banks often go unrecorded (there is often a minimum amount that needs to be sent in order to be counted), and as mentioned earlier, many formal and informal remittance flows go undetected. Most formal transactions made outside of a bank, such as using post offices, travel agencies, exchange bureaus, or money transfer operators, are not recorded. In many parts of the world these are the most common means of sending

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<sup>2</sup> World Bank. 2006a. *Global Economic Prospects: Economic Implications of Remittances and Migration*. Washington, D.C.

remittance payments. There is also a lack of information about "informal" (e.g. hand-carried) remittances. Amount of dependence on informal methods of remittance transmission differs by the migrant's country of origin, but is estimated to be very high in some places (such as Africa).

11. Finally, BOP data are not always able to identify specific flows of where remittance payments are going (e.g. how much is sent to particular countries), even though the new guidelines will encourage reporting them bilaterally. Some researchers derive these estimates by using stock data on the immigrant population to redistribute the total amount of remittance payments sent to individual countries, but this method is lacking since it assumes all migrants send the same amount of money, regardless of their education level, country of origin, or other characteristics.

12. Though the description above paints a rather bleak picture of the current state of BOP migrant remittance data, household survey data can help compensate for some of these limitations. For example, household survey data can not only help measure the size and trends of remittance flows through measurement of remittances made in-cash and in-kind, but also by determining means of remittance transmittal, e.g. what percentage of remittances are sent or received via non-bank or informal channels. Remittance estimates could then be adjusted using this information normally missing from BOP methods. In addition, household surveys can inform us about the characteristics of migrant remittance senders, as well as characteristics of remittance recipients. These in turn can help measure the impact remittances have on individuals residing in migrant sending and receiving countries. Household surveys are faced with their own limitations, including the need for large sample sizes to measure flows, difficulty finding migrants in regular sampling frames (coverage and non-response), question sensitivity, and cost of conducting household surveys, so they are unlikely to replace current BOP methodology, but rather serve a supplemental role.

### **III: Recent Internationally Coordinated Surveys to measure remittances**

13. Household surveys can advance our knowledge about migrant remittances by measuring aspects of their size, characteristics, and impact. There are already a number of countries collecting information about migrant remittances on regularly conducted household surveys, as well as a number of internationally coordinated surveys doing the same. Though limited to a few cases, countries who include a small number of remittance questions on their Population Census include Guam (1990 and 2000), the Dominican Republic (2002), Palau (2000), Tuvalu (2002), and St. Lucia (1991). Some countries include remittance questions on other national surveys, such as Household Income and Expenditure Surveys (e.g. the Philippines), but these are usually limited to "other source of income" questions. More detailed remittance data is collected on modules to regular national household surveys in several countries, such as Costa Rica's Multiple Purpose Household Survey, Thailand's Labour Force Survey, and the Survey on Overseas Filipinos (currently part of the Philippine's Labour Force Survey), for example.

14. There have also been several recent internationally coordinated or sponsored surveys on remittances, though these are often not conducted regularly. International Organizations like the World Bank have helped develop migration and remittance questions for the Living Standards Measurement Surveys (e.g. Albania and Ghana), as well as conducting ad hoc modules in countries like Belgium. The Inter-American Development Bank (IDB) and Multilateral Investment Fund (MIF) have cosponsored a number of surveys throughout Latin America, the Caribbean, and the United States to measure remittances. ILO has developed a migration module for attachment to Labour Force Surveys (LFS) that includes a substantial number of questions on migrant remittances, of which several have been tested on national household surveys in Armenia, Ecuador, Egypt, Moldova, and Thailand. Other organizations, like IOM, have sponsored remittance surveys

in countries like Moldova and Guatemala, while DFID recently sponsored a survey of “Black and Minority Ethnic” remittance senders in the United Kingdom.

15. Costa Rica’s Multiple Purpose Household Survey has been conducted annually since 2002, with a sample of 15,000 households, and includes questions on both remittances sent and received. These questions include information for both remittance senders and receivers about frequency, amount, mode of transferal, use of money, and goods. Similarly, the Philippine’s “Survey on Overseas Filipinos” has been conducted annually since 1993 (with an earlier version dating back to 1982), and is currently a supplement to their October LFS. About 40,000 households are asked questions about household members living abroad and cash remittances received (amount and mode of transferal). Finally, Thailand has been conducting a migration module during the 4<sup>th</sup> quarter of its LFS since 2004. This module is administered to approximately 80,000 households, though the intent of its remittance content is to measure internal remittances received, not remittances sent or those going to or coming from outside the country.

