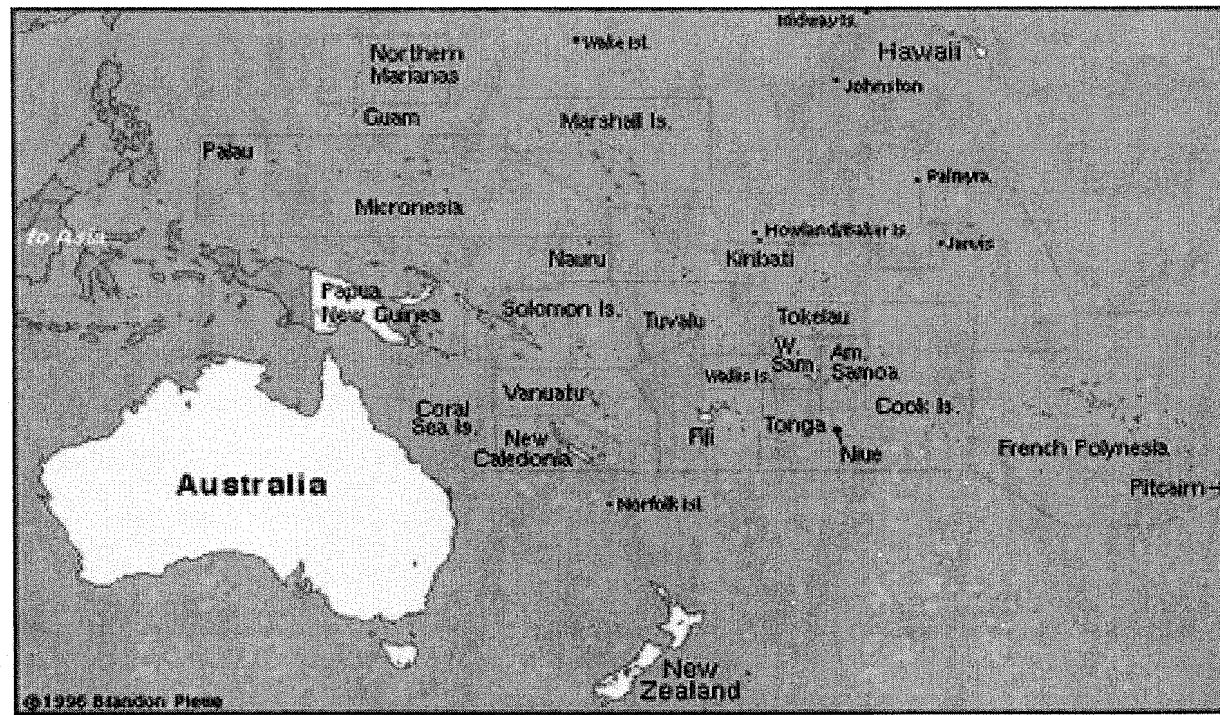


REMITTANCES IN PACIFIC ECONOMIES:

Senders, Recipients, Forms, Channels and Impacts

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Brisbane, 19 April 2006

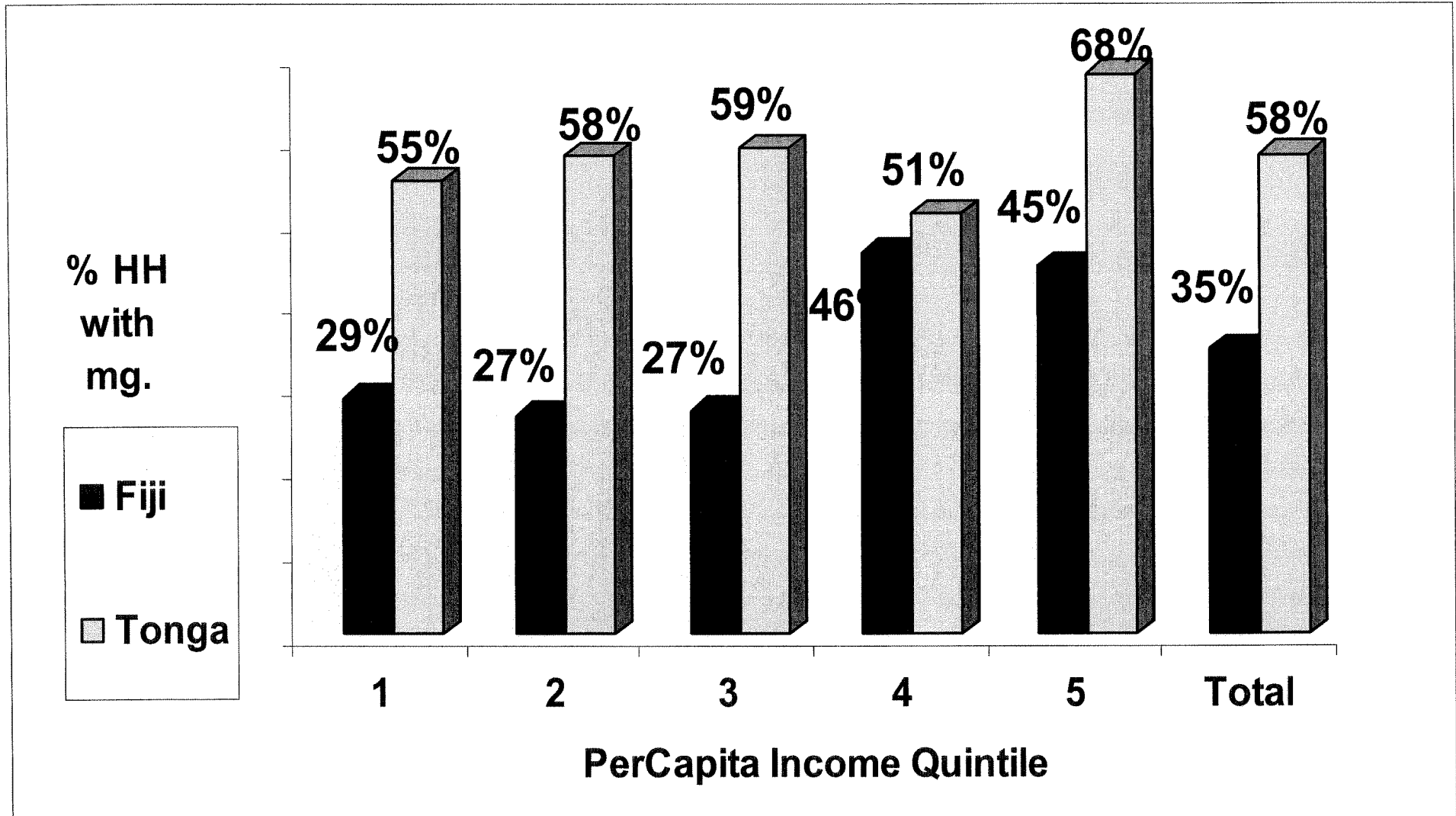
SUMMARY

- ***HOUSEHOLD SURVEYS OF TONGANS, SAMOANS & FIJIANS 10 YEARS APART, AT BOTH ENDS:***
NECESSARY TO CAPTURE FULL STORY – CANNOT RELY ON SECONDARY DATA
- ***WHO REMITS, WHO RECEIVES, AND HOW MUCH?***
MOST MIGRANTS REMIT, EVEN POOREST, NOT ONLY TO OWN HOUSEHOLDS BUT ALSO TO OTHERS, TO ORGANISATIONS, AND TO OWN ASSETS
- ***WHAT FORMS AND CHANNELS USED?***
CASH, BOTH THROUGH BANKS AND INFORMAL CHANNELS, IN-KIND, 3RD PARTY PAYMENTS. BANK TRANSFERS < 30% TONGAN REMITTANCES
- ***HOW SUSTAINABLE OVER TIME?***
NO TENDENCY TO DECAY IMPLYING LONGER-TERM SUSTAINABILITY, AND, NOT ONLY SENT TO PARENTS BUT TO NEXT GENERATION; ie. self-reproducing
- ***WHAT USES AND IMPACTS OF REMITTANCES?***
STRONG EVIDENCE OF SAVINGS, INVESTMENT IN PHYSICAL AND HUMAN CAPITAL, SOCIAL PROTECTION, AND SELF-FINANCED PENSION FUNDS

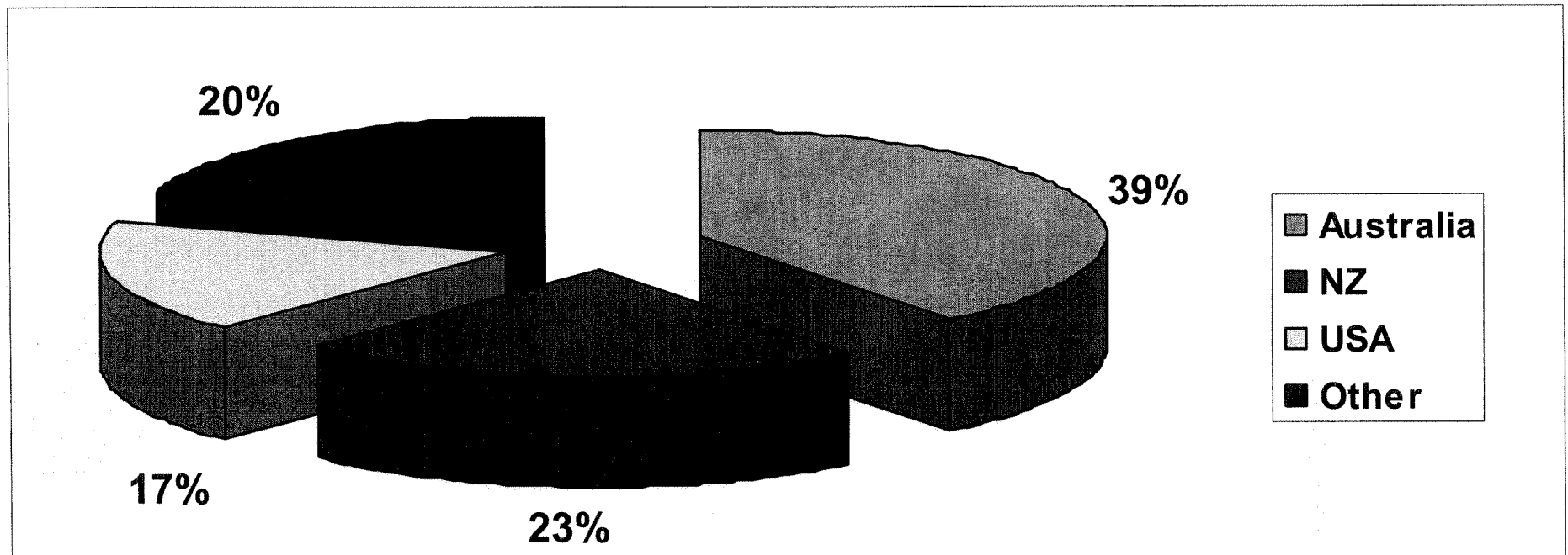
USES OF AND SAVINGS FROM REMITTANCES

- Myth that remittances used mainly for consumption support, although they can offer protection to poorest in times of hardship
- Issue of 'fungibility': need for counterfactual comparisons
- At macro-level remittances relieve foreign exchange constraint, and/or savings constraints to investment
- At micro-level they contribute to household's saving capacity
- Remittance recipients save more than non-recipients, across all income categories
- Remittance recipients own more assets than others, across all categories
- Returning migrants also remit more and own more assets in home country
- Remittances also finance education of next generation – 'migration and remittances induced human capital investment' (next section)
- Remittances provide social protection 'insurance' especially health

% HH WITH MIGRANTS & PER CAPITA INCOME QUINTILE



FIJI: MIGRANTS' DESTINATION (n = 263)



