Results from a Survey of Foreigners' Incomes, Expenditures and Remittances

Main Findings Concerning Remittances

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Executive Summary

- There are currently more than 420,000 migrants living in the Czech Republic. A majority of these immigrants (66%) come from non-EU member states. Non-EU labour immigrants constitute a key component of the Czech labour force. In addition, to migrants direct input to the domestic economy, the World Bank has shown that financial transfers in the form of remittances represent an important feature of the global economy.
- This report examines the level and type of remittances (financial and in-kind) made by migrants residing in the Czech Republic between 2008 and 2010. This study is based on a unique and innovative survey of migrants undertaken by the Institute of Sociology, Czech Academy of Sciences in close cooperation with the Czech Statistical Office (CSU) in the latter half of 2010.
- Representative samples of migrants from Ukraine, Vietnam, Russia, Moldova and the former Yugoslavia responded to a wide range of questions in face-to-face interviews where the native language of migrants was used where necessary to inquire about immigration history, household composition, income and spending patterns.
- There are important national differences in remittance patterns. Migrants from Ukraine have the high rate of remittance payments while citizens from the former Yugoslavia have the lowest. National differences reflect migrants' different status in terms of (a) duration of residence, (b) occupation and (c) family status.
- *Duration of Residence:* The link between length of residence and level of remittances is curvilinear where migrants who have lived and worked for 4-5 years in the Czech Republic report the highest levels of remittance payments.
- *Occupation:* Unskilled migrant workers make most remittances indicating that such international financial transfers represent a critical contribution to their family's income. These contributions appear to be robust in the face of changing economic conditions so long as these migrants remain employed.
- *Family status:* A key motivation for making remittances is whether a migrant's partner or family lives with them in Czech Republic. Migrants who are married engage in remittance behaviour most often. This pattern reflects the central role that attitudes such as 'sense of family' play in making international financial transfers.
- There are no significant differences in level of remittances sent by migrants of different nationalities. Summary measures of remittance behaviour such as average scores exhibit high levels of variation. Consequently, mean national remittance data should be interpreted with care as these indicators are estimates of financial flows for which no definitive data exists. The fact that most migrants (60%) prefer to send remittances through informal channels reveals that the level and importance of such financial transfers is under-estimated.
- The main motivation for sending remittances is to provide recipients, typically a migrants' family, with the "basics" for living such as food (58%), medicines (32%), education (19%) and investments in properties (17%).
- Remittances in the form of gifts such as domestic appliances, medicines, and equipment are strongly influenced by geographical proximity where transport costs constrain this channel of international transfers. This form of remittances is consequently mainly undertaken by European migrants from the former Yugoslavia, Ukraine and Russia.
- The downturn in the global economy has had little impact on the level of remittances made by migrants.
- Migrants are a heterogeneous group and the motivations leading to (a) deciding to send remittances, (b) the amount of remittances to transfer, and (c) the mode of transfer have important public policy implications and should be the subject of additional study.

1. Introduction

For a number of years the Czech Republic has witnessed one of the largest growths in immigrant populations in Europe. According to official statistics about four hundred and twenty five thousand foreign citizens resided in the Czech Republic by the end of December 2010. Most of these foreigners are economically active and about two-thirds of these people come from outside the EU. Despite the fact that the current economic recession has changed migration flows significantly, non-EU labour immigrants remain an essential part of the labour force in the Czech Republic; and interest in studying the remittance behaviour of this particular part of migrant population has grown significantly.[1]

This brief report presents the main findings of a project funded by the Czech Statistical Office whose principal goal was to gather quantitative data in order to improve the methodology employed to estimate the remittances made by migrants. The primary task of the project implemented by the Institute of Sociology, Academy of Sciences of the Czech Republic between May 2010 and February 2011 was to conduct a questionnaire-based survey (with 1,000 respondents) which would gather quantitative information on the incomes and expenses of immigrants currently living in the Czech Republic, as well as the remittances they send abroad. In accordance with a Czech Statistical Office request, the survey described in this report targeted 5 groups of economically active non-EU immigrants based on their citizenship: Ukrainians, Vietnamese, Russians, Moldavians and the citizens from the former Yugoslavia (excluding Slovenia which is an EU member state since 2004).[2]

The complexity of the research questions addressed and the fact that the target subpopulations are rather specific influenced the choice of survey methodology. More particularly, the way in which respondents were selected and interviewed had to deal with issues that are generally not of key concern in regular nationally representative sample surveys. This report summarizes the main results from the migrant's income and remittances survey, where there is a special focus on the financial and in-kind remittances sent from the Czech Republic.[3]

[1] See for example recent activities of the Czech Ministry of Finance and World Bank, which organised several seminars and supported the study on the market for remittance services in the Czech Republic (Corazza C. and M. Nikoli 2010. *The Market for Remittances Services in the Czech Republic. Outcomes of a Survey among Migrants*. Washington: The World Bank).

[2] According to official records, at the time of the survey, citizens from Bosnia and Herzegovina, Croatia, Kosovo, Macedonia, Montenegro, Serbia, and Serbia and Montenegro were residing in the Czech Republic. These migrant groups are hereinafter referred to as citizens of states from the now dissolved Yugoslav Federation, or more simply "former Yugoslavians".

[3] A more detailed report from the project is available in Czech. Please contact Yana Leontiyeva (email: yana.leontiyeva@soc.cas.cz).

2. Methodological description of data collection

When this survey research was undertaken there was no sampling frame available for migrants living in the Czech Republic. In other words, there was no database of immigrants from which a random or probability sample could be drawn. An attempt was made to acquire such a database from the Headquarters of the Foreign Police. Currently, Czech law does not allow data including personal identification information to be used for research purposes in order to ensure the confidentiality of private information. Consequently, the information made available for devising an effective sampling strategy was based on an examination of a database of selected foreigners that included details relating to citizenship, age, gender and region of registration. This database deliberately excluded names, addresses and all contact information. This anonymised database was, however, very useful for designing the survey sampling strategy adopted.

The migrants remittances survey was implemented using a quota sample based on the acquired statistical data (mentioned database) using four criteria: citizenship, age (divided into three categories), gender and region (standardized NUTS 2 categorisation). The quota characteristics for age, gender and region were designed with respect to the size and proportion of subsamples corresponding to proportions of subgroups in the target population. In case of citizenship there was a purposive overestimation of citizens from smaller target groups, i.e. citizens from Moldavia and the former Yugoslavia.

The first part of the questionnaire (see Attachment I, The Questionnaire for the Interviewers) was a standard face-to-face pencil-and-paper interview. Taking into account the language capacities of the interviewers this shorter introductory part of the interview was administered in Czech language. The second part of the interview explored sensitive topics. Consequently, respondents were given a self-completion questionnaire so as to ensure confidentiality (see Attachment II, The Questionnaire for the Respondents). In order to improve understanding of the main topics dealt with in the survey, the self administered questionnaire was translated into a number of different languages.[4] The questionnaire language versions included Ukrainian, Vietnamese, Russian, Moldavian (Romanian), Macedonian, Serbian and Croatian.[5] In the preparation phase, the research instrument was tested in a pilot study on ten immigrants from different countries.