16. The World Bank has sponsored the Living Standards and Measurement Survey (LSMS) in many countries. First piloted in the Côte d’Ivoire and Peru in 1985, it has since been conducted in over 40 other countries. The LSMS program hopes to improve quality of household survey data, improve capacity of statistical institutes to carry out household surveys and analyze data, and provide policy makers with data on social and economic outcomes. Though LSMS surveys are not standardized, and are highly customizable by countries, some have included a substantial number of migration and remittance questions, for example Ghana (2005-6) and Albania (2005). Ghana has conducted the LSMS since 1987, and most recently in 2005 (to 6,000 households in 1998). While earlier years of Ghana’s LSMS included migration questions, the 2005-6 survey included a dedicated migration and remittance module. Albania has conducted the LSMS annually since 2002, with a sample of 3,600 households in 2005. The most recent version of Albania’s LSMS includes a large number of migration and remittance questions.

17. The World Bank also conducts ad hoc remittance surveys. A recent example of this was a survey in Belgium, which asked detailed questions of African-born remittance senders to Nigeria, Senegal, and the Republic of Congo. Given the specific nature of this survey, limited to specific remittance flows from Belgium to Africa, a targeted adaptive sampling strategy was used to draw a representative sample. About fifty questions were asked covering a wide variety of topics related to remittances.

18. The International Labour Office (ILO) recently developed a migration module for attachment to household surveys, particularly labour force surveys. The complete module contains approximately 200 questions, but smaller sets of questions have been tested in several countries, all of which have included questions on remittances.

19. Pilot tests were carried out in Armenia, Ecuador, Egypt, and Thailand, though only a limited number of questions could be tested (due to respondent burden and amount of funding available).

20. In 2006, about twenty questions were added to Thailand’s pre-existing LFS migration module, including questions about remittances received (internally and from abroad). In Armenia, a specialized survey was conducted in 2006, including 2,000 households and about thirty questions related to remittances. Further, in 2007 twenty-five questions were tested during the third quarter of Egypt’s LFS, to about 20,000 households, and over forty questions were administered to 6,000 households on Ecuador’s Work and Employment Survey (ENEMDU). These surveys were all carried out by, and are property of, the National Statistical Agencies of these countries, so at times questions were modified from their original construction. ILO is also currently testing an

unrelated migration module on Moldova's LFS, and has been involved in several other surveys to measure remittances in Africa.

21. The International Organization for Migration (IOM) has sponsored several remittances surveys, though they often do not develop or conduct them themselves, but rather outsource their design and implementation. For example, IOM cosponsored the 2006 "CBSXA survey on migration and remittances in Moldova," given to approximately 4,000 households. First developed and conducted in 2004 by the Kiel Institute for World Economics and the CBSXA opinion research company, this bi-annual survey asks a large number of migration and remittance related questions. Similarly, an IOM sponsored and developed migration and remittance survey (*Encuesta Sobre Remesas Familiares*) was recently carried out in Guatemala (2006), to approximately 2,800 households, following up on previous remittance surveys conducted there. IOM is also funding remittance research in other countries like Albania, Columbia, Costa Rica, El Salvador, and Serbia.

22. The United Kingdom's Department for International Development (DFID) recently sponsored a remittance survey in the United Kingdom. The BME (Black and Minority Ethnic Community) Survey was developed, in close consultation with DFID, and conducted by ICM research in 2006. The survey was completed (self-administered) by 1,800 BME households who had remitted to family or friends in the past 12 months, and asked over thirty questions about remittances sent abroad.

23. Similarly, the Inter-American Development Bank (IDB) has sponsored a number of surveys developed by Dr. Manuel Orozco (currently of the Inter-American Dialogue) in Latin American and the Caribbean. Though specific documentation was difficult to find, IDB sponsored remittance surveys have been conducted in Bolivia, Costa Rica, El Salvador, Guatemala, Haiti, Honduras, Panama, and the United States. Generally, these surveys are conducted by local research firms to a sample of 3,000 individuals (not households), and consist of 15 to 20 questions. While these surveys are not publicly available, one commissioned by the Canadian Foundation for the Americas (FOCAL), based on the one designed for the IDB, was conducted in Jamaica in 2005 by Market Research Services Ltd. Less than 800 Jamaicans who received remittances from Canada, the US or the UK, and lived in specific locations (based on high emigration to Canada), were asked twenty-six questions about remittances received. This gives us some sense of what types of questions are asked on IDB sponsored surveys.

24. Though there has been little coordination between developers of many of these remittances surveys, and while each asks slightly different questions to measure remittances, there is surprisingly quite a bit of overlap between concepts and measures. What underlying dimensions are needed to measure migrant remittances and how can household surveys be used to accomplish this?