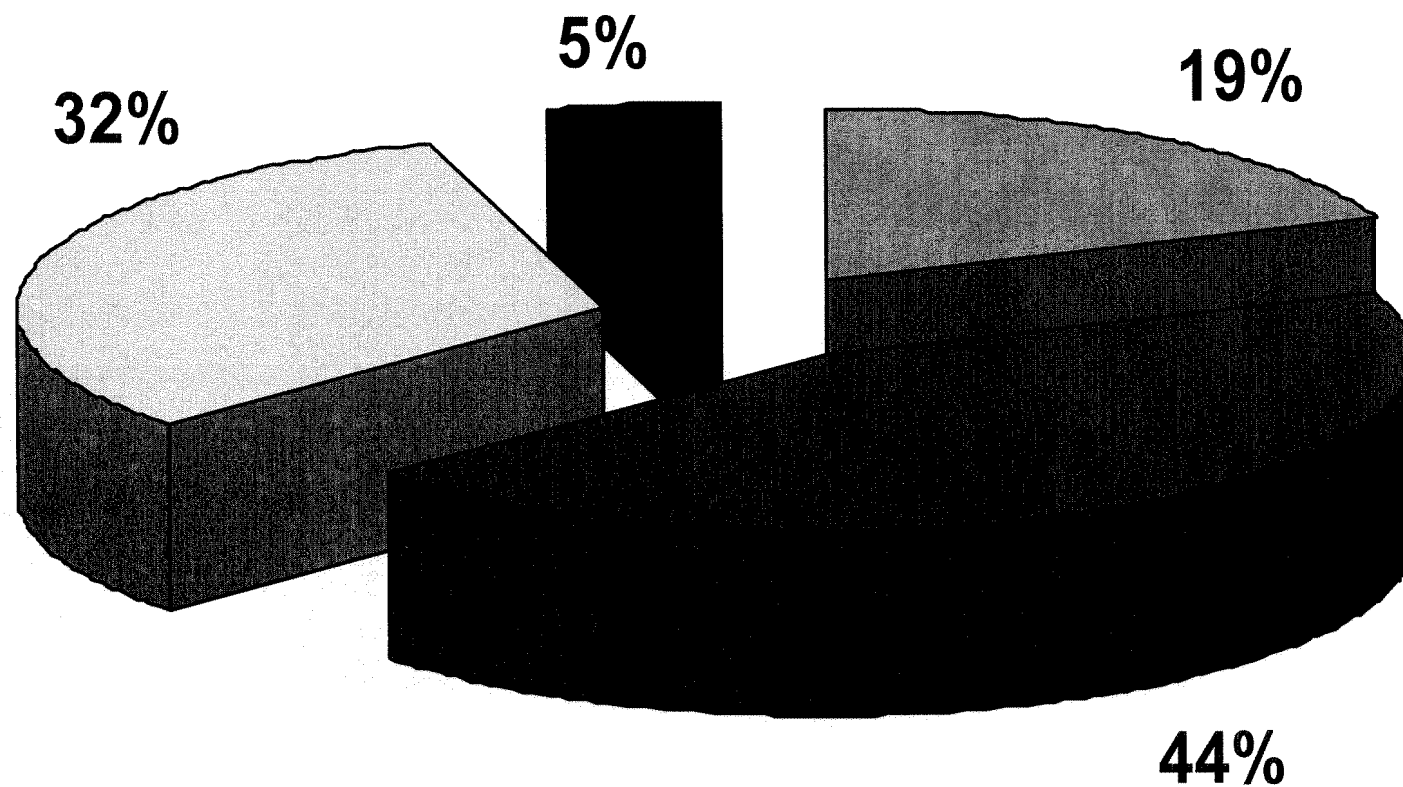
Destination of Migrants TONGA (n = 699)

■ Australia

■ NZ

■ USA

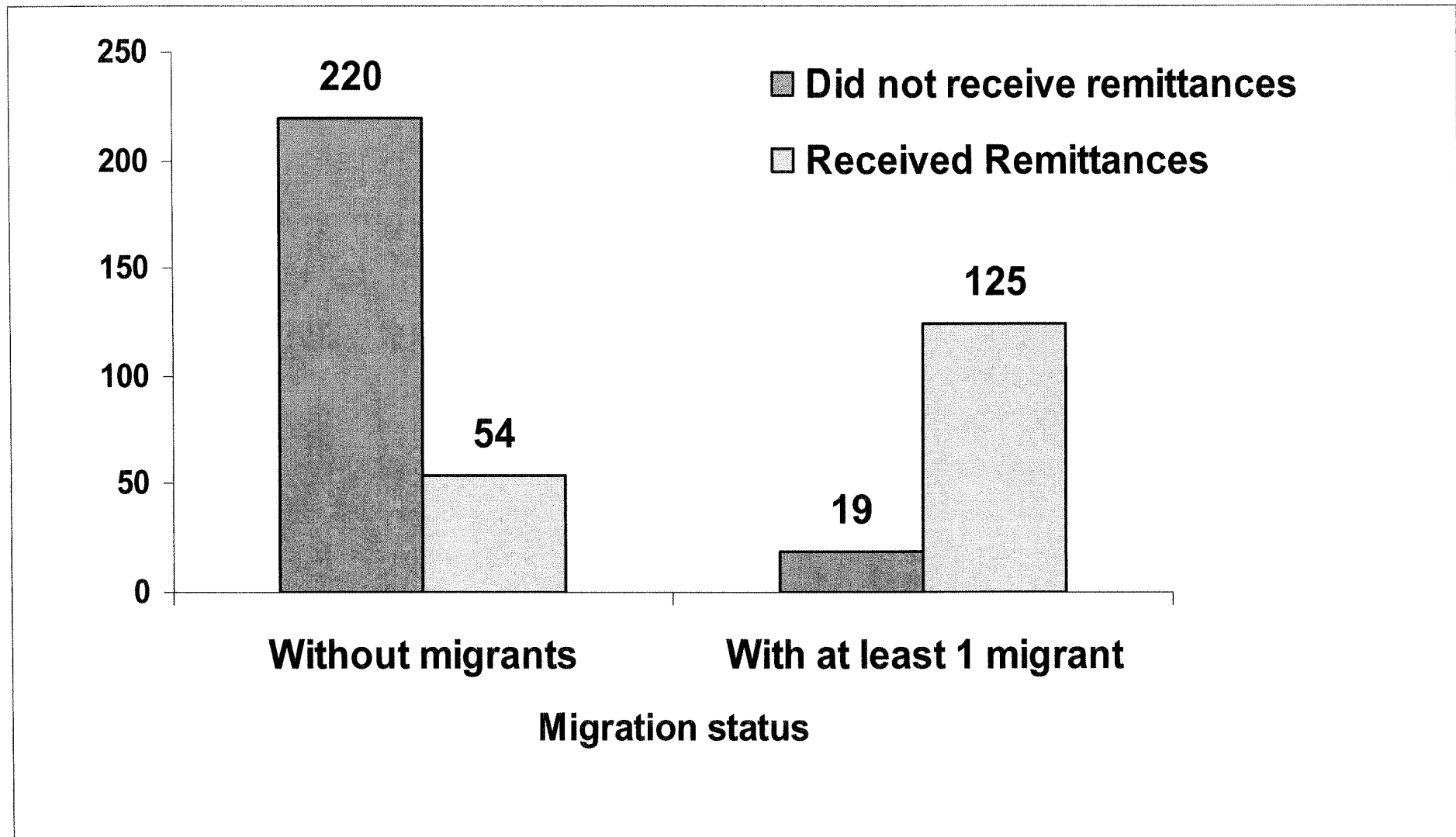
■ Other



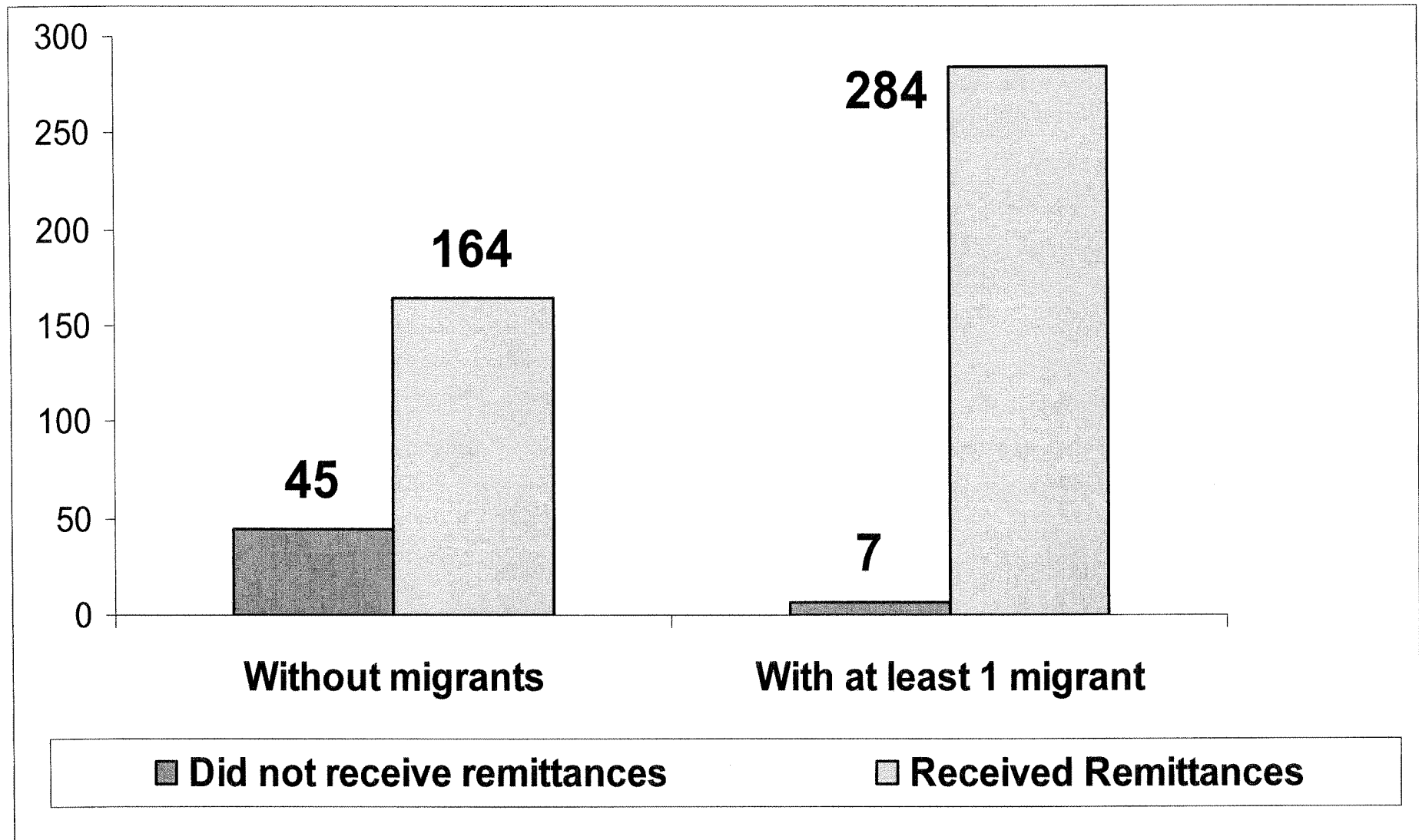
2005 Survey: Households Receiving Remittances

Migrants in HH?	Fiji			Tonga		
	Received Remittances?			Received Remittances?		
	No	Yes	Total	No	Yes	Total
No	220	54	274	45	164	209
(%)	80.29	19.71	65.55	21.53	78.47	41.80
Yes	19	125	144	7	284	291
(%)	13.19	86.81	34.45	2.41	97.59	58.20
Total	239	179	418	52	448	500
	57.18	42.82	100	10.40	89.60	100