The fieldwork was managed by the Public Opinion Research Centre (CVVM), which is a part of the Institute of Sociology, Czech Academy of Sciences. Close cooperation between the fieldwork

[4] At the same time interviewers filled out the technical part of the questionnaire and assisted in case any clarifications were needed.

[5] It should be noted that 164 respondents preferred to complete the Czech version of the self-administered questionnaire.

company and the research team was crucial for tackling the problems associated with sampling a very specific population. Both, the methodology and the research instrument implemented were developed in consultation with the Czech Statistical Office. Most of the data collection was undertaken during September and October 2010. The second wave, during which additional 70 questionnaires were collected, took place at the beginning of November. Apart from the professional interviewers employed by CVVM, the services of a limited number of external interviewers (previously trained in person) were also used to ensure that the interviewing of Vietnamese migrants living in Prague could be undertaken by the native speakers and the second wave of data collection went smoothly. The total number of the interviewers engaged in this survey research project was 187.

Table 1. Comparison of the sample plan and its realisation to the target population.

	Population*	**Sampling frame**	**Sample dataset**			
			Unweighted data		**Weighted data**	
	%	*%*	*Count*	*%*	*Count*	*%*
TOTAL	*100*	*100*	1,004	*100*	1003	*100*
GENDER						
Male	*58.3*	*58.3*	589	*58.7*	588	*58.6*
Female	*41.7*	*41.7*	415	*41.3*	416	*41.4*
AGE						
15 – 30 years	*34.3*	*34.3*	346	*34.5*	340	*33.9*
31 – 45 years	*41.9*	*41.9*	423	*42.2*	421	*42.1*
46 – 65 years	*23.7*	*23.7*	234	*23.3*	240	*24.0*
CITIZENSHIP						
Ukraine	*55.6*	*30.0*	302	*30.0*	553	*55.0*
Vietnam	*24.3*	*25.0*	274	*27.3*	242	*24.1*
Russia	*12.1*	*20.0*	202	*20.1*	125	*12.4*
Moldavia	*4.1*	*12.5*	107	*10.7*	46	*4.6*
Former Yugoslavia	*3.9*	*12.5*	119	*11.9*	39	*3.9*
NUTS 2						
CZ01 - Prague	*36.1*	*36.1*	380	*37.7*	361	*36.0*
CZ02 - Central Bohemia	*14.1*	*14.1*	121	*12.1*	139	*13.8*
CZ03 - Southwest	*9.8*	*9.8*	107	*10.7*	105	*10.5*
CZ04 - Northwest	*13.3*	*13.3*	122	*12.1*	130	*13.0*
CZ05 - Northeast	*10.0*	*10.0*	95	*9.5*	94	*9.4*
CZ06 - Southeast	*10.9*	*10.9*	119	*11.9*	116	*11.5*
CZ07 - Central Moravia	*2.7*	*2.7*	22	*2.2*	28	*2.8*
CZ08 - Moravian-Silesian	*3.1*	*3.1*	38	*3.8*	31	*3.1*

** Source: Headquarters of the Foreign Police of the Czech Republic, July 2010.*

As noted earlier, respondents were selected on the basis of a quota sampling frame. The data shown in Table 1 illustrates that the deviations between the sampling frame and its implementation were

relatively minor.[6] In order to adjust the data to the composition of the target population a sample weighting matrix was computed. These sampling weights provide corrections for citizenship but also for any other minor differences evident between the actual sample dataset and the sample frame. All analyses in this report are based on weighted data estimates and provide the most accurate picture of the target population.

3. Basic description of respondents

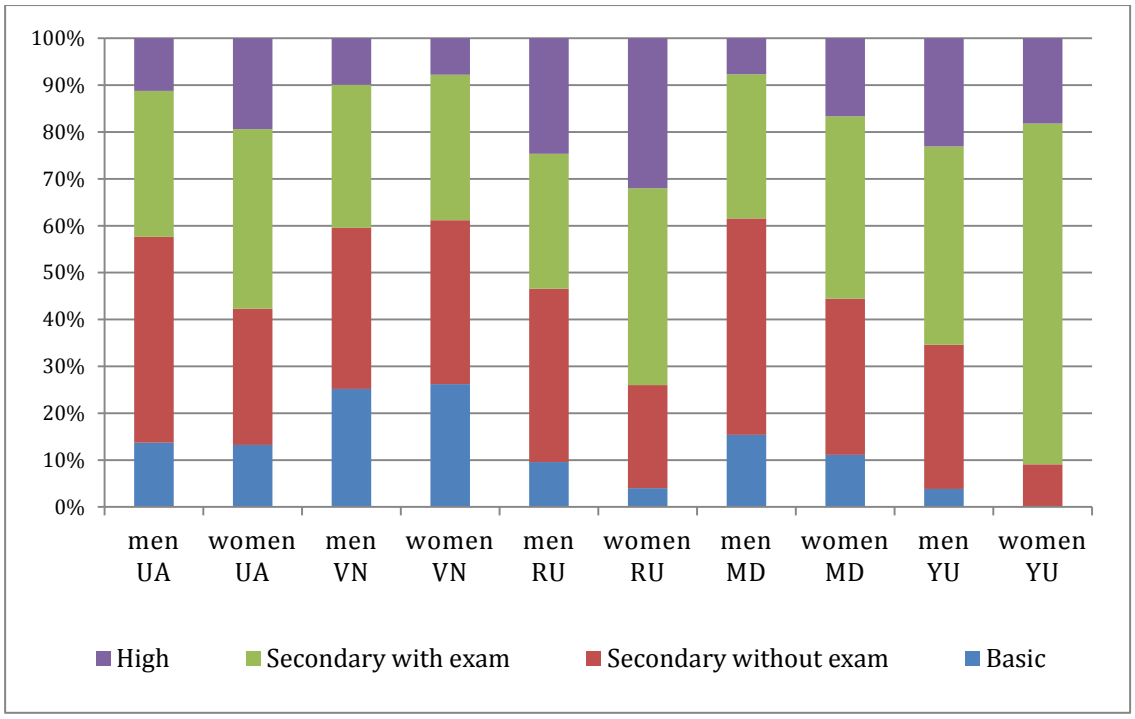
The age structure of the sample was influenced by the quota sampling methodology employed, alike in the target population of immigrants, is slightly different across nationalities. The age of immigrants seems to be rather important in terms of the main topics examined in this survey, i.e. migrants' remittance behaviour. Therefore it is worth mentioning that the average age of respondents in the sample was about 37 years.[7] The average age was almost the same for Moldavians, Ukrainians, and Vietnamese (between 36 and 37 years), while Russians and citizens from the former Yugoslavia were a bit older (their average age was about 39 and 41 years respectively). More than half of the immigrants in the sample were male (59%). The share of men was the highest among citizens from former Yugoslavia (68%) and the lowest among the Vietnamese (56%). Respondents were surveyed in different regions of the country according to assigned quotas; therefore large part of them was contacted and questioned in the main city.

The educational level of migrants differs not only by citizenship, but also by gender. Generally speaking, the survey did not reveal that economic migrants are much better educated than the general population. The share of migrants with a university degree was 15% in the total sample. The same proportion of respondents had only basic education. The remaining 70% had a secondary level of education, where half of this group did not graduate from second level education. An interesting finding shown in Figure 1 was the relationship between gender and education within the various citizenship groups.