#### **IV. Using household surveys to measure dimensions of migrant remittances**

##### **Definitions**

25. This section examines various dimensions related to the study of migrant remittances and how recent surveys have addressed these concerns. Though there is no universal agreement on how migrant remittances should be measured, new BOP definitions provide a strong foundation for doing so. Summarizing what has been already described, in its most simplistic sense, remittances are all household income obtained from or sent abroad (between resident and non-resident households), regardless of relationship between sender and receiver. "Household income" not only includes money, but also remittances made in-kind. Monetary remittances include cash sent or

given to other people, as well as payment made through money transfers, cheques, etc. through either formal or informal channels. “In-Kind” remittances should include a number of things, such as goods, donations, and payments made on behalf of others. Latest BOP definitions include the concept of social benefits as part of “total remittances,” which includes both social insurance and social assistance benefits, presumably mainly pensions received from other countries. Inclusion of social benefits as a part of remittances is missing from most remittance surveys, as is detailed information about the scope and magnitude of this phenomenon (social benefits going abroad).

26. There are a few other issues to keep in mind when developing remittance-related questions for household surveys. Even though both BOP and UN recommendations on international migration statistics use a twelve-month residency rule to define residents or migrants, the latest BOP guidelines include remittances sent by non-resident households as part of the “total remittance” category. Also, the relatively recent increase in developing countries of alternative methods to access income, such as ATM and credit cards in another person’s name (usually a family member living abroad), could increase difficulty in accurate measurement. Finally, it is important to remember remittances are not just limited to international migrants, but also include internal migrant remittances, which make up a significant proportion of total remittances transferred in developing countries.

### **Populations of interest and time references**

27. Depending on whether a country is primarily sending or receiving migrants, there are different populations of interest for household surveys. In destination countries, current (or lifetime) migrants who are (or were) remittance senders should be included. In origin countries there are two populations of concern, 1) households who receive remittances from abroad, 2) return migrants who used to send or brought back remittances. Non-remittance receiving and sending households (both migrant and non-migrant) can also be of interest for comparison purposes.

28. Most remittances surveys are conducted in countries of origin (e.g. ILO, IOM, LSMS surveys), where either households who currently receive remittances, or relatively recent returned migrants who used to send remittances, are captured. In countries where emigration is a relatively common event, regular sampling methods are likely to yield good results even if the sample size is relatively small (e.g. in the ILO Armenia case, more than half of sampled households had a current or former migrant experience).

29. Among the surveys examined in this paper, there is no consistent criterion used for defining current migrants living abroad, though UN recommendations call for 12 months for long-term, and at least 3 months for short-term migrants. Many surveys include a time component, either duration of stay abroad (e.g. at least 3 months for return migrants on ILO pilot surveys and IOM Moldova; at least 1 month for return migrants on the LSMS Albania) or time-period of migration (e.g. IOM Moldova since 1991: ILO Moldova last 12 months). Some countries use time-references related to political events (e.g. dissolution of the Soviet Union) while others are more interested in recent (a.k.a. temporary) migrants. Other surveys make no mention of time, and include any household (LSMS Ghana and Albania, Costa Rica) or family member (FOCAL Jamaica) currently living abroad.

30. While all examined surveys conducted in source countries ask questions about current migrants, only about half include questions on return migrants (e.g. LSMS Ghana and Albania, ILO Armenia, Egypt, Ecuador, and Moldova, Philippines). Most surveys measuring return migrants use a defined time-period to capture more “recent” returnees, though there is wide variation in what reference period was used. Time of return migration varied from the last 6 months (the

Philippines), the last 12 months (ILO Moldova), the last 5 years (LSMS Ghana), the last 10 years (ILO Egypt), to the last 16 years (since 1990, ILO Armenia). Obviously, a more recent time frame reduces the number of returnees in sample, but also improves respondent recall for some types of questions.

31. Fewer surveys are conducted in destination countries, though there are a few internationally coordinated examples (World Bank in Belgium, DFID in United Kingdom, IDB in the United States). Most of these surveys look at current migrants (or descendent of migrants) who send remittances to family or friends in another country. Finding a relatively rare population (not only migrants, but those who remit) can be difficult using a regular sampling design, thus targeted sampling methods are often used in these surveys, including oversampling in areas with a high concentration of migrants, and/or adaptive or snowball sampling techniques. It is also no coincidence fewer internationally coordinated remittance surveys are carried out in destination countries, due to funding being more available for other parts of the world, and differences in degree of government cooperation (from the ILO experience, developed countries were less inclined to change current survey design or add (test) questions to established surveys). Table 1 summarizes similarities and differences between various surveys discussed in this paper.