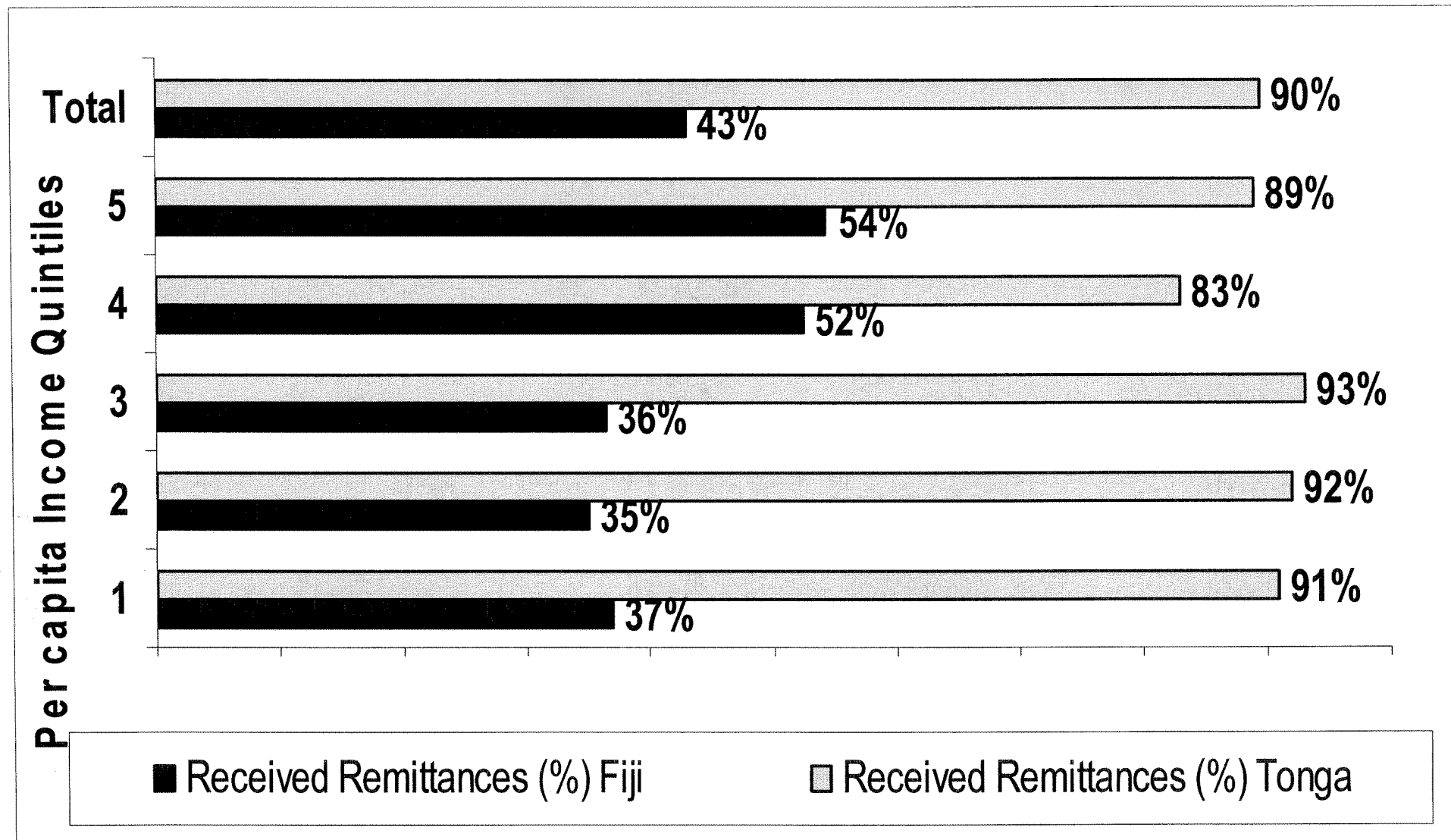
FIJI: REMITTANCES & MIGRATION STATUS



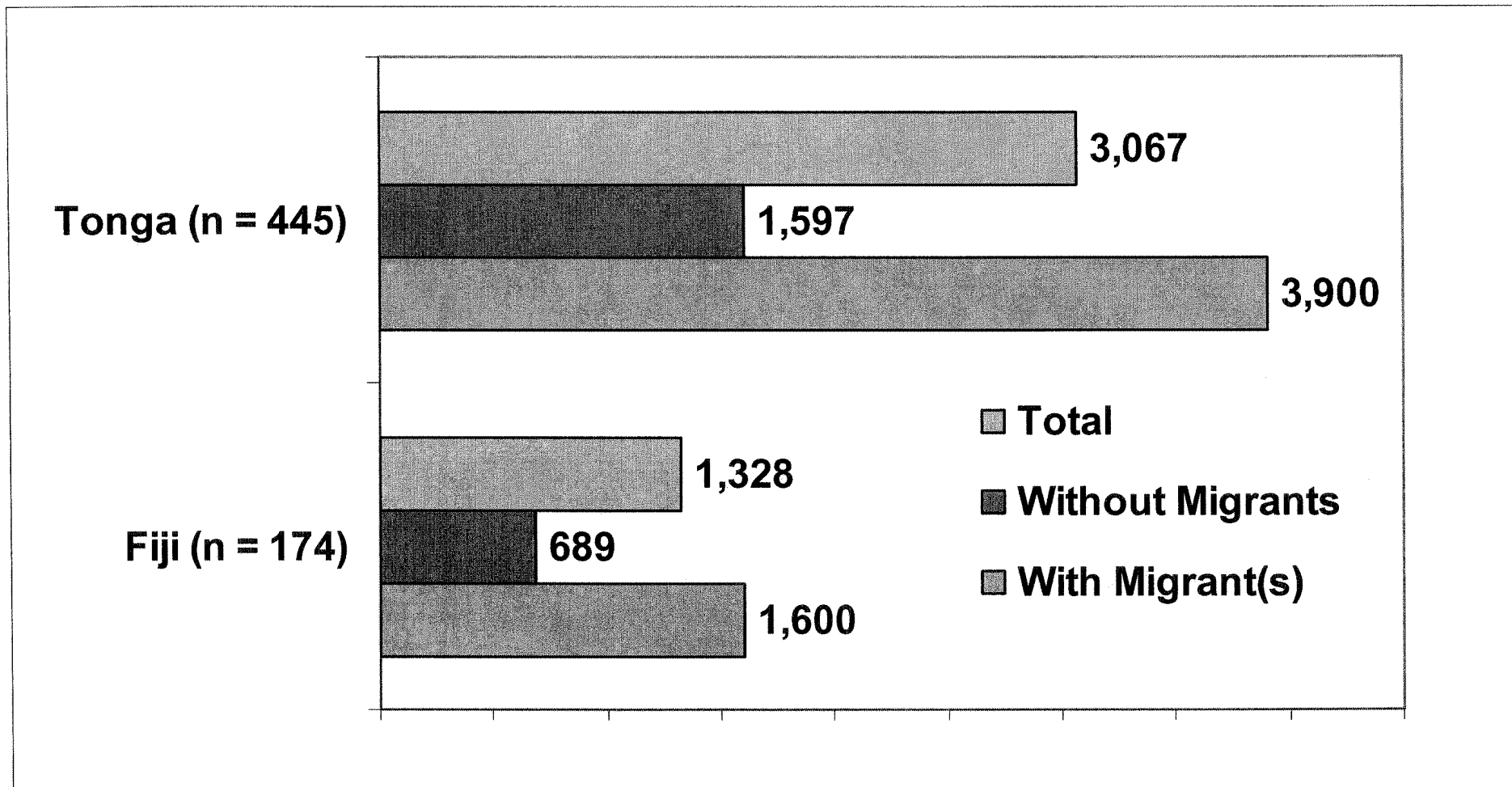
TONGA: REMITTANCES & MIGRATION STATUS



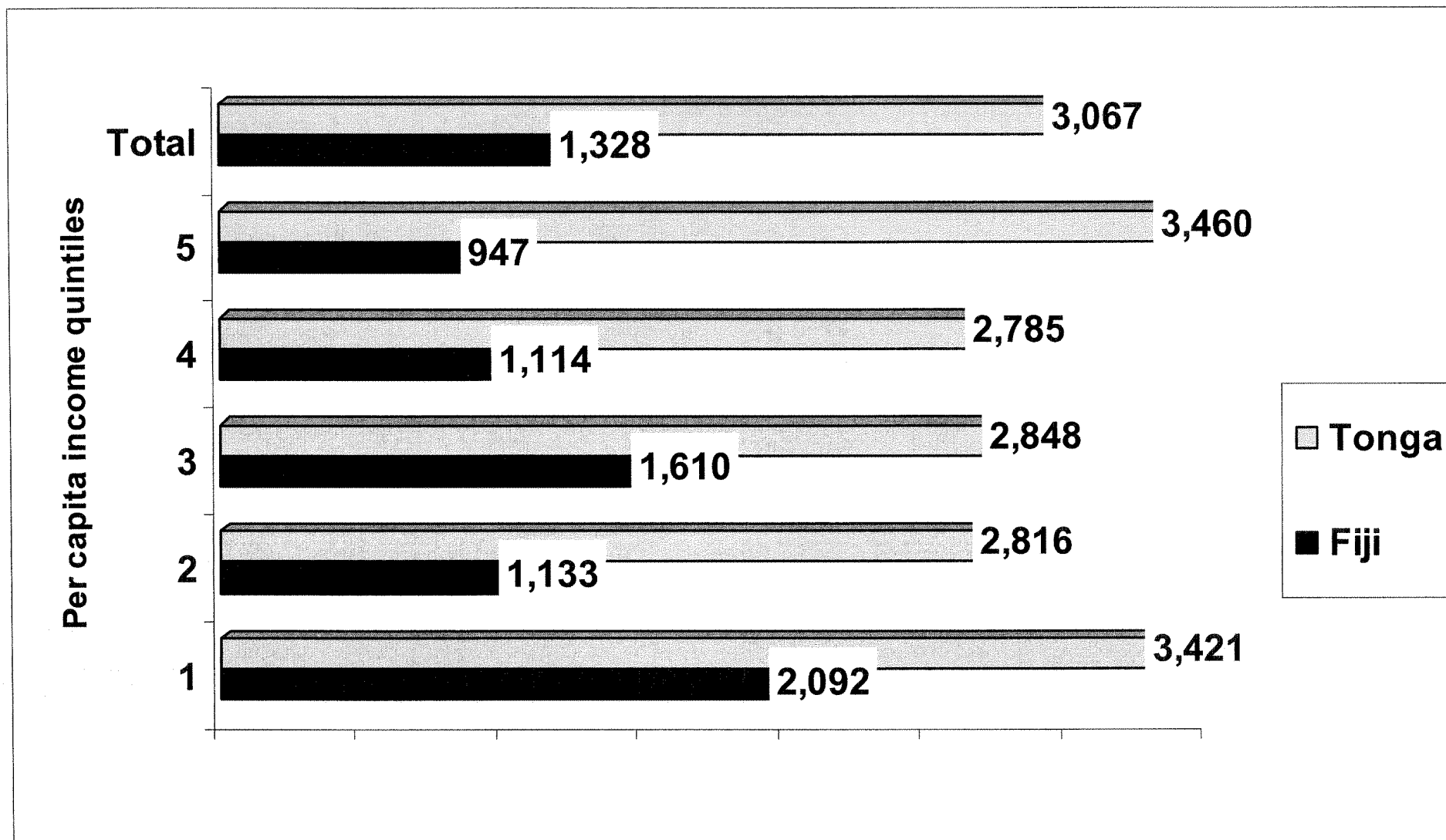
% HH RECEIVED REMITTANCES & PER CAPITA INCOME QUINTILE



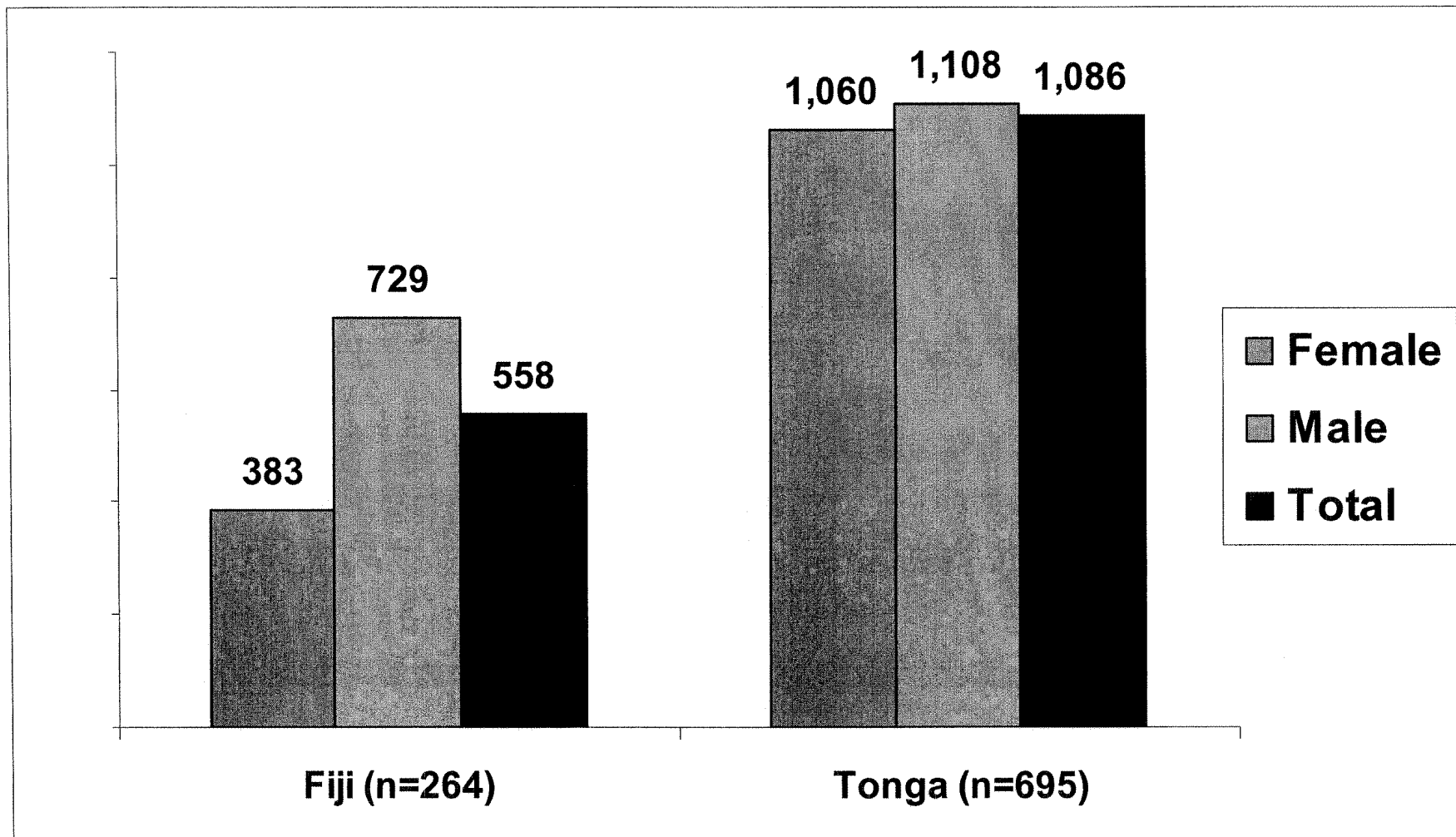
REMITTANCES RECEIVED (HH AVERAGE, US \$ (2004))