[6] Minor differences between the target and actual stems from the complicated selection criteria adopted. Sampling was based on migrants' age, gender and citizenship. Some interviewers found it difficult to complete their quotas in sampling points with smaller populations with low numbers of foreigners.

[7] When interpreting this average one should keep in mind that in the sample selection process only economically active migrants aged 15-65 years were selected for interview.

Figure 1. Educational level of immigrants by citizenship and gender



Source: Research on Foreigners' Incomes, Expenditures and Remittances, 2010. Note that UA indicates citizens from Ukraine, and similarly for Vietnam (VN), Russia (RU), Moldova (MD) and former Yugoslavia (YU). A 'high' level of education indicates attendance at a third level institution while a 'basic' level of education reflects elementary schooling or less. Secondary with or without exam refers to graduation from second level education.

It seems that women with lower levels of education are less willing to immigrate to the Czech Republic than men with the same level of education. This could be partly explained by the structure of the labour market in the Czech Republic which offers more low skilled jobs, traditionally occupied by male immigrants (like construction and industry), than, for example, jobs in care and hospitality services traditionally been undertaken by women.

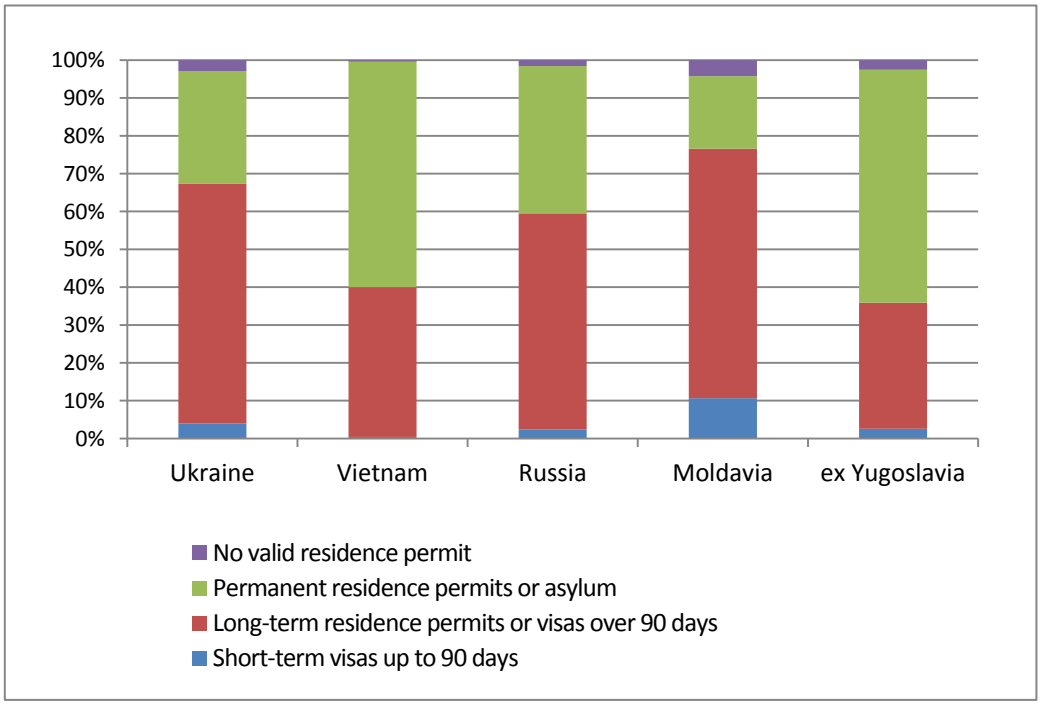
Economic migration is a relatively new phenomenon for the Czech Republic. More than half of the respondents spent 5 years or less in the country, and relatively few migrants arrived before 1990. According to the survey, the average length of stay for Moldavians was 2.7 years; Russians, Ukrainians and citizens from the former Yugoslavia[8] have been living in the Czech Republic for a longer period. The average length of stay for citizens of these nationalities was 3.8, 3.6 and 3.5 years respectively. Vietnamese seem to be the most settled group of migrants; the average length of stay for them was 4.5 years. Consequently, 56% of the sample had a long-term residence permit or visa, 3% had a short-term visa for up to 90 days and 39% had permanent residence permit. Very few

[8] In fact, a considerable share (one third) of citizens from the former Yugoslavia immigrated to the Czech Republic more than 11 years ago during the various wars that followed the disintegration of Yugoslavia in 1992. However, as a significant number arrived recently (since 2008) the average length of stay for former Yugoslav citizens is lower than for example for the Vietnamese.

respondents (2%) stated, at the time of the survey, that they did not have a valid residence permit. Differences in visa status across citizens of different nationalities are similar to that described above. Vietnamese and citizens from the former Yugoslavia are more likely to hold permanent residence permits because such documents secures their status in the country and allow them to bring family to the Czech Republic. Moldavian and Ukrainian respondents more often stay in the country on the basis of long term permit and visas, which is a less secure status because of the shorter validity period (often up to one year) with the possibility of prolongation. Russian respondents are somewhere in the middle having both settled immigrants with secured rights and the newcomers.

The system of long term residence permits is based on the principle of "purpose of stay" where an immigrant has to have a specific reason for residing in the Czech Republic. Most of the economic activities of our respondents were arranged on the basis of employment contracts through holding a work visa or work permit (56%), or setting up a business as a holder of a trade certificate (25%). Exactly one-tenth of the respondents with long term residence permits stayed in the country on the basis of family reunion. The remaining "purposes" for migration to the Czech Republic like having a legal personality through the establishment of a company, or because of study, seeking asylum or other reasons were less frequent.

Figure 2. Residence permits of respondents by citizenship



Source: Research on Foreigners' Incomes, Expenditures and Remittances, 2010.

Type of the residence permit and use of such permits exhibits important national differences. On one hand, Moldavians and Ukrainians with long term residence permit most often preferred direct employment; approximately two thirds of them held work permits. On the other hand, more than sixty percent of the Vietnamese holding permanent residence permits were self employed and had a trade licence. Self employment and the associated work permit were also preferred by approximately half of citizens of ex Yugoslavia and Russia. The largest share of long-term visas on the basis of family reunion was among ex Yugoslavians.

Analysis of the family status of the respondents indicates that current economic migration is evolving towards family migration. Half of all the respondents were married, 35% of them were single, 12% were divorced and 2% widowed. The smallest share of those who live in a marriage was among citizens of Moldavia where half stated that they are single while more than six-in-ten Vietnamese migrants reported that they are married. Apart from marital status, the survey questionnaire includes the questions about the cohabitation and presence of the migrants' partner and children in the Czech Republic. 71% of the sample was either married or lived with a partner. However, one-in-five migrants reported that their spouse or partner did not live with them in the Czech Republic. Vietnamese migration is to the large extend a family migration (91% of respondents lived with their spouse or partner in the Czech Republic).[9] At the same, almost one third of Ukrainians (26%) and 40% of Moldavians, who mentioned they had such a relationship, lived in the Czech Republic without their partners.