Table 1 Summary of Contents of National and Internationally Coordinated Surveys with Remittance Questions

Survey	Year	Frequency of survey	Sample size (households)	Origin/ Destination	Migrant definition	Remittance receiver	Remittance sender	Return migrant (former sender)	Duration of residence abroad	If send/receive monetary
<b>National Surveys</b>										
Survey on Overseas Filipinos- (LFS)	2007 (October)	Annual (since 1996)	41'000	O	Family member abroad last 5 years	Y	N	Y	Y	Y
Costa Rica Multiple Purpose Household Survey	2007 (July)	Annual (since 2002)	15'000	B	Hhld members currently abroad	Y	Y	N	Y	Y/Y
<b>World Bank</b>										
Ghana Livings Standards Survey 5	2005-6	About every 7 years	6,000 (1998)	O	Hhld member currently abroad, return migrant past 5 years	Y	N	Y (past 5 years)	Y	Y
Albania Living Standards and Measurement Survey	2005	Annual (since 2002)	3'600	O	At least one month abroad (return)/no longer living in hhld (current)	Y	N	Y	Y	Y
International Remittance Senders Household Survey	2005?	One time	?	D	Nigerian, Senegalese, Republic of Congo-born, living in Belgium	N	Y	N	Y	Y
<b>ILO</b>										
Complete Module	X	X	X	B	At least 3 months abroad	Y	Y	Y	Y	Y
Armenia Migration Survey	2006	One time	2'000	O	3 months or more(return)/hhld members living abroad (current)	Y	N	Y (since 1990)	Y	Y
Ecuador Work and Employment Survey (ENEMDU).	2007	Monthly	7'000	O	3 months or more, since 1990 (return)/hhld members living abroad (current)	Y	N	Y	Y (first and last)	Y (return/current)
Thailand LFS	2006	Monthly	80'000	O	Person in another village	Y	Y	N		Y
Egypt LFS	2007	Monthly	21'000	O	3 months more, last 10 years (return mig)/Hhld members living abroad (current)	Y (to relatives or others)	N	Y (last 10 years)	Y	Y
Moldova LFS	2007	Monthly (since 1998)	?	O	Abroad last 12 months		N	Y (last 12 months)	Y	Y
<b>IOM</b>										
Moldova: CBS AXS Survey of Migration and Remittances	2006	Bi-annual (since 2004)	4'000	O	Former hhhld members since 1991 (current)/3 months more, since 1991 (return)	Y	N	N	Y	Y
Guatemala: <i>Encuesta Sobre Remesas Familiares</i>	2006	Annual?	3'000	O	Hhld members currently abroad	Y	N	N	Y	Y
<b>IDB/MIF</b>										
Jamaica- FOCAL Remittance Survey	2005	One time	766 receivers	O	Family members/relatives living abroad	Y	N	N	N	Y
<b>DIFD</b>										
United Kingdom -BME Remittance Survey	2006	One time	1,800 BME senders	D	A BME who remitted to family and friend abroad within the last 12 months	N	Y	N	Y	N (criterion for selection)

Survey	Multiple remitters	Include non hhld/family members?	Sender-receiver relationship	Flows (country-to-country)	Monetary	Goods (if sent, value)	Other in-kind	Social benefits	Net remittances	Time frame and amount
<b>National Surveys</b>										
Survey on Overseas Filipinos- (LFS)	Y	N	Y	Y	Y	Y (value)	N	N	N	Monthly over past 6 months
Costa Rica Multiple Purpose Household Survey	Y	Y	No	Y	Y	Y (value, type)	N	N	Y	Last time, last 12 months
<b>World Bank</b>										
Ghana Livings Standards Survey 5	Y	N	Y	Y	Y	Y (value, type) (current only)	N	N	N	Average per year ();return amount in past year (current)
Albania Living Standards and Measurement Survey	Y	N	Y	Y	Y	Y (value of all remittances inkind)	?	?	N	Past year
International Remittance Senders Household Survey	Y	Y	Y	Y (predefined)	Y	Y (value)	N	N	N	Total past 12 months, last time
<b>ILO</b>										
Complete Module	Y	Y	Y (non-family, in theory)	Y	Y	Y (items, value)	Y (paid fees)	Y (pension)	Y	Past 12 months (current), avg per year (return)
Armenia Migration Survey	Y	Y	Y (non-family, in theory)	Y	Y	Y (items, value)	N	N	N	Past 12 months (current only)
Ecuador Work and Employment Survey (ENEMDU).	Y	Y	Y	Y (abroad, region)	Y	Y (if receive)	Y (fees paid on behalf)	N	N	Avg per year (return), past 12 months (current)
Thailand LFS	Y	Y	Y	Y (abroad, region)	Y	N (things)	N	N	N	Last 12 months
Egypt LFS	Y	N	Y	Y	Y	Y (value, mode)	N	N	N	Avg per year(return), last 12 months(current)
Moldova LFS	N	Y	Y(current)/N (return)	Y	Y	N	N	N	N	Avg per month in last 12 months
<b>IOM</b>										
Moldova: CBS AXS Survey of Migration and Remittances	Y	Y	Y	Y (former hhld members only)	Y	Y (type, frequency, mode)	Y (donations)	N	Y (no amount)	Last 12 months, total since departure If sends regularly, amount for last time, last 6 months
Guatemala: Encuesta Sobre Remesas Familiares	Y	N	Y	Y	Y	N	N	N	N	
<b>IDB/MIF</b>										
Jamaica- FOCAL Remittance Survey	Y	N	N	Y (Canda, US, UK, other)	Y	Y (value on single occasion)	N	N	N	Normally receive on single occasion
<b>DIFD</b>										
United Kingdom -BME Remittance Survey	Y	Y	Y	Y	Y	N	N	N	N	How much hhld sent in past 12 months/ last occasion



### **Characteristics of Senders/Receivers/Remittances**

32. In analysis of remittance data it is important to collect information on both characteristics of persons sending and receiving remittances (monetary and in-kind). This identifies whether or not a person sends or receives remittances, as well as giving us information about who these people are. Identifying sender-receiver relationships is important as well, allowing for identification of remittances sent and received by family, as well as non-family, members. Information about flows, where remittances originate from and are sent, is also a vitally important piece of information.