AVERAGE REMITTANCES (CASH + IN-KIND) & PER CAPITA INCOME QUINTILE (US \$ 2004)



REMITTANCES & MIGRANT GENDER (AVERAGE US\$ 2004)



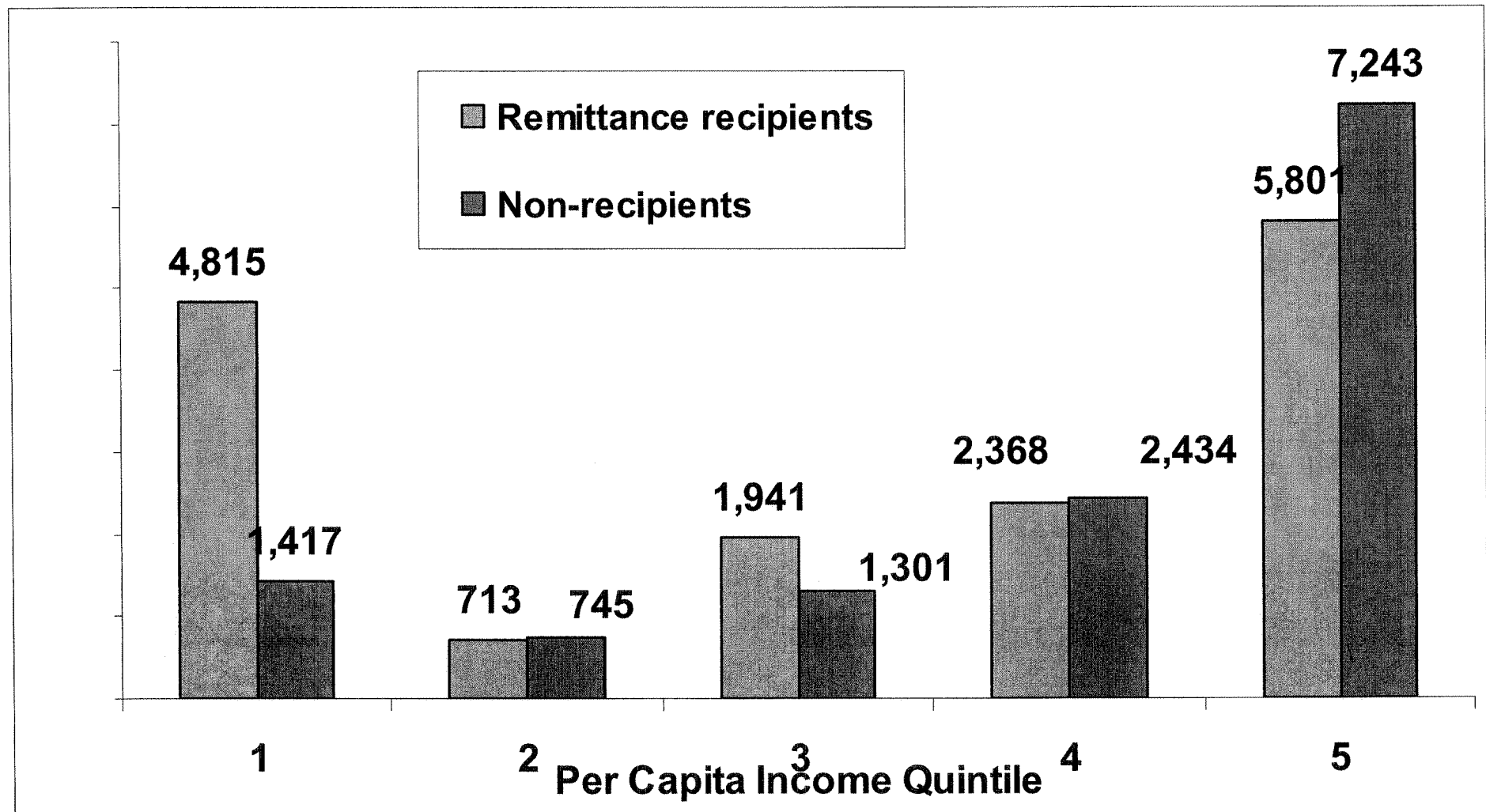
ESTIMATES OF TOTAL REMITTANCES (US\$ 2004)

	Fiji	Tonga
Per Capita Remittances	\$370.88	\$753.02
Population	836,002	98,322
% Recipients	42.0%	90.9%
Total Remittances (US\$ `000)	\$130,343	\$67,330
As % GDP	6.2%	41.8%
As % Exports	8.3%	154.2%

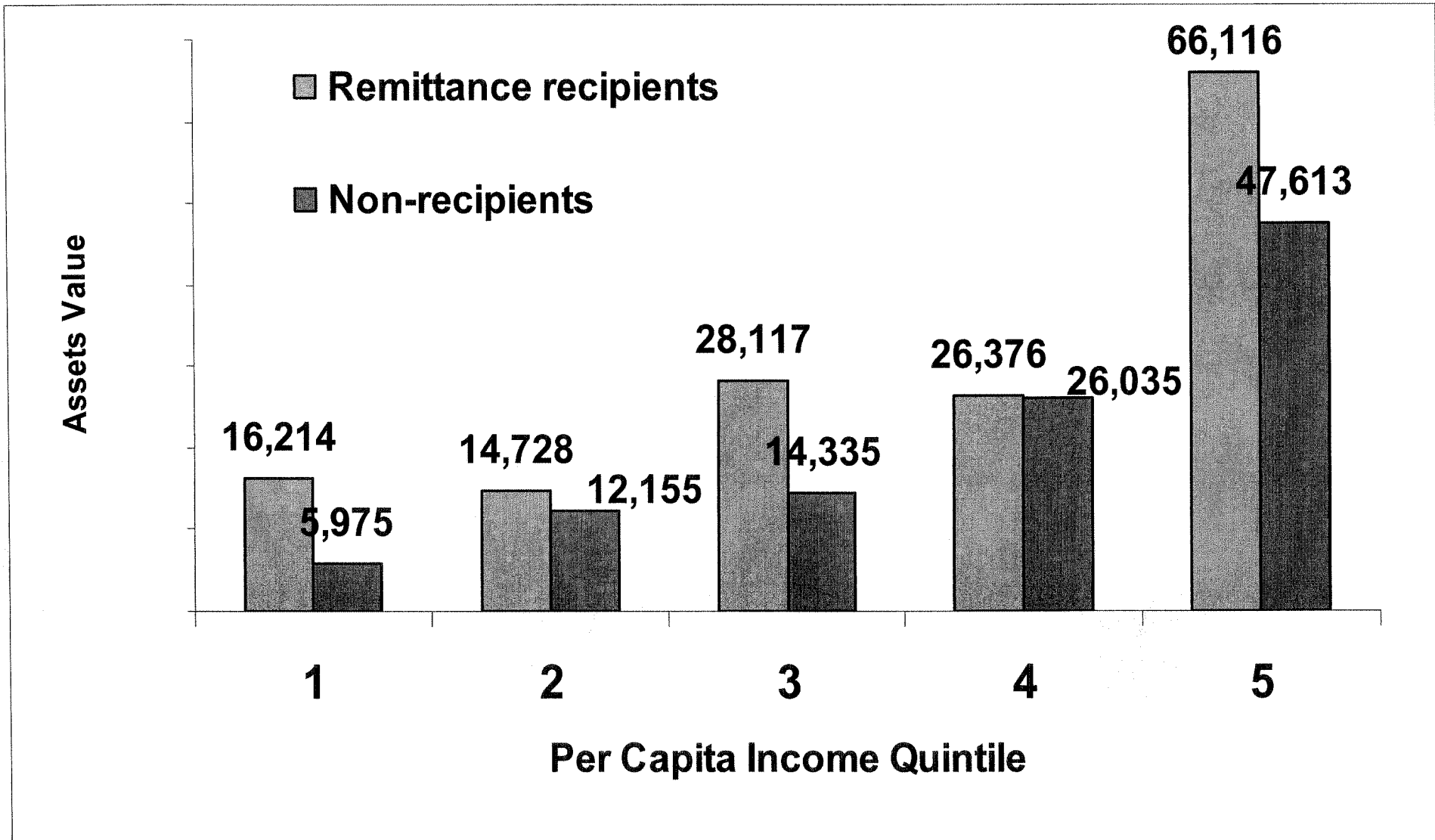
2005 Survey: Migrants' Education Levels and Remittances

		Non-Primary	Primary	Secondary	Post-Secondary	Total
Fiji	n=249	7	133	29	80	249
	% of sample	2.81	53.41	11.65	32.13	100
Tonga	n=699	0	12	591	96	699
	% of sample	0.00	1.72	84.55	13.73	100
Remittances/migrant (2005 US\$)						
Fiji	n=249	94.8	609.63	331.94	458.89	514.38
Tonga	n=699	0.00	566.26	1023.81	1521.33	1085.66