These disparities are also evident when it comes to separation from children. 57% of the total sample stated that they have children, and a little more than half of these migrant parents (55%) had their siblings living with them in the Czech Republic. Among these respondents with children, 84% of Vietnamese, 60% of ex Yugoslavians, 57% of Russian, 43% of Ukrainians and only 19% of Moldavians had all their offspring also living in the Czech Republic. Further examination of these patterns of migration is constrained by a lack of additional detailed information regarding the economic activity of the partner left behind, the number of children and their ages, and sibling's financial dependency on migrant parents. However, as will be discussed later, separation from closest family members, especially children, is a crucial factor in explaining differences in remittance behaviour.

As illustrated in Table 2, one fourth of the migrant respondents interviewed works in construction (mostly Ukrainians and Moldavians) and another quarter work in the wholesale and retail trades, and in repairing of motor vehicles, personal and household goods (mostly Vietnamese). A significant

[9] A similar pattern is evident for immigration from Russia and the former Yugoslavia.

number of immigrants, especially from the former Yugoslavia, are also engaged in manufacturing and in the hospitality (hotel and restaurant) sector.

Table 2. Migrants activities by economic sector (selected categories) and citizenship, column percentage

Employment sector	**Total**	**Ukraine**	**Vietnam**	**Russia**	**Moldavia**	**Former Yugoslavia**
		A	B	C	D	E
Number of respondents (unweighted)	*1003*	*302*	*273*	*202*	*107*	*119*
Manufacturing	11	**13**^{B}	**4**^{ACDE}	14^{B}	15^{B}	14^{B}
Construction	25	**37**^{CE}	2	**16**^{AD}	**40**^{CE}	16^{AD}
Wholesale and retail trade; repair	26	**11**^{BC}	**68**^{ACE}	21^{AB}	7	15^{B}
Hotels and restaurants	11	11^{E}	11^{E}	10^{E}	8	**25**^{ABC}
Transport, storage and communications	2	2	0	3	3	4
Education	2	2	1	**5**	2	3
Health and social work, veterinary medicine	5	**7**	1	5	5	3
Other community, social and personal service activities	5	6	**2**	6	6	9
Private households with employed persons	2	3	0	3	2	1

Source: Research on Foreigners' Incomes, Expenditures and Remittances, 2010.
Note column percentages sum to one hundred. Estimates in bold represent significant differences between total and in-group percentages (homogeneity tests, 95% significance level); the letters A, B, C and D next to the percentages indicate significant differences between national sub-groups (homogeneity tests, 95% significance level).

Most of the immigrants were employed either directly by a company or through a personnel agency. The share of trade licence holders (self-employed) is not especially high among respondents from Vietnam and citizens of the former Yugoslavia (Table 3).

Table 3. Migrants working status by citizenship, column percentage

Employment sector	**Total**	**Ukraine**	**Vietnam**	**Russia**	**Moldavia**	**Former Yugoslavia**
		A	B	C	D	E
Number of respondents (unweighted)	*1003*	*302*	*273*	*202*	*107*	*119*
Employee of the company	45	53^{B}	21^{ACDE}	50^{B}	50^{B}	50^{B}
Employee of the personnel agency	13	19^{C}	1	10^{AD}	22^{C}	4
Share holder, executive partner or member of the cooperative	3	2^{C}	2	6^{A}	1	3
Trade license holder employed at the company	9	5^{B}	17^{AC}	7^{B}	4	7
Self-employed with subordinates	7	3^{BE}	15^{AC}	4^{BE}	2	20^{AC}
Self-employed without subordinates	10	7^{BC}	19^{A}	13^{A}	3	12
Helping family member	6	2^{B}	18^{A}	3	1	2
No answer	5	3	4	1	8	1

Source: Research on Foreigners' Incomes, Expenditures and Remittances, 2010.
Note column percentages sum to one hundred. Estimates in bold represent significant differences between total and in-group percentages (homogeneity tests, 95% significance level); the letters A, B, C and D next to the percentages indicate significant differences between national sub-groups (homogeneity tests, 95% significance level).

An overview of the economic activities of third country nationals in the Czech Republic requires taking into consideration some important facts not evident in official statistics and regulations. There are the undocumented economic activities of immigrants, but also the important phenomenon of employment hidden within the category of self employment. This alternative strategy is often observed as an easier and more secure way to obtain formal employment, especially in unqualified occupations, such as cleaners, cashiers, welders, etc. As a result, a considerable number of foreigners have a trade license but are in fact employees. 9% of the sample seemed to be engaged in such kind of activities as they confess to work in the company while holding a trade licence.[10] Data reveal that this strategy is often used by Vietnamese citizens (17%). This sector of work appears in official statistics as self-employed, however, in many respects they are expected to behave in a similar manner to those immigrants who are directly employed by a company.

Turning our attention now to the type of work undertaken by immigrants to the Czech Republic the survey data reveal that a minority of the respondents in the migrant survey are employed in high skilled sectors of the Czech economy. However, a majority (about 75%) of those interviewed work in unskilled or low skilled jobs. More specifically, 31% are employed as labourers and unskilled workers, 24% are employed in the retail sector, and an additional 18% work as skilled labourers and drivers. In addition to these blue collar migrants, as noted above, a smaller number of migrants work in high skill positions in research, administration, education or work as scientists or managers. About one-in-ten (9%) of those interviewed are directors of enterprises and an equal number are engaged as scientists or educators, or some other highly skilled occupation (Table 4). A closer examination of respondents' occupational category in terms of nationality shows that 42% of migrants from the former Yugoslavia are either enterprise directors or highly skilled employees. A similar number of highly skilled migrants come from Russia. Migrants from Vietnam work mainly in business and are composed of two main groups: directors of commercial enterprises (21%), and those employed as assistants, etc. in retail stores (60%). A majority of migrants from Ukraine (81%) have unskilled or low skilled jobs.

Migrants, who came for economic reasons are very active in the labour market. About one-in-ten respondents state that they have more than one job; and the average number of hours worked per week was 52 for the whole sample. A minority of those interviewed (≈25%) did not have full time occupations and worked 42 hours or more per week.

[10] This interpretation, however, implies certain approximation since we cannot be sure if the respondents fully understood the question or were aware of the legal conditions and regulations applied.

Table 4. Comparison of the occupational status of migrants' by nationality, column percent

Occupational status	**Total**	**Ukraine**	**Vietnam**	**Russia**	**Moldavia**	**Former Yugoslavia**
		A	B	C	D	E
Number of respondents (unweighted)	*1003*	*302*	*273*	*202*	*107*	*119*
Managers and directors of small and large enterprises	9	3^{BCE}	21^{AC}	12^{AB}	3	21^{A}
Scientists, technicians and associated occupations	9	9^{BCE}	3^{ACE}	22^{AB}	9	21^{AB}
Lower level administrators	4	5	1	5	2	5
Service and retails workers	24	13^{B}	60^{AC}	13^{B}	9	11
Skilled workers	10	14^{C}	1	7^{AD}	17^{C}	14
Machine operators and drivers	8	10	2	9	15	8
Unskilled workers	31	44^{BCE}	4^{ACDE}	25^{ABD}	43^{BCE}	16^{ABD}
No answer	5	2^{BC}	9^{A}	8^{A}	1	5

Source: Research on Foreigners' Incomes, Expenditures and Remittances, 2010.
Note column percentages sum to one hundred. Estimates in bold represent significant differences between total and in-group percentages (homogeneity tests, 95% significance level); the letters A, B, C and D next to the percentages indicate significant differences between national sub-groups (homogeneity tests, 95% significance level).