33. Most remittance surveys capture basic demographic characteristics of remittance senders and receivers, though some are more detailed than others. When remittance questions are included as part of a regular national survey (e.g. LFS in Thailand, Egypt, Philippines), one has access to a wealth of information about household members, as well as the added advantage of regular data collection. Basic information on sex, age, if working, and where/when the migrant moved, for both remittance senders and receivers, is more or less standard on the surveys examined here. More detailed information about education, marital status, occupation (all before and after move), income, expenditures, bank accounts, etc. are also important to the study of migration and remittances and are included on many of the surveys. However, it should be kept in mind there are some limitations to the types of questions which can be asked of migrants currently living outside the household (at least from a data quality standpoint), since proxy respondents are less likely to have first-hand information about migrants no longer present in their household.

34. The most basic question to the study of remittances is whether or not a person (household) sent or received money to or from a person living abroad (e.g., “Does (NAME) send any money to your household,” Ghana LSMS). Some variation of this question is included on all remittance surveys, except for DFID UK, which based its sample on the criterion of whether or not the household remitted. Most surveys used a 12-month time frame for money sent (e.g. “Over the past 12 months, did you or anyone living in this residence send money to anyone living in (COUNTRY),” WB Belgium), but this will be addressed in more detail when discussing measurement of total amount. In most surveys looked at, it is possible to identify the relationship between remittance senders and receivers (except for the cases of Costa Rica, FOCAL Jamaica, and return migrants on IOM Moldova). Also common, but not universal, are questions on whether or not goods were sent or received (e.g. “Apart from money, have you or any other household members received any goods from someone living abroad over the past 12 months,” ILO Armenia). While the concept of “goods” is more difficult to measure than money, and often not thought to be part of remittances, most surveys include some measure of this (except DFID UK, IOM Guatemala, and ILO Moldova). However, in some cases question wording is vague (e.g. “Did (NAME) remit to this household in kind, at any point during the last year,” LSMS Albania), or goods are combined with monetary remittances (e.g. “Do any family members or relatives residing abroad send money or goods to your or your family in Jamaica? IDB-like Jamaica), or both (e.g. “During the 12 months before interviewing data did (name) send money or things to a person in another (place)?,” Thailand LFS”).

35. Much less common is inclusion of other types of “in-kind” remittances, such as donations or services paid for. IOM Moldova includes a question about donating to local organizations (“Has (ID) sent or donated money/goods to local organization (churches, sports clubs, community projects etc.) in the last 12 months?”), while vague question wording in the Albanian LSMS could also capture this (“did remit to this household, in kind, at any point during the last year?”). The complete ILO migration module includes a question related to this (“apart from money received, has anyone living abroad paid on your behalf or on behalf of other household members any fees

(e.g. insurance bills, school tuition, etc.) over the last 12 months?") which was included on the pilot test in Ecuador.

36. As previously described, international migrant remittances can be sent to or received from both family (household) and non-family (non-household) members. However, only about half of the surveys are able to capture remittances from non-family members (e.g. ILO test modules, WB Belgium, IOM Moldova, and Costa Rica). In the ILO case, separate questions are asked for both family and non-family members, while in other cases, question wording is broad enough to include remittances sent to or received from all people living abroad.

37. Finally, almost all surveys allow for identification of country-specific flows (at least unidirectional) by identifying what countries senders and recipients live in. Only the case of ILO Thailand does not allow this (a generic "abroad" category is used), while World Bank Belgium uses predefined African country choices (which are appropriate for the specific targeted nature of this survey).

### **Size and frequency of remittances and details about transactions**

38. For many, one of the most sought after pieces of information collected from household surveys is the total value of remittances sent or received. While household surveys are somewhat limited in this regard, due to questions about coverage and data validity (question sensitivity), there are also other important things to be learned about frequency of remittance transmission, how remittances were sent or received (through formal or informal channels), as well as details about the transaction itself (e.g. cost, etc.). Further, surveys can be an invaluable source of information about the value of goods and other in-kind remittances not normally measured by regular BOP methods.