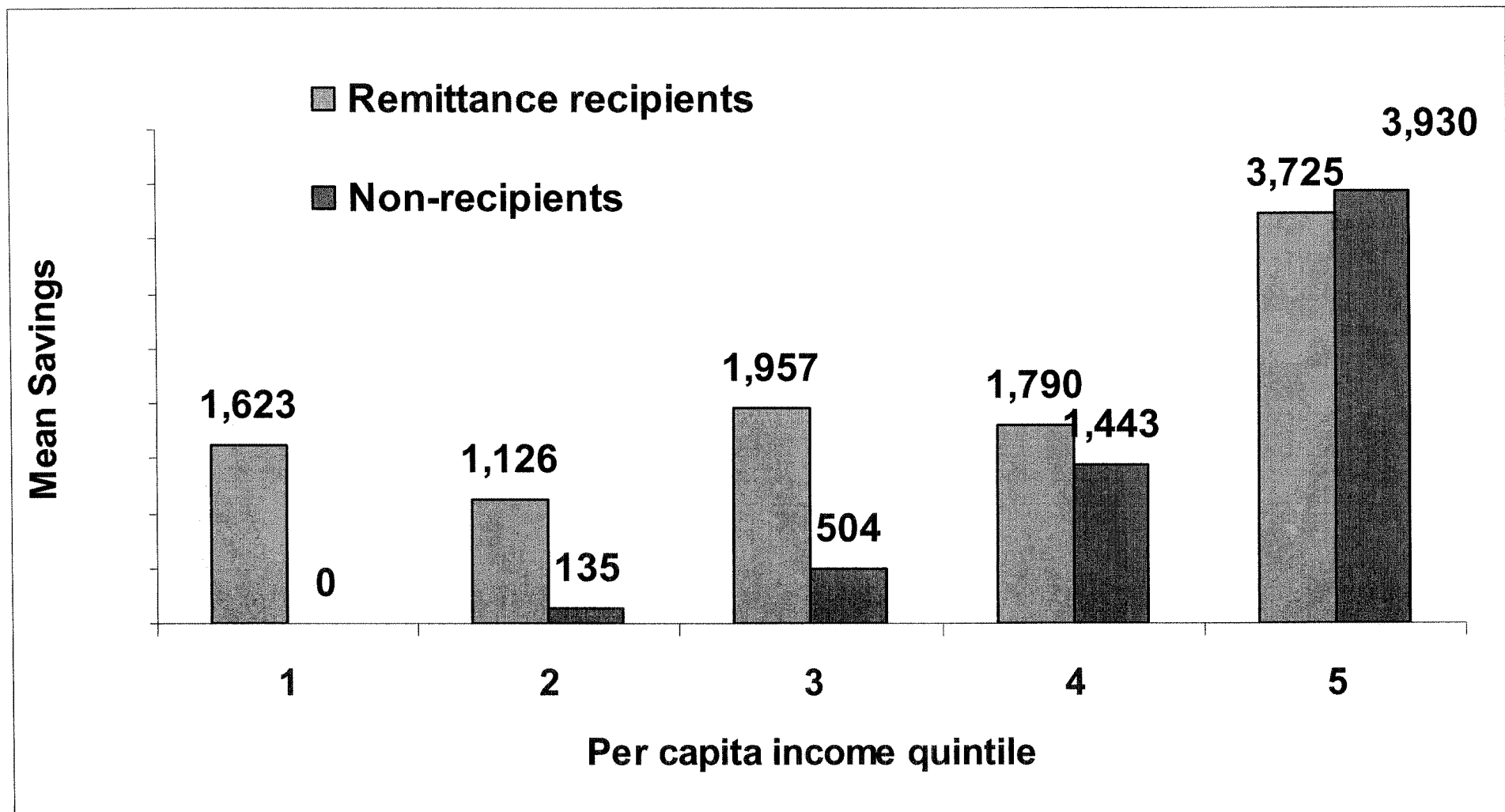
FIJI: AVERAGE SAVINGS, RECIPIENTS OF REMITTANCES & PER CAPITA INCOME QUINTILES (US\$ 2004)



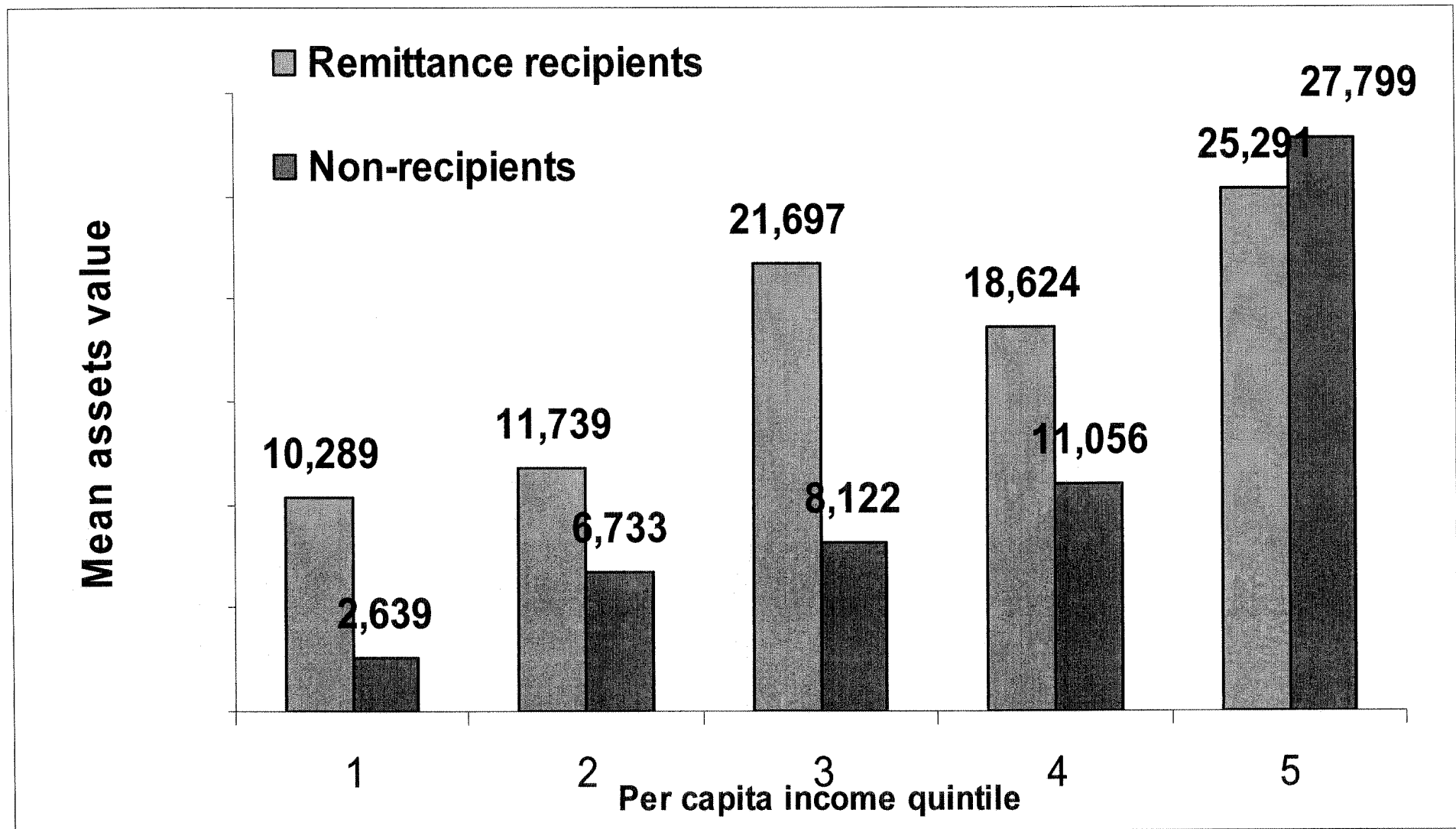
FIJI: ASSETS VALUE, REMITTANCE RECIPIENTS & PER CAPITA INCOME QUINTILE (US\$ 2004)



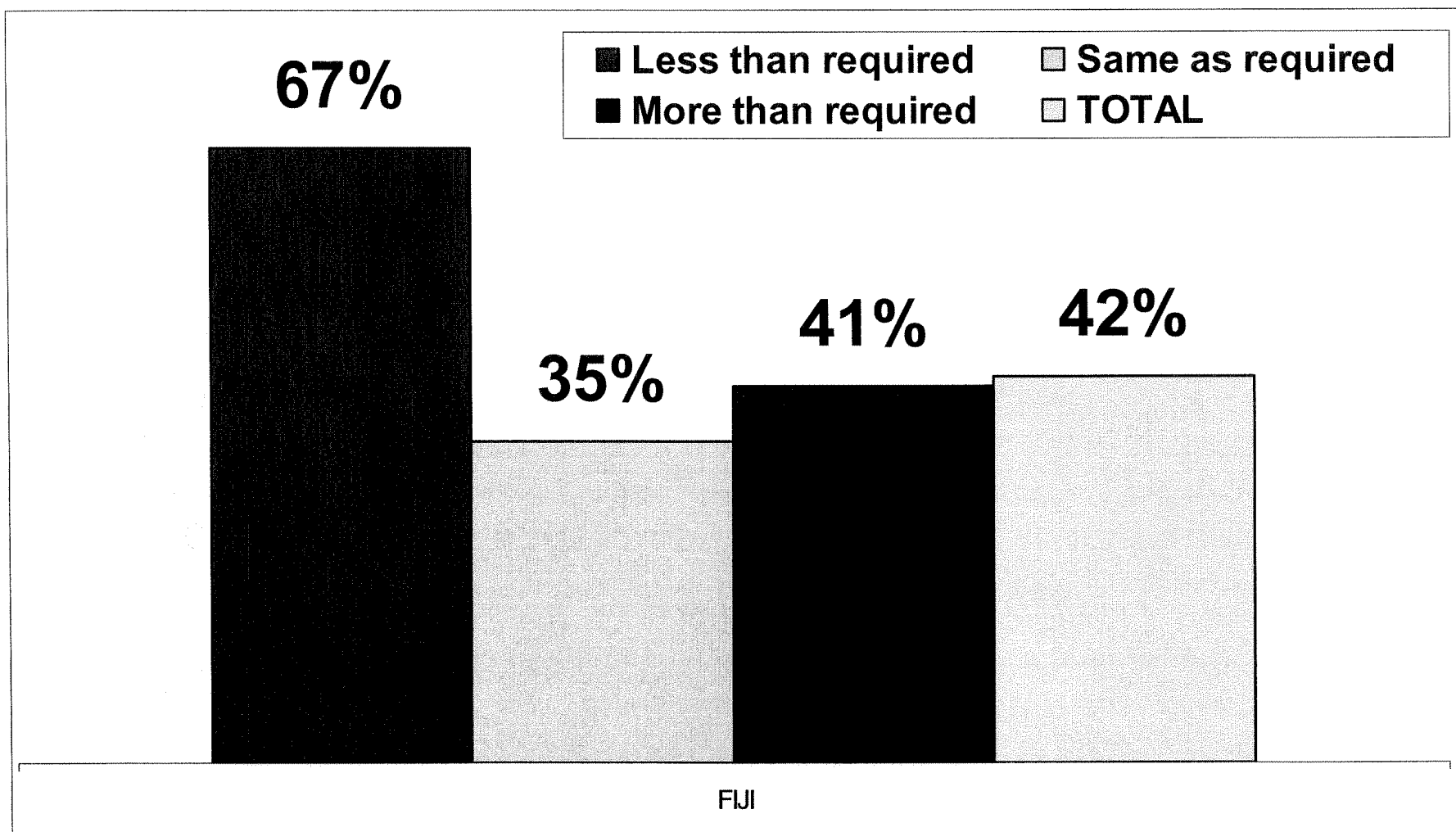
TONGA: AVERAGE SAVINGS, RECIPIENTS OF REMITTANCES & PER CAPITA INCOME QUINTILES (US\$ 2004)



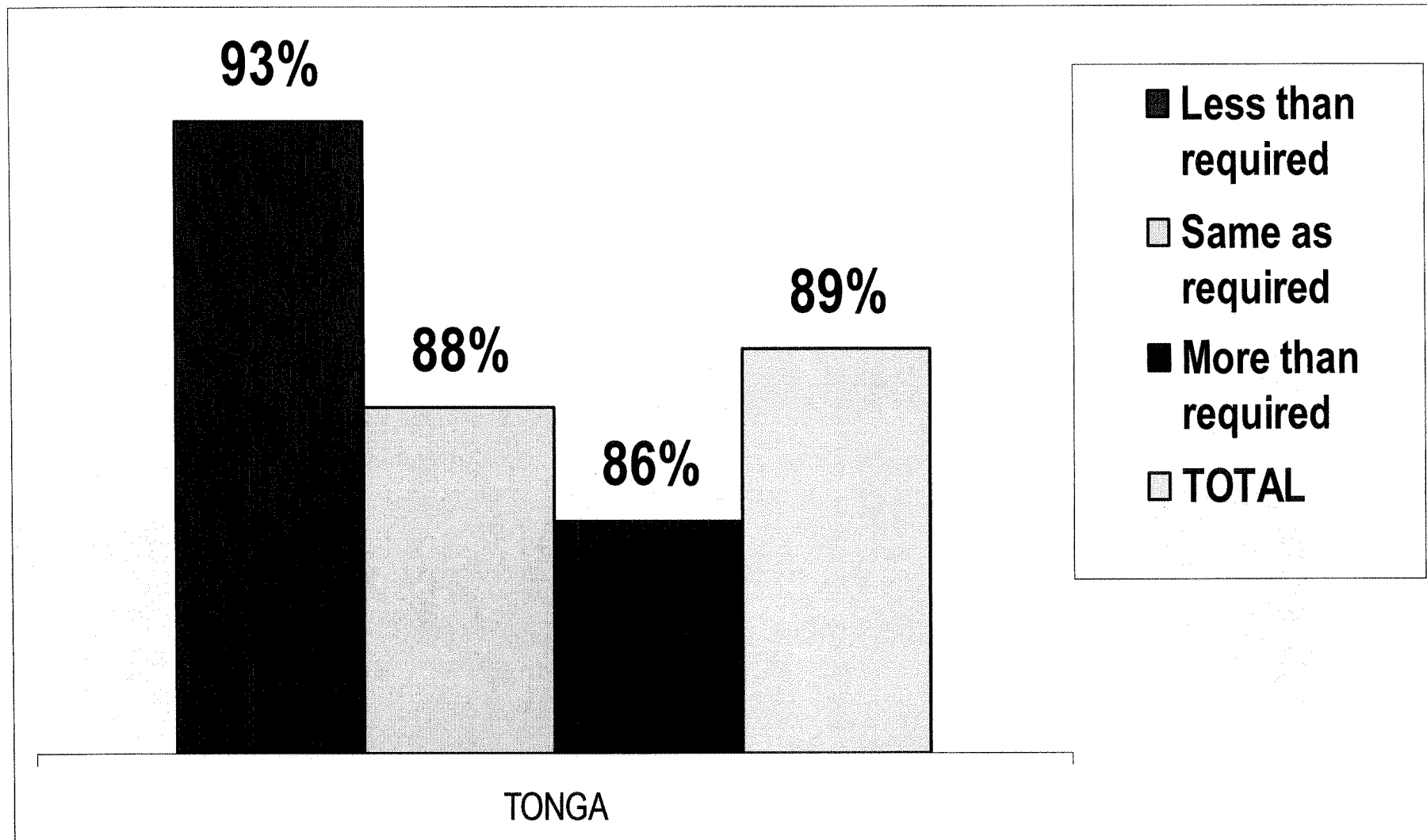
TONGA: ASSETS VALUE, REMITTANCE RECIPIENTS & PER CAPITA INCOME QUINTILE (US\$ 2004)