With regard to type of accommodation, the evidence reveals that a majority of our respondents (58%) report that they lived in an apartment, while about a quarter (27%) stated that they live in a boarding house or hotel, and 10% said they reside in a family house. Just like some other characteristics noted earlier, there are similarities in the choices made by migrants from Ukraine and Moldova: as they most often chose to live in temporary accommodation (i.e. boarding houses or hotels) rather than more permanent residence types represented by apartments and houses. In contrast, migrants from Vietnam, Russia and the former Yugoslavia prefer to live in permanent residences. These cross-national differences are undoubtedly related to type of residence visa (temporary vs. permanent) and occupation (low vs. high salary and mobility – an important feature of construction work).

Migrants, who are the focus of this research, exhibit several characteristics that may be used to develop a simple typology of remittances. Remittances are defined here as money transfers (or payments in kind such as gifts) between family members who live in different countries. Typically remittances are sent to a migrants' home country. The sending of remittances therefore depends on the location of migrants and their close family members. Our survey data reveal that the family situation of migrants to the Czech Republic exhibits a number of common characteristics. Immigrants from Ukraine and Moldova tend not to bring spouses, partners of children with them to the Czech Republic. Consequently, migrants from these two countries tend to send remittances at a higher rate than all others as their families at home depend on such financial transfers. The level of such remittances unsurprisingly depends on migrants' income and hence their occupation. In contrast, migrants whose family reside with them in the Czech Republic have different priorities and send

remittances home (or to third countries) when possible or when it is considered appropriate. This difference in family status (residence vs. non-residence with the migrant) and motivation represents an important difference in remittance patterns evident among migrants from different countries and socio-economic profiles. However, such varying economic motivations should not be over-emphasised as remittances also has an important social component. Interviews with migrants reveal that there is a tradition among some nationalities of sending both money and gifts home via international bus companies. Such remittance occur regardless of whether a migrants close family live with them in the Czech Republic. This 'social' channel of remittances is determined by a specific and immediate economic need of the home family or represents a goodwill gift.

4. Most important findings concerning remittances

As noted earlier, remittances are the main focus of the migrant survey discussed in this report. Consequently, the set of questions addressing the issue of migrant's remittance behaviour was placed at the very beginning of the self-administered questionnaire. This strategy had the benefit of maximising the survey item (question) response rate and avoiding well known methodological problems such as question order effects. For the purpose of this research, remittances are defined as money and goods transferred by immigrants from the Czech Republic during given periods (i.e. three, two or one years) for private purposes only.[11] First of all, the respondents had to answer if any members of their family residing in the Czech Republic had sent money, or taken money with them on a trip outside the Czech Republic during last three years (see question R1 in Attachment II, The Questionnaire for the Respondents). Qualitative research carried simultaneously with the survey reveals[12] that financial remittances are often not just a personal matter, but is an important issue for the family of a migrant including those who are not separated by migration. This is because financial transfers out of the family unit have consequences on the welfare on all family members in terms of level of spending and opportunity costs. Consequently, migrants in the survey share not only their personal experiences with sending remittances, but also the experiences of other close family members living in the Czech Republic at the time of surveying. The answers kindly provided by the

[11] It is important to mention that the wording of the questions does not allow identification of the direction of remittances transfers, i.e. where were the remittance sent. Therefore, all of the analyses presented in this reported only examine the factors associated with the decision to send remittances and not the destination of this form of financial transfer. This focus in the survey research work was motivated by the Czech Statistical Office's goal of improving the empirical basis for its estimates of remittances flow from the Czech Republic.

[12] Investigation also included informal discussions and a few in-depth interviews.

respondents to the battery questions provide a useful starting point for constructing a profile of migrants (and their families) that have sent, or not sent, remittances within the last three years, i.e. between 2008 and 2010.

The results of the migrants remittances survey reveals that half of the respondents (54%) have sent money abroad at least once during the last three years. Those who do have experience with sending any financial remittances were asked about the frequency of transfers; the amounts sent within last 12 months (i.e. 2009-2010) and during year 2008; the method of money transfer employed; and the purpose for sending the money sent abroad. All other respondents, i.e. those 44.6% who had not sent any financial remittances between 2008 and 2010 and those few (1.4%) who did not answer the introductory filter question, continued filling out the questionnaire about their experiences with sending non-financial remittances such as expensive goods and gifts.

4.1.Profile of migrants who send financial remittances

More than a half of the respondents revealed that they had sent money abroad while 45% stated they had not sent financial remittances within last three years. These responses provide very useful information on the considerable differences in remittances behaviour evident among the immigrants studied. Migrants from Ukraine exhibit the highest rate of making remittances while citizens from the former Yugoslavia have the lowest remittance rate.

Table 5. Sending money abroad within last three years by citizenship, percent

	Total	Ukraine	Vietnam	Russia	Moldavia	Former Yugoslavia
		A	B	C	D	E
Have some experience	54	**61**^{BCDE}	**47**^{A}	**44**^{A}	43^{A}	40^{A}
Have no experience	45	**39**^{BCDE}	49^{A}	**54**^{A}	55^{A}	60^{A}
No answer	1	0	4	2	3	0

Source: Research on Foreigners' Incomes, Expenditures and Remittances, 2010.
Note column percentages sum to one hundred. Estimates in bold represent significant differences between total and in-group percentages (homogeneity tests, 95% significance level); the letters A, B, C and D next to the percentages indicate significant differences between national sub-groups (homogeneity tests, 95% significance level).

An examination of gender differences on decisions to send remittances shows that there is a small and not statistically significant difference between men and women (56% comparing to 52% respectively). However, remittance behaviour is influenced by the age of a migrant. The share of those who do send money abroad is significantly lower among younger immigrants (30 years or less), where less than half reported sending remittances (47%). In contrast, 59% of migrants aged 31 to 45 years indicated that they had sent money abroad and there was a similar level of remittance

behaviour (58%) among older economically active migrants. These age based differences in remittance behaviour may reflect two the impact of two mechanisms: differences in attitudes (cohort effects) or economic circumstances (life-cycle effects) where younger migrants may have insufficient income to send money home.

Remittance behaviour seems to be significantly related to the type of permit migrants have in the Czech Republic. The number of those who support someone abroad financially is significantly lower among permanent residence permit holders (46%) when compared to: (a) immigrants who stay in the country on the basis of short term visas up to 90 days (66%), and (b) long-term visas or residence permit holders (61%). As noted earlier, settled immigrants often have weaker ties to their home country and lower levels of separation from close (nuclear) family members. The lowest rate of remittances (29%) is evident among immigrants who have no valid residence permit. This relatively low rate may stem from such illegal migrants low incomes, social isolation, fear of contacts with any institutions, and restricted freedom to travel abroad. However, such conclusions must be treated as tentative because the survey evidence is limited as the number of respondents without a valid residence permit was rather small (i.e. 2% or 20 interviewees).