39. All surveys include questions on the total amount of monetary remittances sent or received. Most ask for the total amount during the previous 12 months (e.g. "Thinking now about the last 12 months, how much money do you think this household has sent to family or friends abroad," DFID UK), though some also ask for most recent amount sent (WB Belgium, IOM Guatemala, DFID UK, Costa Rica). Some variations of this model exist, such as ILO-Moldova asking for the average amount sent per month ("How much did (name) send or give in average per month in the last 12 months?"), or the Philippines asking for the amount sent for each of the past 6 months ("How much cash remittances was received by the family during the month of...?"). In Jamaica (IDB model), only the average amount of money received on a single occasion is asked, though this could be combined with frequency over the past 12 months to compute an annual average. IOM Moldova asks not only the total amount received during the past 12 months, but also the total amount received since the migrant departed and average amount per transfer.

40. If return migrants were asked value of remittances sent, they were usually asked for the average amount per year ("How much money did (NAME) send on the average to your household per year," LSMS Ghana), though it should be kept in mind more recent return migrants should be able to provide more accurate data than less recent return migrants. Exceptions were found on LSMS Albania and ILO Moldova, as Albania asked for the "value of all remittances in cash during the last year," regardless of how long the person had been abroad (at least one month), and Moldova asked "how much did you send or give per month in the past 12 months," since it only included returnees who had returned in the past 12 months.

41. Theoretically, remittances need to be measured in both directions of the sender-receiver relationship to calculate “net” remittances. In practice, this is not adhered to, as it is apparently felt most remittance relationships are rather one-sided. Some surveys ask if migrants received financial assistance when initially making their move, but are not asked the amount (e.g. LSMS Ghana). IOM Moldova does ask if the respondent has “sent remittances to any migrant abroad in the last 12 months,” and the reason why, though not the amount sent. Costa Rica and Thailand (ILO pilot) collect information on both remittances sent and received, but can only identify gross net flows, not individual pairs. ILO’s complete module has several questions to measure net remittances (e.g. “How much money have you received from others living in your home country or another country abroad over the last 12 months?”), but none were tested in pilot countries.

42. There seems to be informal consensus among many analysts of household survey remittance data that household surveys tend to underestimate the actual amount of remittances, in terms of amount sent and amount received by persons. This is attributed to a number of factors, such as missing migrant households, question sensitivity (as is normal for money-related survey questions, but particularly so in this case, since monetary remittances are usually unreported to authorities (untaxed –at least for recipients-), and respondent recall. However, despite these limitations, household surveys are still able to measure other important aspects of remittances, such as direction of flows, frequency and mode of transmission, usage of remittances in every day life, and other measures of impact.

43. Most surveys ask a question on how often monetary remittances were sent (e.g. “how many times have you or someone else in your household sent money in the last 12 months,” UK DFID), usually over the past year, with the exception of LSMS Albania, ILO Moldova, and the Philippines, which did not include these types of questions. Some surveys additionally ask when remittances were both first and last sent (WB Belgium, ILO pilot tests), or variations on this, like how long the person has been sending money (FOCAL Jamaica), or how many years they have been receiving remittances or if the amount has changed over time (IOM Moldova).

44. Again, almost all surveys ask questions about mode of delivery (except LSMS Albania). However, there is quite a bit of variation on how many responses are allowed and what reference period is used. For example, WB Belgium asks “over the past 12 months, what approaches did you use most to send or transfer money...,” as well as when money was last sent or transferred. Similarly, IOM Moldova asks for “...The main method used by (ID) to send money home in the last 12 months,” and others ask how money was usually sent with no reference to time (ILO Moldova, LSMS Ghana). A few surveys allowed respondents to choose more than one response, such as DFID UK and the ILO pilot tests in Egypt, Ecuador, and Armenia (“what methods were used most frequently to send money to your household over the past 12 months?”).

45. Some surveys collect detailed information about actual transactions, though these sorts of questions often feel more akin to market research than social science. Both UK DFID and WB Belgium (remittance sending countries) ask a number of questions related to last transaction sent, including questions on how long it took to receive money, how much it cost to send, if there were additional costs to receive, how much more they would send if it cost x% less, etc. Other questions are about whether remittance recipients have bank accounts, use of other financial products (DFID UK), factors in choosing a provider, and if problems were experienced (IOM Moldova). Similarly, one occasionally finds related questions about respondent’s trust in banking institutions (FOCAL Jamaica, IOM Moldova).

46. It is more difficult to measure goods than money, since there is still some confusion from respondents (and surveys) about what goods are (e.g. should presents be included?). When this

question is asked, it is usually restricted to goods received over the past 12 months. Most surveys collecting information on goods ask for their value (except ILO Ecuador and IOM Moldova), while many also ask for item types (e.g. LSMS Ghana, ILO Armenia, IOM Moldova, Philippines, Costa Rica). In addition, the ILO pilot test in Armenia asked how goods were sent (“...how were these items sent or brought to you?”), while IOM Moldova asks how often goods were received (“How often do you receive in-kind remittances from (ID) on average?”).