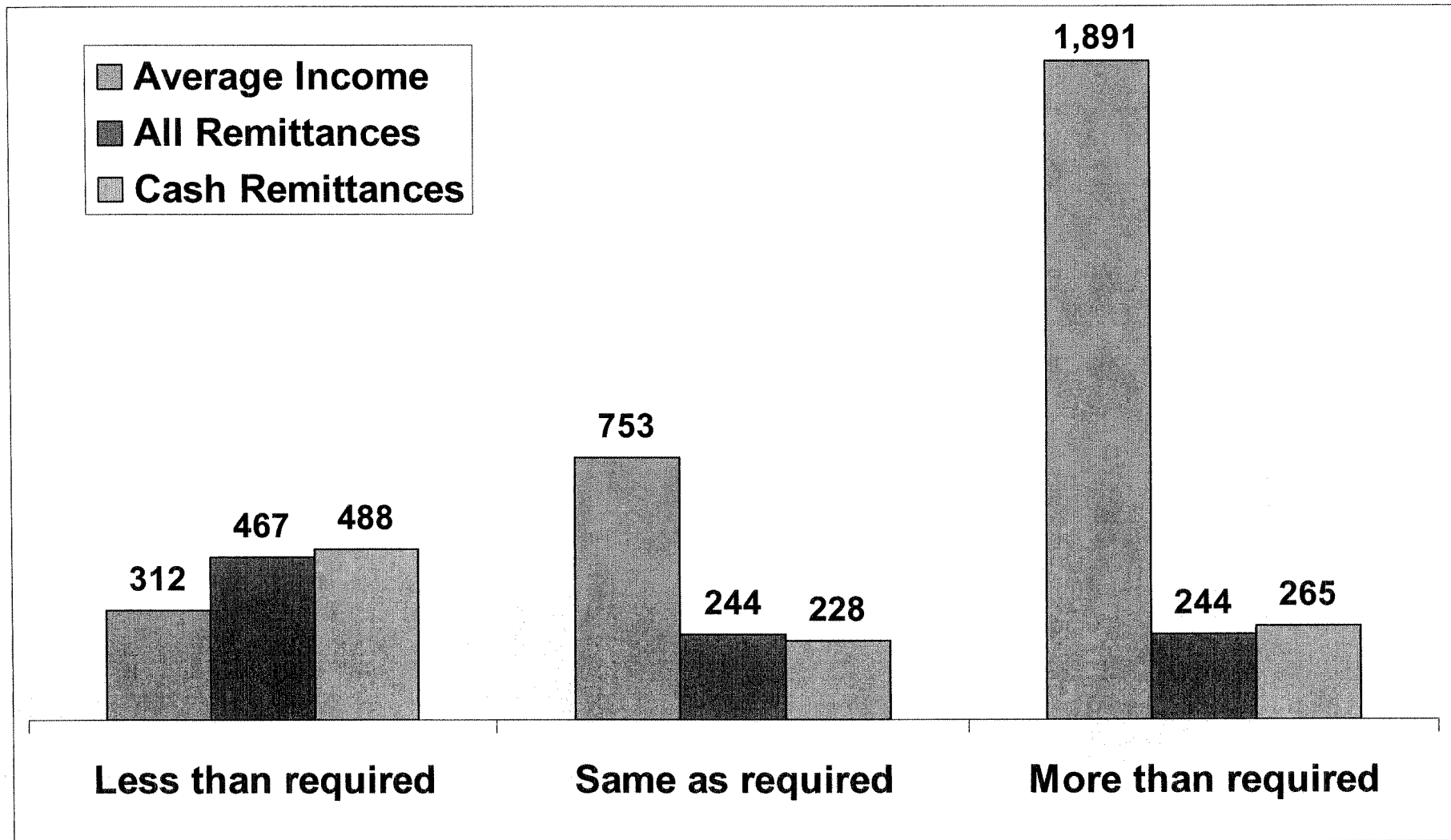
FIJI: SUBJECTIVE DEPRIVATION & % HH RECEIVED REMITTANCES



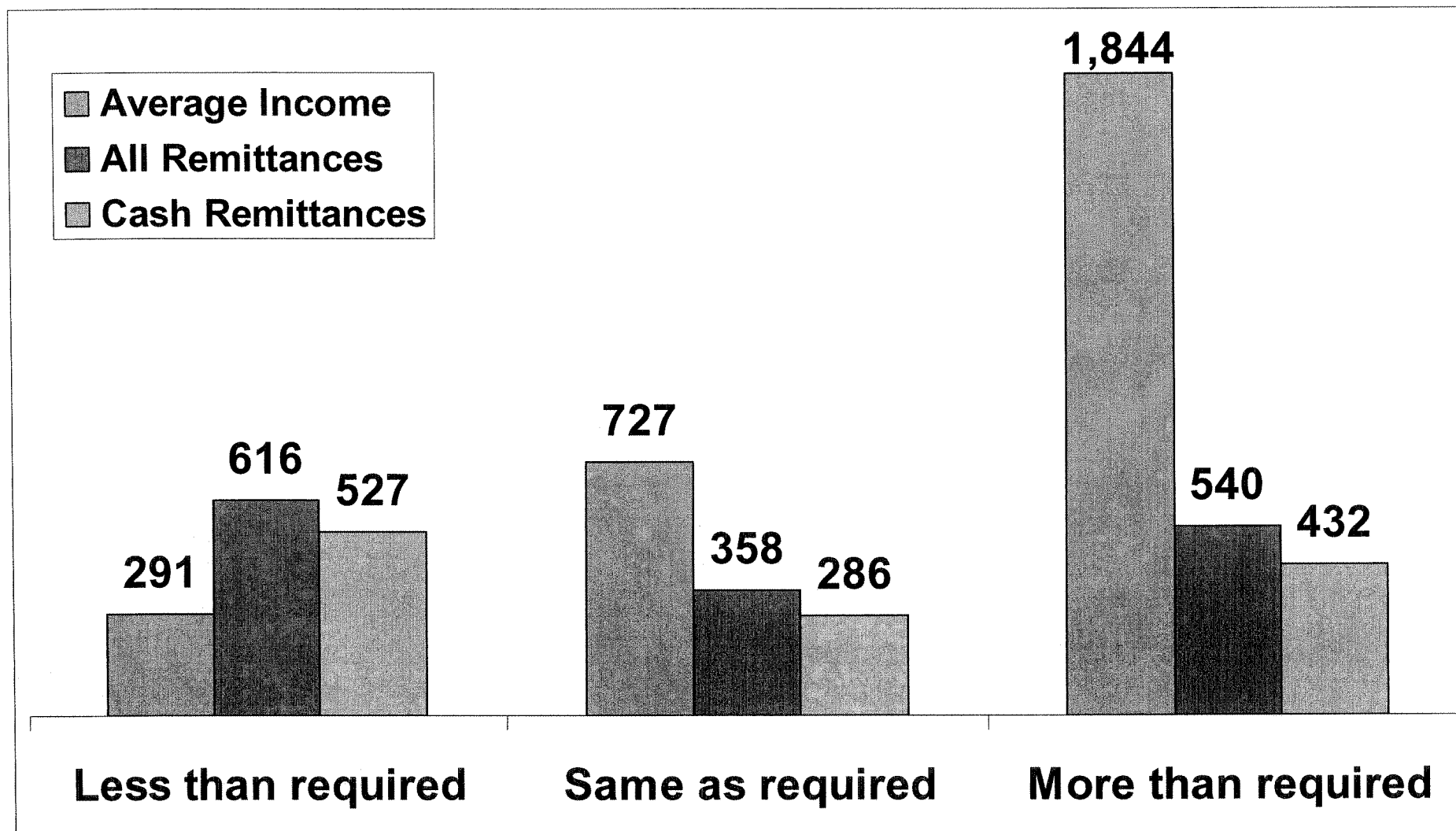
TONGA: SUBJECTIVE DEPRIVATION & % HH RECEIVED REMITTANCES



FIJI: SUBJECTIVE DEPRIVATION, PER CAPITA INCOME & REMITTANCES (US\$ 2004)

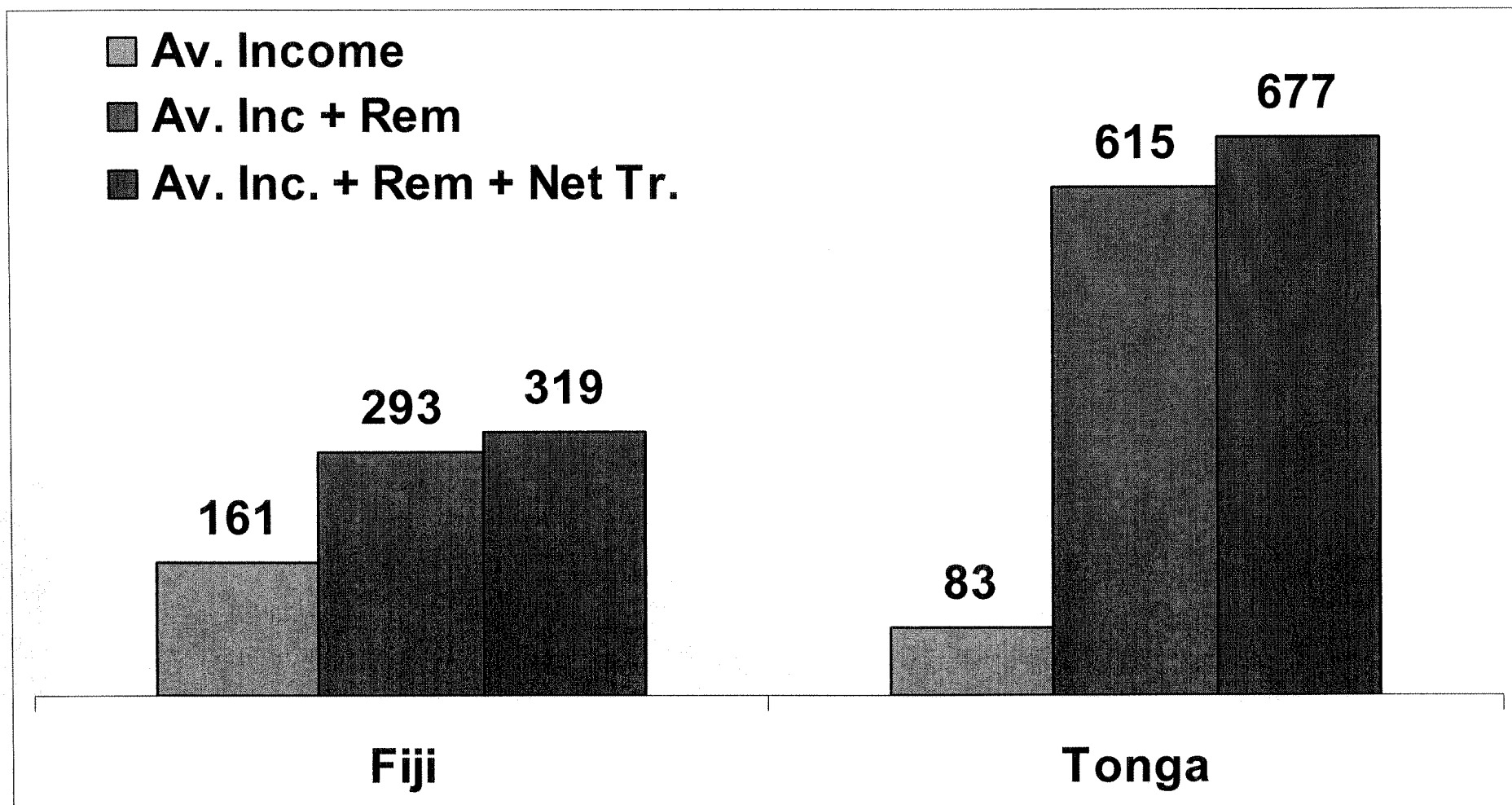


TONGA: SUBJECTIVE DEPRIVATION, PER CAPITA INCOME & REMITTANCES (US\$ 2004)

