

Feminization of migration and trends in remittances

Independent female migrants may be a reliable source of remittances despite the difficulties they encounter in labor markets

Keywords: remittances, female migrants, developing countries

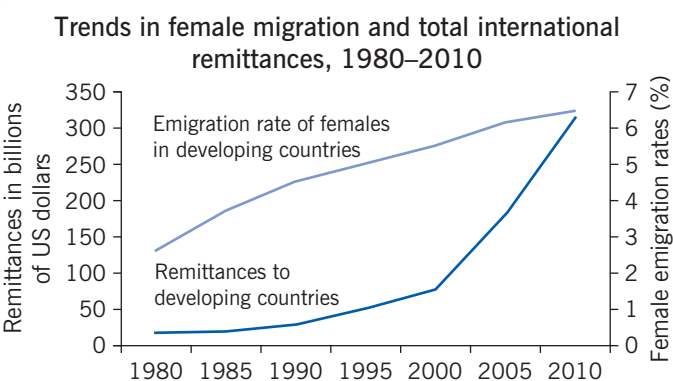
ELEVATOR PITCH

Migrants' remittances to developing countries have increased in recent decades, partly due to reduced transactions costs and improved living conditions in host countries. The feminization of international migration represents yet another explanation. Despite the difficulties female migrants encounter in the labor market, their total remittances may be higher and more resilient than those of male migrants, owing to these women's stronger links to family members left behind and self-insurance motives. Policymakers need to understand how this new and significant upward trend in female migration could affect the economic and social development of home countries.

KEY FINDINGS

Pros

- ⊕ Women are increasingly moving independently in search of better jobs, leaving family members behind and generating remittances.
- ⊕ Female migrants tend to stay linked to and sacrifice more for the family back home, thus adding to the reliability of their remittances.
- ⊕ Female migrants face uncertainty and risk in destination labor markets; this may encourage them to remit to self-insure against possible negative shocks.
- ⊕ The rising emigration rate of skilled women may have a positive impact on remittances due to higher earnings.



Source: Author's own calculation, based on data from Brücker, H., S. Capuano, and A. Marfouk. *Education, Gender and International Migration: Insights from a Panel-Dataset, 1980–2010*. Mimeo, 2013; and the World Bank.

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Cons

- ⊖ The “double disadvantage” of being an immigrant and female could negatively affect job quality and earnings in the host country.
- ⊖ Many female migrants are employed in domestic jobs and hold temporary work contracts; the low wages they earn abroad and their limited access to property rights back home means their future return plans are associated with fewer remittances.
- ⊖ Many women continue to migrate to join their families, especially in developed countries, leaving behind fewer close relatives.
- ⊖ Women's professional outcomes tend to be negatively affected when they migrate with their husbands.

AUTHOR'S MAIN MESSAGE

Female migrants' remittances are smaller than those of male migrants because they face multiple difficulties in host-country labor markets. Nevertheless, at the macroeconomic level, the higher share of female migrants seems to be associated with more remittances received by home countries. Female migrants are more likely to send money home than male migrants. Further, their remittances are more resilient and reliable and, thus, potentially useful to poverty reduction in recipient countries. Policymakers should recognize the importance of female migration in the remittance–development nexus by addressing the labor market difficulties female migrants face.