The influence of the length of stay in the Czech Republic on decision to send remittances is not straightforward. The relationship between duration of migration and remittances appears to be curvilinear and statistically significant in nature where short and very long term migrations result in relatively lower rates of sending money abroad. The evidence presented in Table 6, shows that having resided in the Czech Republic for at least two years a majority of migrants thereafter tend to send remittances. This pattern persists until the fifth year of residence, when many migrants become entitled to apply for a permanent residence permit and are consequently, more likely to arrange a secure residency status not only for themselves but also for those (family members) who they may have supported abroad.

The reasons for the curvilinear pattern evident in Table 6 are undoubtedly important in explaining the decision to send remittances. In this respect, it seems sensible to think that on the one hand, that after a certain period of time spent in a host country migrants are likely to have weaker ties to their home country. This detachment from home and integration into Czech society is likely to have been influenced by factors such as the simultaneous migration of close family members which facilitates greater social integration. Alternatively, migrants may find it difficult to sustain over a prolonged period living “between the two worlds”. On the other hand, only one third of those immigrants who have just arrived in the country are sending remittances. This decision might be explained by a lack of social and economic capital in the destination country, especially if the financial burden migrants

experience on the arrival connected to arranging permits, accommodation, etc. constrains their disposable income.

Table 6. Sending money abroad within last three years by the length of stay in the country, percent

	Total	Less than 1 year	1 – 3 years	4 – 5 years	6 -10 years	11 years and more
		A	B	C	D	E
Have some experience	54	**27**^{BCDE}	55^{ACE}	**68**^{ABDE}	56^{ACE}	45^{ABCD}
Have no experience	45	**73**^{BCDE}	44^{ACE}	**30**^{ABDE}	42^{ACE}	53^{ABCD}
No answer	1	0	1	2	2	2

Source: Research on Foreigners' Incomes, Expenditures and Remittances, 2010.
Note column percentages sum to one hundred. Estimates in bold represent significant differences between total and in-group percentages (homogeneity tests, 95% significance level); the letters A, B, C and D next to the percentages indicate significant differences between national sub-groups (homogeneity tests, 95% significance level).

The geographical distribution of migrants (by NUTS 2 regions) in the Czech Republic also has a significant effect on the decision to send remittances. Not surprisingly, those immigrants who live or work in Prague (the capital city)[13] send money more money (64%) than the rest of the sample (54%). However, due to the low number of respondents in some regions it may be misleading to conclude for example that there is an almost fold difference between sending remittances between the Northwest and the Northeast regions. There is a statistically significant relationship between a migrants' place of residence or work and their reported remittance behaviour. This relationship may be an artefact of variations in the regional distribution of migrants of different citizenship, or it may reflect incomes inequalities.

One of the key purposes of this survey research project was to explore if there are important differences in remittance behaviour between different groups of migrants. One goal of the Czech Statistical Office is to model such differences using information contained in their extensive database of official statistics. Apart from the socio-demographic characteristics, noted above, the influence of migrants' economic status was also tested. Here it is assumed that those with higher economic and social capital should be better able to support someone abroad and this economic differential will be positively related to making (or more correctly reporting) financial remittances. An analysis of the survey data reveals rather surprisingly that neither working status nor the occupation of immigrants has a major impact on their reported remittances behaviour. The evidence presented in Table 7 shows that the employees of personnel companies and the self-employed with subordinates exhibit higher levels of remittance behaviour than other sub-groups such as wage earning employees. However, the data analysis shows that only the difference between those working for a personnel agency and the other employees are (statistically) significantly different. Moreover, there is not a

[13] In this case it is the place of the interview, which was for the most of the respondents either the place of work or residence, but does not have to be the place of official registration.

straightforward difference between employed and the self-employed migrants with regard to remittances. This complex situation is likely to arise for a number of reasons. For example, self-employed migrants without subordinates send remittances a lower rate than other groups presumably because they are under greater financial constraints.

The data presented in Table 8 reveals that the remittance behaviour of migrants with different occupational status is very similar. The survey results show that migrants who are occupied as skilled workers send remittances as often as the managers and the directors, and slightly more often than for example scientists, administrative workers and those employed in service and retail sectors. However, statistically significant differences between occupational status and remittance behaviour are observed when all occupations are recoded into two more general categories: unskilled workers and all others. The key implication here is that differences in occupational status reflect income differences where migrants with lower status and income are more likely to make remittances despite the fact such financial transfers constitute a larger proportion of their disposable income. Consequently, remittance behaviour is determined by both economic status and social attitudes. Table 8 also shows that there are no statistically significant differences in remittance behaviour among all skilled worker groupings. This suggests that the motivation for migration and hence sending remittances appears from the survey data to be a qualitatively different decision for skilled and unskilled workers.

Table 7. Sending money abroad within last three years by migrants working status, percent

	Total	Employee (company)	Employee (personnel agency)	Share holder, executive partner or member of a cooperative	Trade license holder employed within a company	Self-employed with subordinates	Self-employed without subordinates	Helping a family member in their business	Other
Have some experience	54	51[B]	**65**[AFG]	57	56	61	47[B]	45[B]	55
Have no experience	45	48[B]	**34**[AFG]	43	41	38	51[B]	49[B]	45
No answer	1	0	1	0	3	1	2	6	0

Source: Research on Foreigners' Incomes, Expenditures and Remittances, 2010.
Note column percentages sum to one hundred. Estimates in bold represent significant differences between total and in-group percentages (homogeneity tests, 95% significance level); the letters A, B, C and D next to the percentages indicate significant differences between national sub-groups (homogeneity tests, 95% significance level).

Table 8. Sending money abroad within last three years by migrants' occupational status, percent

	Total	Managers and directors of small and large enterprises	Scientists, technicians and associated occupations	Lower level administrators	Service and retails workers	Skilled workers	Machine operators and drivers	Unskilled workers
Have some experience	54	55	46[G]	50	49[G]	56	57	**61**[BD]
Have no experience	45	45	54[G]	50	48[G]	44	42	**38**[BD]
No answer	1	0	1	0	3	0	1	1

Source: Research on Foreigners' Incomes, Expenditures and Remittances, 2010.
Note that column percentages sum to one hundred. Estimates in bold represent significant differences between total and in-group percentages (homogeneity tests, 95% significance level); the letters A, B, C and D next to the percentages indicate significant differences between national sub-groups (homogeneity tests, 95% significance level).

The main findings presented in Table 7 and Table 8 could be summarized (with a certain degree of simplification) as follows: migrants who make remittances tend to be on opposite ends of the economic spectrum. Firstly, there are migrants with low levels of economic resources who were compelled to immigrate in order to secure for their families who remain in the home country and who in the Czech Republic typically work as low paid unskilled employees for personnel agencies. Secondly, there are highly skilled migrants, e.g. entrepreneurs with medium sized enterprises and senior managers, who have significant levels of disposable income.

The empirical evidence discussed above highlights that migrants' remittance behaviour is determined by a number of subjective factors. Family situation, especially separation from close family members, is by no means the only key factors for remittances. Although subjective indicators are not often available in public statistics, it would be useful at this point to present a profile of migrants who decide to make remittance payments.