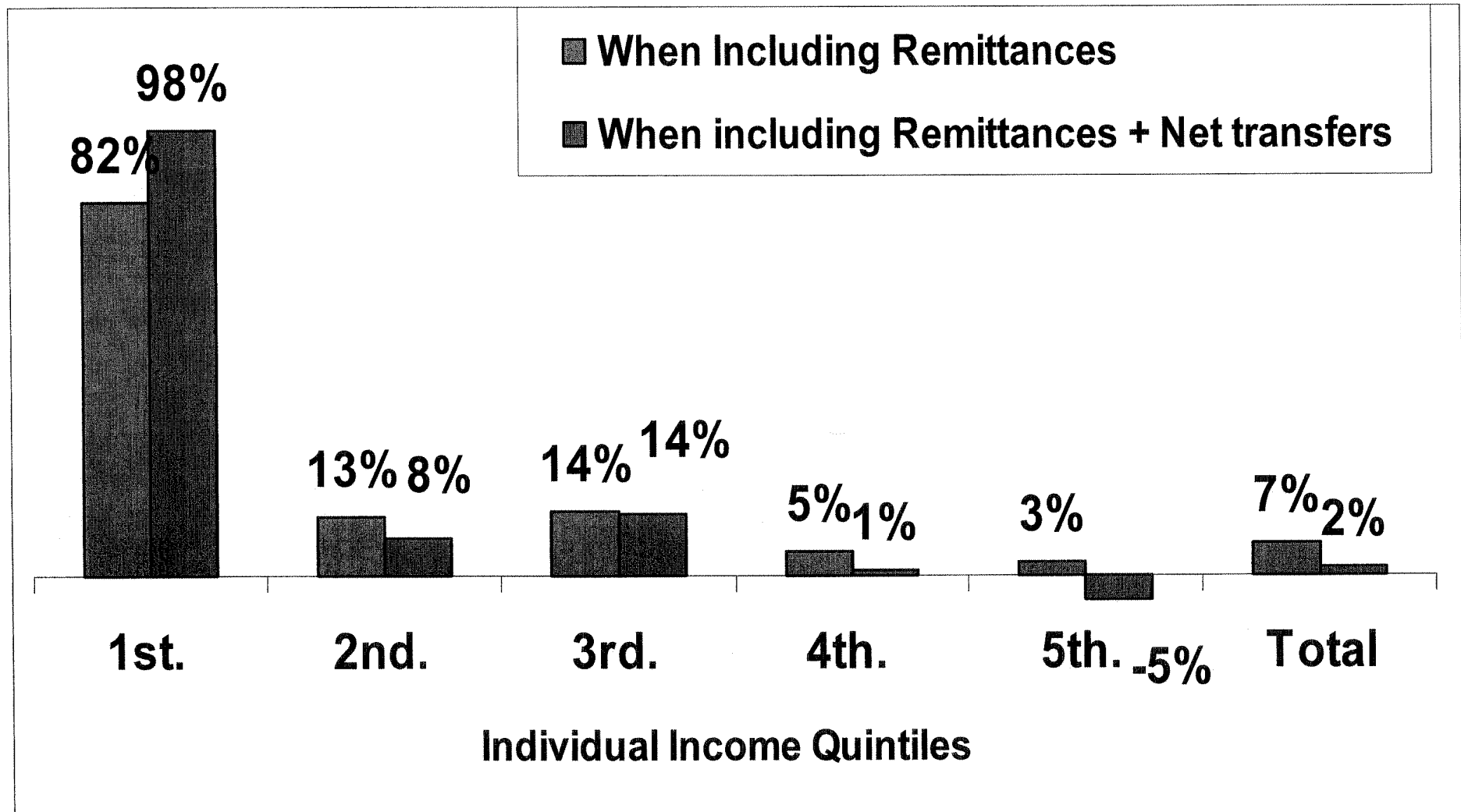


INDIVIDUAL REMITTANCES, TRANSFERS & THE POOREST 20%

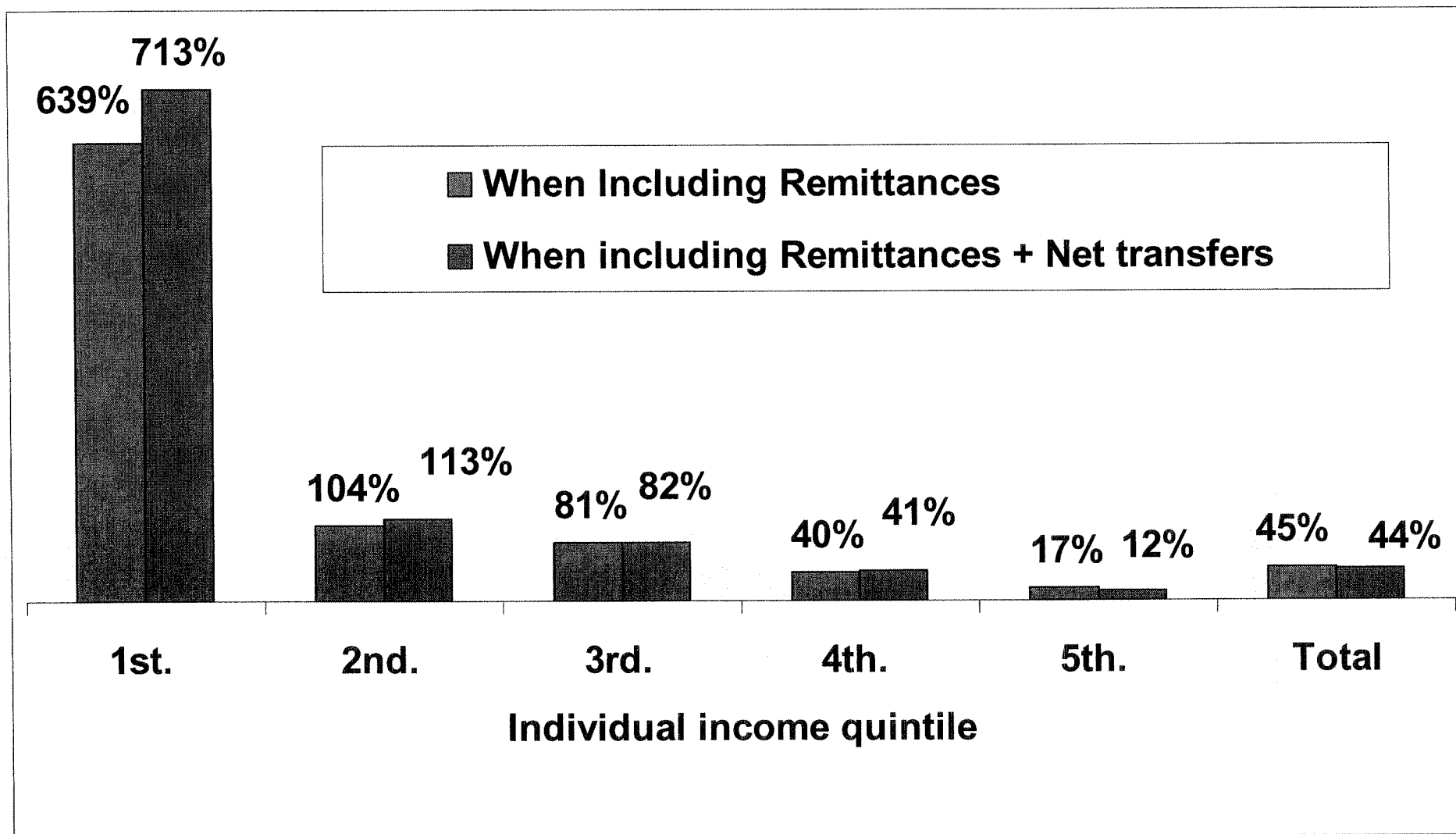
(1st. Qtl. Income Distribution, US\$ 2004)



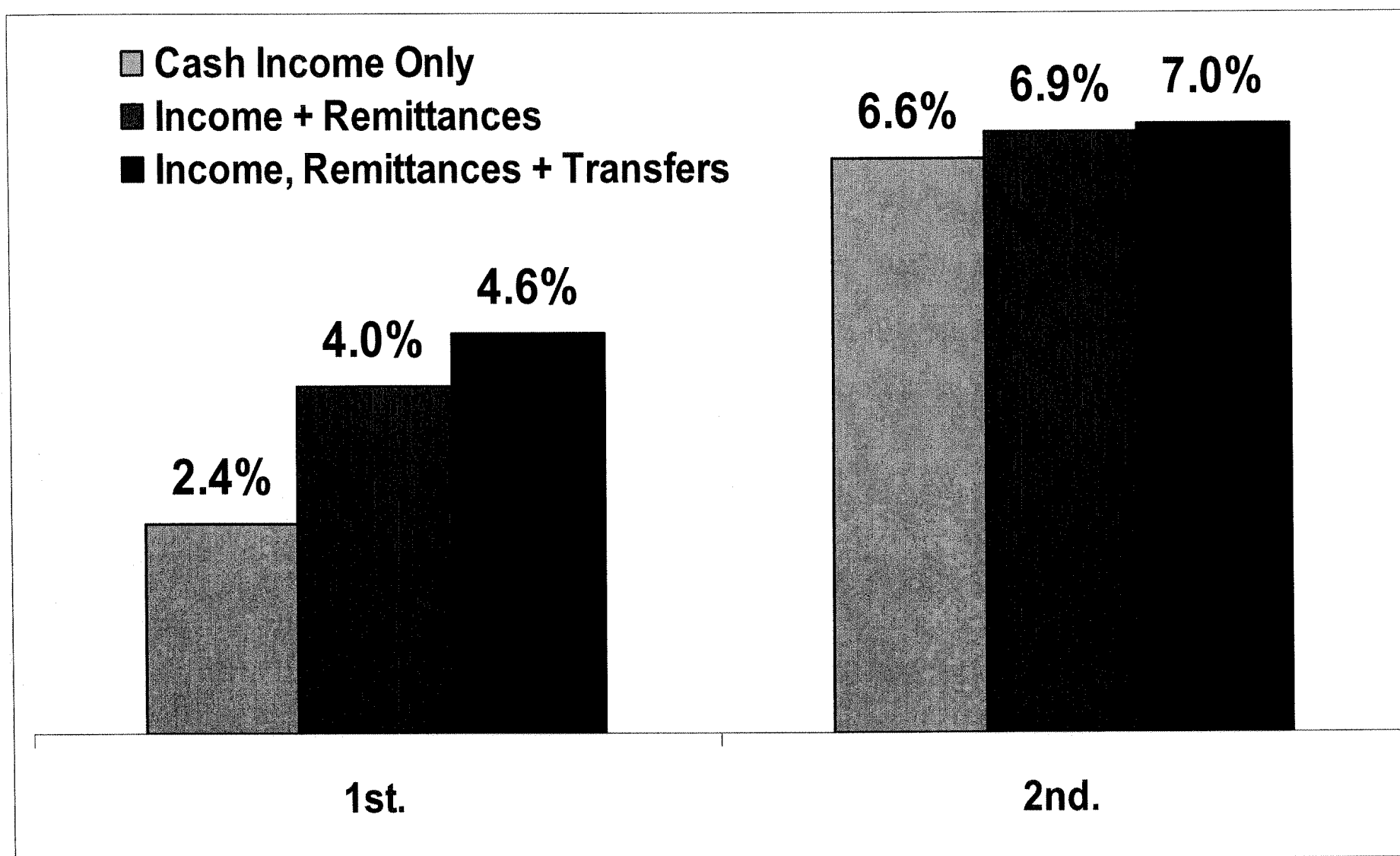
FIJI: % CHANGE AVERAGE INCOME BY QUINTILES