47. As previously described, other in-kind (non-goods) remittances are almost completely neglected by the surveys examined. While IOM Moldova and ILO Ecuador each ask a question related to this, neither collects information about amounts. Similarly, measurement of social benefits, now part of the BOP definition, is not collected on any of these survey instruments. While the complete ILO module has a few questions for return migrants about pensions (“do you receive a pension for work done while away from this country, how much do you receive monthly”), these questions were not included on any pilot tests, though there were discussions with the Ukraine to test some similar questions there. Obviously, to fully encompass the new BOP definitions, much could be added to surveys with regards to measurement of social benefits, as well as other remittances, like NPISHs.

### **Impact for remittance receivers**

48. One of the most important policy questions, which household surveys are well suited to address, is how remittances impact lives of recipients, and to what extent remittances are reinvested in source countries. At a basic level, this can be measured by looking at levels of income and expenditure with and without remittances, both between and within households. Further, additional questions can be asked about how money is used by recipients.

49. Almost all surveys ask some version of the question on what money was used for (except WB Belgium and the Philippines), though there is much variation in how this is asked. For example, some ask if money was used for a list of activities (“Considering money received over the past 12 months, did the money enable you or other household members to do any of the following,” ILO Armenia), allowing more than response. Others, only ask what the money was mainly used for (e.g. “What was the money sent or given by (Name) mainly used for,” ILO Moldova), or the top three most important usages (“now can you tell me about the top three things you do with the money you receive? Please rank in order of importance...,” FOCAL Jamaica). Most typical response choices include: using money for daily needs (food, clothes), buying other household goods, paying for school or medical bills, paying off debts, savings, and various investments (setup business, purchase new or livestock, improve home, etc.).

50. The issue of remittance-dependency is rarely directly addressed in the examined surveys, though there are some related questions on the complete ILO migration module (“Does this person depend on you financially for more than 25% of his/her income?”) and IOM Moldova (“How much do remittances contribute to the household’s budget?”). Most of these surveys include detailed information about income (such as the LSMS and LFS), and others about expenditures, so it is often possible to determine the impact of remittance income through analysis of these other questions.

51. As you can see, these surveys cover a wide-variety of topics related to remittances. While there are many differences, there are also a surprisingly high number of similarities, given most were developed independently from one-another. How could future (and current) surveys be more streamlined to incorporate a more standardized approach to measure remittances?

## **V. Conclusion: Tying it all together**

52. Is there a need for international survey instruments on migration and remittances to be better harmonized and coordinated? The need to create a common platform for collection of international migration and remittance data has been identified as a country-level priority by the International Household Survey Network (IHSN), who believe establishing norms and standards for migration survey modules will enhance the quality (reliability and validity) and comparability of data between countries, thus making development of harmonized questions critical.

53. Using examples from recently conducted remittance household surveys developed or sponsored by the World Bank, IOM, ILO, IDB, and DFID, one finds a number of similarities in concepts and approaches used, though there are also some differences. Keeping in mind many household surveys are limited in the number of questions that can be asked, what essential dimensions of remittances need to be included on household surveys? Should questions collected on household surveys follow the same framework as measurement of remittances using Balance of Payments?

54. In terms of scope of measurement, final question selection should depend on what exactly is wanted to be measured, be it size, characteristics, or impact of remittances (or all of these). As with all survey research design methodology, questions should be concise and clearly worded, while response categories should be exhaustive and mutually exclusive. At the most fundamental level, remittances are all income received from abroad. Typically, a 12-month time frame should be used to collect information on the amount of remittances received, though this is sometimes reported on a monthly basis. Identification of sender-receiver relationships (including remittances from non-family members) is important, as is being able to identify countries involved in remittance flows.

55. What should be included as part of remittances? In addition to monetary remittances, remittances can be in-kind, and while the remittance surveys discussed usually include goods (and their value), they rarely address other types of in-kind remittances (donations, payment of bills, etc.) and almost never include social benefits received from abroad. A more inclusive approach to remittances would be beneficial, particularly if survey results are to correspond with a Balance of Payment framework. As with monetary remittances, a 12-month timeframe to measure other in-kind remittances would be beneficial.

56. What other details are important to collect? Inclusion of social, demographic, and economic characteristics, of both remittance receivers and senders, gives us more information about who receives, who sends, and the impact remittances have on people's lives. Many surveys ask questions on frequency and methods of remittance delivery, and several ask for more detail about transactions. These sorts of questions are critical for identifying the magnitude of informal channel use, as well as the likelihood of using formal channels to transmit remittances. To measure impact, it is imperative to have questions on income with and without remittances, as either part of the remittance questions, or some other part of the survey instrument. It is also helpful to collect information on what remittances were used for, to further analyze their impact on receivers and measure reinvestment.