The data presented in Table 9 suggests that family status is a potentially important predicator of making remittances. Although this information is available in official statistics, this indicator is far from accurate when it comes to describing the real family situation of migrants. This is because official statistics do not take account of unregistered cohabitation, separation of married couples or the presence of a family member in the destination country. Notwithstanding, the measurement error associated with this variable family status still has a significant influence on reported remittance behaviour. Table 9 shows that there is a significantly lower than average share of

remittances emanating among single people. In contrast, six in ten married migrants report sending remittances abroad.

Table 9. Sending money abroad within last three years by family status of migrants, percent

	Total	Single	Married	Divorced	Widowed
		A	B	C	D
Have some experience	54	**44**^{BC}	**60**^{A}	57^{A}	58
Have no experience	45	**54**^{BC}	**40**^{A}	42^{A}	38
No answer	1	2	1	1	4

Source: Research on Foreigners' Incomes, Expenditures and Remittances, 2010.
Note column percentages sum to one hundred. Estimates in bold represent significant differences between total and in-group percentages (homogeneity tests, 95% significance level); the letters A, B, C and D next to the percentages indicate significant differences between national sub-groups (homogeneity tests, 95% significance level).

Since the questionnaire enables us to identify the presence of nuclear family members, i.e. partners and children, in a migrant's household in the Czech Republic it is important to note that the share of remitters among those who have either partner or at least one child living elsewhere is almost twice as high (76%) than those who either have all close family members in the Czech Republic (48%),[14] or those, who have neither a partner nor children living with them (41%).[15] Inclusion of this family situation variable into a statistical model of the decision to send remittances reduces the impact of most of the other predicators discussed above. This is an important finding because it demonstrates that context effects, i.e. family situation, play a key role in motivating migrants. Proximity to family changes the decision calculus used by migrants when considering remittances. It is quite likely if family status is included in models as an interaction effect the economics of remittances will exhibit a strong family orientation where the costs and benefits of both migration and remittances are evaluated on the basis of the family which may exist in two or more states. Testing these more complicated interaction models is important because it suggests that migrants' likely reaction to national and global economic trends may not follow a conventional cost-benefit associated with individual self-interest. Quite obviously more work is required to tease out these important relationships linking migrants' attitudes, socio-economic status and family situation with remittance payments.

[14] This also includes single-parent immigrants with all the children in the Czech Republic and childless immigrants with partner in the country.
[15] $\chi 2 = 78.3$, 2 df, $p \leq 0.001$ (N=973)

4.2. Estimation of financial remittances in 2010

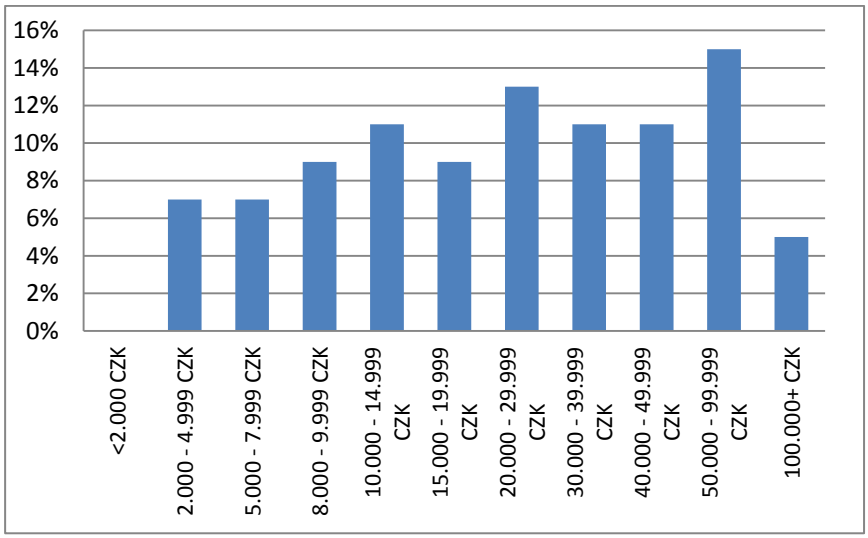
Data on financial remittances sent in 2010 was gathered using a close-ended question. In order to simplify the self administered questionnaire respondents were not asked to write down the exact sum of money they had sent as remittances, but to choose between eleven categories. This question design decision was made on the basis of prior experience elicited from an exploratory study conducted in 2009,[16] and informal interviews conducted during preparatory work for this project. Migrants, who send money abroad frequently, experience some difficulties when they are asked to specify the exact sums they sent over long periods; and tend to provide approximate rough estimations of their remittance contributions. Unless they send similar amounts on a regular basis, migrants often round their answers to thousands or even tens of thousands of Czech crowns (CZK). Moreover, providing an exact sum could be perceived as sensitive personal information leading respondents to refuse to answer the question or provide "strategic" answers. Moreover, answers to retrospective questions may also be biased because respondents sometimes may not remember how much exactly they sent. Thus we assumed that, taking into account the complexity of the survey and the fact that there was a number of questions containing financial issues, the usage of categories would be more effective in this exploratory research. Categories were designed in cooperation with Czech Statistical Office experts who are engaged in regular estimation of remittances made by immigrants. In order to quantify the answers and describe the differences between selected categories the value of the answers were coded to the middle of each interval. In order to standardize the multi-language questionnaires and to avoid additional differences resulting from currency exchange rate recalculations; all the questions about financial issues were asked in terms of Czech crowns (CZK).

The key question in the survey inquired about the amount of money migrants (or their close families) sent abroad within the previous twelve months (see Attachment II, The Questionnaire for the Respondents), question R3). When interpreting the answers to this question one should keep in mind that there was a filter question preceding it; and the total number of valid answers belongs to "remitters" as we defined them, i.e. those respondents, who mentioned that they had sent remittances within last three years. Consequently, estimation of average (or arithmetic mean) statistics could not be applied to the entire sample of immigrants interviewed. Adding this zero values to the estimation would enormously increase the deviation since large part of the sample did not have any experience with sending remittances.

[16] Tollarová, B. and T. Rejšková. 2009. "Posílání remitencí z ČR do zemí původu: Zpráva z výzkumné sondy". In *Efektivnost rozvoje - hledání nových cest. Český příspěvek ke globálnímu procesu organizací občanské společnosti*. Praha: FoRS, pp. 46-57. Available at: http://www.fors.cz/assets/files/large/PublikaceFoRS_EfektivnostRozvoje_CZ.pdf.

Figure 3 below shows that the variability in answers recorded is quite large. Moreover, future research should consider adjusting the remittance categories by increasing the highest limit and by adding more detailed intervals for the larger sums. The second highest category (50,000 to 99,999 CZK) was mentioned by 15% of remitters. A national breakdown yields the following pattern: Russians (11%), Vietnamese (12%), Ukrainians and Moldovans (16%) and migrants from the former Yugoslavia (26%). Most of the migrants interviewed, however, send significantly smaller amounts: 58% of the interviewees claimed they send less than 30,000 CZK within last 12 months.

Figure 3. Amounts sent abroad within the last 12 months, percent



Note: Only valid answers of those respondents who sent remittances within last three years are included (N=526); graph also exclude those remitters, who did not sent money within last 12 months but only two years ago (2%).

An analysis of the answers suggests that remittances have a lasting character, or durability. Only a few remitters reported sending less or stopped sending money altogether in 2010. The vast majority of migrants interviewed reported that they have continued to support someone abroad regardless of the downturn in Czech and international economy.