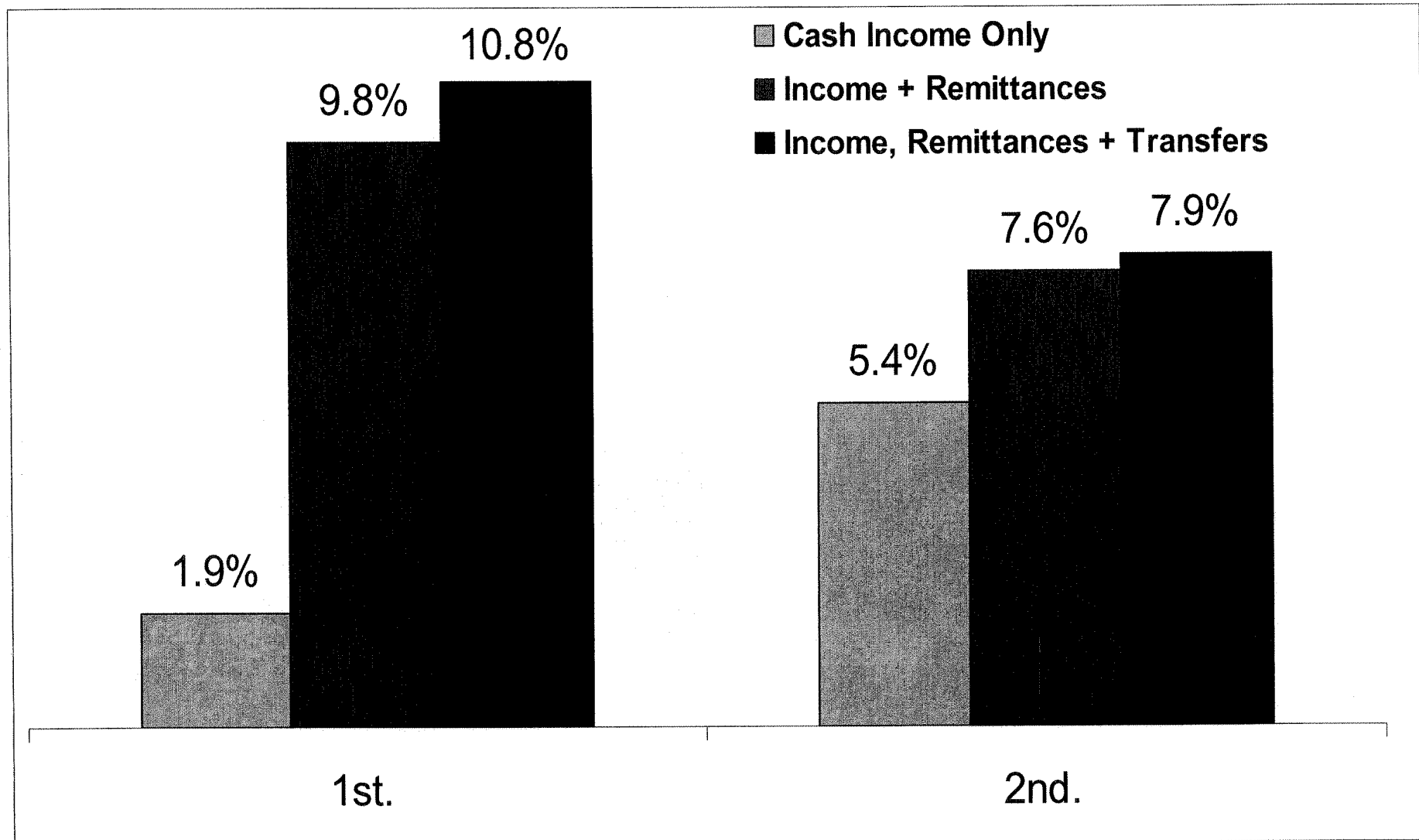
TONGA: % CHANGE AVERAGE INCOME BY QUINTILES



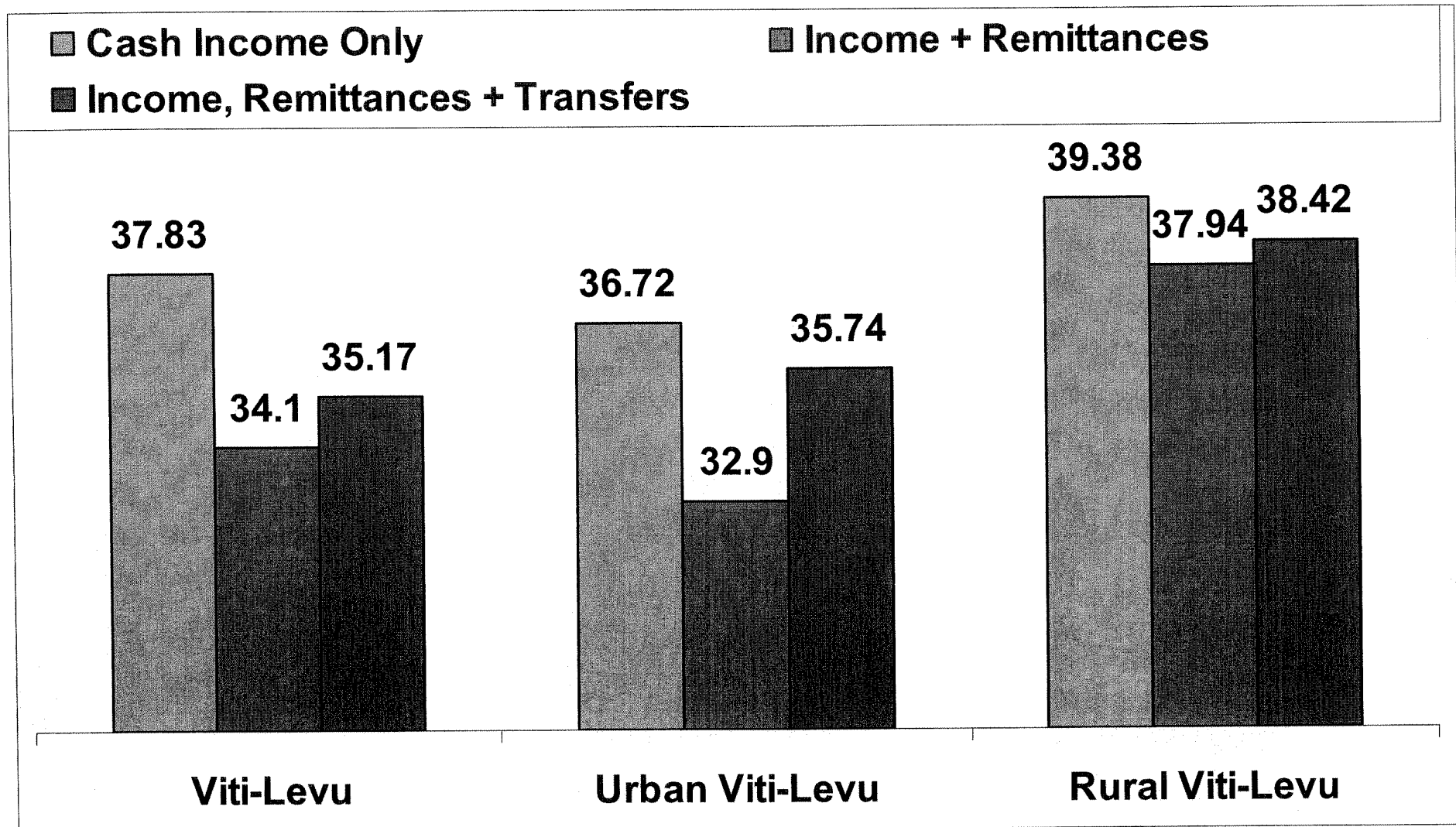
FIJI: THE POOREST 20% SHARE OF TOTAL INCOME



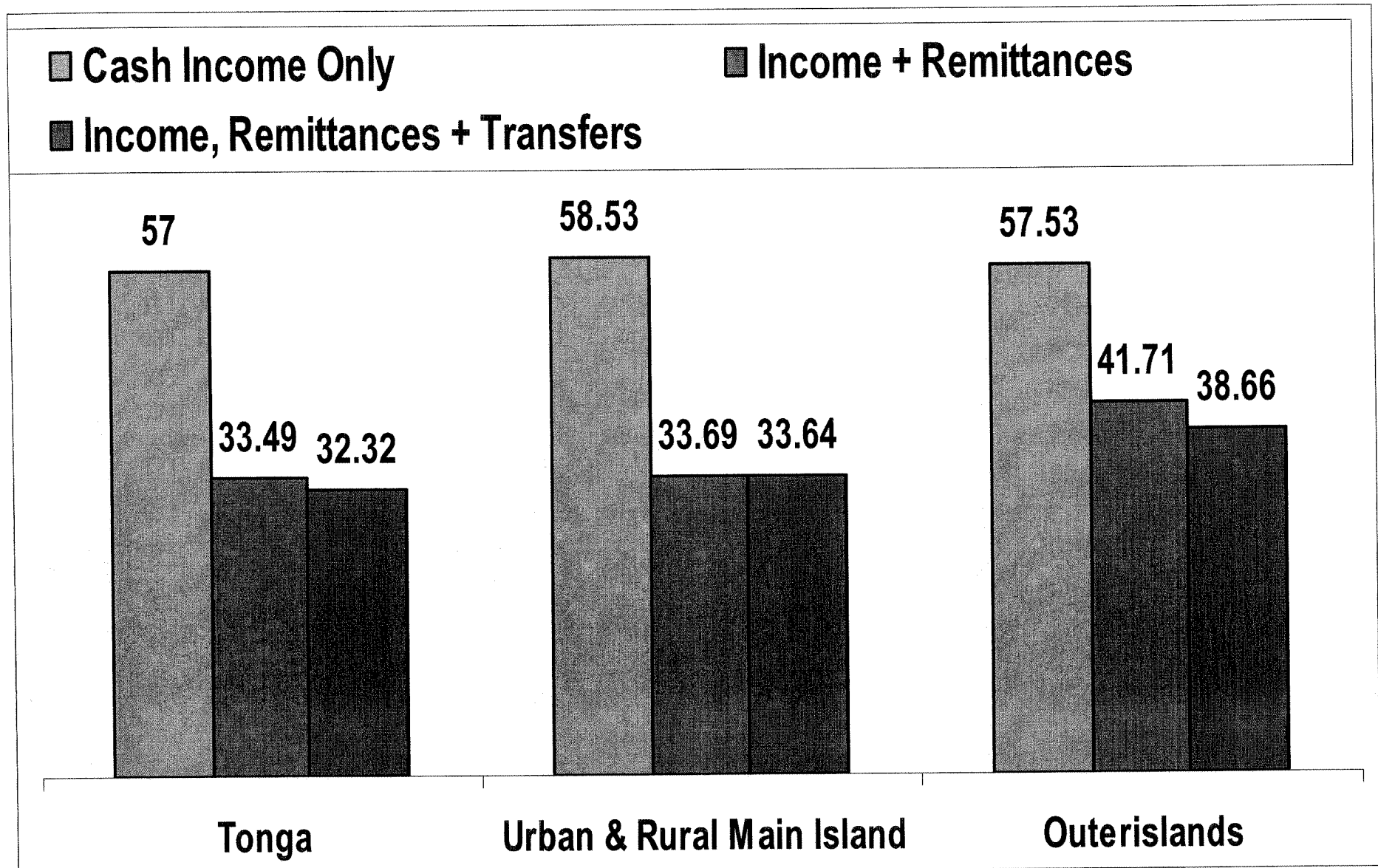
TONGA: THE POOREST 20% SHARE OF TOTAL INCOME



FIJI: HEADCOUNT RATIO



TONGA: HEADCOUNT RATIO



Publications on Migrants' Remittances in the South Pacific

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