57. The greatest degree of inconsistency between surveys is found in how migrants are defined or for whom data is collected. In almost no cases are migrants defined using the UN (and BOP) recommended classification of 12 months outside the household for long-term migrants. Some

surveys take into account a 3-month residency rule for return migrants (ILO pilot surveys, IOM Moldova) that corresponds with the UN recommended definition of a short-term migrant. There is also wide variation when considering how long ago a person migrated, though if remittance questions are limited to those sent/received during the previous 12-month period, this will have little impact on results. If detailed remittance questions are to be asked of return migrants, it would seem appropriate to reduce the time-frame to make remittance behaviour more recent. Inability to determine usual residence has its greatest impact on synchronization with the BOP framework.

58. If household surveys are meant to supplement BOP estimates they should correspond to a BOP framework. The key to the new (and old) definition is the concept of residency, established as 12 months in a country, as the term “migrant” is no longer used. To clearly meet BOP requirements and categories, duration of residence abroad must be clearly defined, such as asking duration of residence abroad or date of first or last move (either entry or departure) to another country, which many surveys already measure. This allows for differentiation between “personal transfers” and “net employee compensation,” though it would have no impact on the amount of “total remittances.” In addition to monetary remittances, remittances made in-kind need to be included as part of “personal transfers,” which includes the total value of everything sent or received, or paid in one’s behalf. The total net worth of migrants transferred from one country to another at the initial time of migration (considered for up to one year) would also need to be included in a BOP framework, as part of the “personal remittances” category. Finally, measurement of social benefits and transfers to non-profit institutions serving households would be needed. Most of these other types of remittances (except for goods), as well as transferred wealth, are not quantitatively measured on any of the examined survey instruments.

59. Though questions on the characteristics of senders and receivers, frequency and mode of delivery, use of money, or other questions on impact are mainly irrelevant to the BOP framework, these extra pieces of information are important for the study of remittances, and work towards the strength of what household surveys effectively measure. Should internationally coordinated surveys be encouraged to follow a Balance of Payment model in their design and implementation? I would argue it is dependent on the purpose of the survey. If it is being conducted to fill existing gaps in current BOP measurement then “yes,” but if it is more to measure the impact of remittances and information about processes involved, then it is not necessary. Of course, this is not a mutually exclusive proposition, thus there is no reason a BOP framework cannot be combined with other questions measuring different dimensions of remittances.

60. Harmonization of questionnaires is important for improving the validity, reliability, and comparability of remittance data, as is inclusion of such questions on regularly conducted household surveys. I am hesitant (perhaps too biased) to recommend a specific set of “best questions,” as surveys conducted under different contexts will often need different question wording to be effective. However, there are some basic concepts and approaches to the measurement of remittances that should be adhered to, such as using a 12-month period to measure the amount of remittances, inclusion of remittances to and from both family and non-family members, the ability to identify countries of origin and destination, information on mode of transmission, etc. Improved harmonization of survey instruments will come with better dissemination of methods (for example, only about half of the questionnaires discussed in this paper were publicly available on the Internet) and communication between organizations. Harmonization of questions must also make allowance for different cultural dimensions, so they can be applicable on a global scale. There is already a large degree of commonality among internationally coordinated surveys, and I expect this to continue in the future, though we will need

to provide flexibility for multiple approaches to measure a complex and important phenomenon like migrant remittances.

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## LINKS TO PUBLICALLY AVAILABLE SURVEY INSTRUMENTS

### **Albania, Living Standards and Measurement Survey:**

<http://www.worldbank.org/LSMS/country/alb2005/docs/alb05bid.pdf>

### **Armenia, Migration Survey (ILO Pilot Test):**

[http://www.armstat.am/Eng/Publications/2007/Mig\\_rep\\_07e/index.html](http://www.armstat.am/Eng/Publications/2007/Mig_rep_07e/index.html)

### **Belgium, International Remittance Senders Household Survey:**

[http://siteresources.worldbank.org/DATASTATISTICS/Resources/Questionnaire\\_Nigeria\\_\(English\\_Version-FINAL\).pdf](http://siteresources.worldbank.org/DATASTATISTICS/Resources/Questionnaire_Nigeria_(English_Version-FINAL).pdf)

### **Costa Rica, Multiple Purpose Household Survey:**

<http://www.inec.go.cr/>

### **Ghana, Livings Standards Survey 5:**

<http://www.surveynetwork.org/home/?lv11=tools&lv12=questionnaire&lv13=country>

### **Jamaica, FOCAL Remittance Survey:**

[http://www.focal.ca/pdf/focal\\_jamaica\\_remittance.pdf](http://www.focal.ca/pdf/focal_jamaica_remittance.pdf)

### **UK, BME remittance survey:**

[http://siteresources.worldbank.org/INTTOPCONF3/Resources/DFID\\_BME\\_Remittance\\_Survey.pdf](http://siteresources.worldbank.org/INTTOPCONF3/Resources/DFID_BME_Remittance_Survey.pdf)

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