It was suspected from the outset that use of 'interval scaled' (or ordinal) data, or more specifically average statistics calculated from the middle of the remittance value intervals, has some limitations. Table 10 suggests keeping in mind the finding that the profile of the remitter is significantly influenced by his/her origin; there is no significant difference between the five nationalities examined when it comes to the estimation of the amounts sent abroad. Even the large difference in level of remittances observed between migrants from the former Yugoslavia and all others could be attributed to chance.

Table 10. Estimation of money transfers in 2010 by migrants citizenship, CZK

	Total	Ukraine	Vietnam	Russia	Moldova	Former Yugoslavia
Mean	34,237	34,228	33,375	34,813	31,667	41,698
St. Deviation	30,470	29,729	31,285	34,435	26,564	32,482
25th percentile	12,500	12,500	12,500	10,507	12,500	12,628
Median	25,000	25,000	25,000	25,000	25,000	34,000
75th percentile	45,000	45,000	45,000	45,000	43,426	75,000
N for mean (unweighted)	*498*	*182*	*133*	*89*	*48*	*46*

Source: Research on Foreigners' Incomes, Expenditures and Remittances, 2010.
Note: Categories recoded to the mean of the interval, highest interval (100,000 CZK and more) coded as 125,000 CZK. There are no statistically significant differences between means (ANOVA using Bonferroni inequalities, Welch test, 95% significance level).

It is now appropriate to take a closer look at the influence of other characteristics, which were analysed earlier when identifying those immigrants who send remittances. Place of stay, or to be more precise the region where the respondents were contacted, does not have any significant effect on the amounts sent abroad. A comparison of differences of means by region (NUTS 2) is not very useful in this situation as the number of cases is rather small. For example, the difference in means between the Northwest (27,000 CZK) and Central Moravia (52,000 CZK) is not statistically significant ($p \leq .05$).

The type of residence permit also does not strongly influence the amount sent abroad: remitters with short term visas seem to send larger sums (≈ 41,200 CZK) than the remitters with long term permits (≈ 34,000 CZK) and permanent permits (≈ 34,400 CZK). However, these mean differences are not statistically significant and do not reflect real variations due to residence status as the uncertainty around these estimates is relatively large. The data did not even reveal the influence of the length of stay in the country on the amount of financial remittances sent abroad. As mentioned earlier the length of stay has significant effect on the decision to send remittances, however, what come to the amount sent per year, for those who stay in the Czech Republic for more than one year remittances fluctuate between 31,000 CZK and 36,500 CZK without evidence of statistical significance.[17] For similar reasons, the influence of age differences on the amount of remittances sent does not seem to be an important determinant of the variations in financial transfers observed.

In contrast, gender does appear to have a significant impact on the amount of remittances sent abroad. Again, this finding is very interesting when compared to the results reported earlier that revealed that the proportion of remitters among men and women is practically the same. An analysis

[17] The average amount of remittances for those who stay less than a year (41,700 CZK) could be hardly interpreted because of the small numbers of valid answers – there were only 14 such remitters in the sample.

of the amounts of financial remittances sent within the last 12 months reveals that men are providing significantly higher levels of support for family members abroad. The average amount of money sent by men was about 36,300 CZK, and for women this figure was 29,000 CZK.[18] This confirms the assumption that the feminisation trend of immigration to the Czech Republic is rather slow, especially in the case of migrants from Eastern Europe and Asia. Although, women have already started migrating at higher rates they still cannot compete with men for the role of "bread winner" for families left behind. Inequalities in opportunities within the labour market along with income inequalities might pay an important role in explaining this gender difference. Further analysis indicates that remittances constitute a smaller share of women's income. While men stated they sent almost one third (27%) of their income abroad, the mean share of remittances within women's income is 22%.[19]

The finding about the importance of the family situation for the remittance behaviour is supported by the comparison of average amounts sent immigrants with different family constellations. While almost 7,000 CZK difference between immigrants and those who has their the children in the Czech republic could be attributed to chance, the difference between immigrants with all the children in the country and those who have at least one offspring elsewhere is almost twofold and 99% significantly different (17,000 CZK versus 32,000 CZK). Leaving children behind seems to be the strongest factor of all described predictors. A similar, but weaker, influence is the presence of a partner, husband or wife. Table 11 summarizes the influence of the family situation on the amount of money sent abroad. Separation from a partner or spouse or at least one of the children has a strong and positive effect on the amount of financial remittances sent.

Table 11. Estimation of money transfers in 2010 by migrants family constellation, CZK

	Total	**Partner/spouse or child living abroad** A	**Has neither partners/spouse, nor children** B	**All close family members living in CR** C
Mean	34,237	42,605 BC	23,888 A	29,753 A
St. Deviation	30,470	30,210	21,186	31,575
25th percentile	12,500	17,500	9,000	9,000
Median	25,000	35,000	17,500	17,500
75th percentile	45,000	75,000	35,000	35,000
N for mean (unweighted)	*493*	*185*	*83*	*225*

Source: Research on Foreigners' Incomes, Expenditures and Remittances, 2010.
Note: Categories recoded to the mean of the interval, highest interval (100,000 CZK and more) coded as 125,000 CZK. No statistically significant differences between means (ANOVA using Bonferroni inequalities, Welch test, 95% significance level). CR denotes the Czech Republic.

[18] ANOVA (Bonferoni inequality), $p \leq .01$.
[19] Again the difference is significant at the 99% level ($p \leq .01$).

In the context of these findings and those reported in the previous sub-section regarding the profile of remitters, we also analysed the differences on the basis of (official) family status. The evidence presented in Table 12 suggests that knowledge of official family status of immigrants does not help explain differences in the remittance patterns observed. Due to the character of current immigration to the Czech Republic single migrants, who probably don't have anyone to support at home or basically because they don't have enough money to support anyone, send remittances less frequently and hence smaller annual amounts.

Table 12. Estimation of money transfers in 2010 by migrants family status, CZK

	Total	**Single** A	**Married** B	**Divorced** C	**Widowed** D
Mean	34,237	25,244 BCD	38,923 A	33,268 A	36,236 A
St. Deviation	30,470	21,931	34,334	27,341	12,410
25th percentile	12,500	9,000	12,500	9,000	31,525
Median	25,000	17,500	25,000	25,000	45,000
75th percentile	45,000	35,000	75,000	45,000	45,000
N for mean (unweighted)	*498*	*150*	*270*	*67*	*10*

Source: Research on Foreigners' Incomes, Expenditures and Remittances, 2010.
Note: Categories recoded to the mean of the interval, highest interval (100,000 CZK and more) coded as 125,000 CZK. No statistically significant differences between means (ANOVA using Bonferroni inequalities, Welch test, 95% significance level).

It seems reasonable to expect that the economic status of migrants is also an important predicator for financial transfers. Comparison of the amount of remittances sent between migrants with different occupational status indeed suggests that there might be a significant difference between the amount sent by immigrants in qualified and unqualified positions. For example, managers and directors of small and large companies claimed that within the previous 12 months they sent approximately 16,000 CZK more than unskilled workers and those engaged in services and retail. On the other hand, this division is also not straightforward since skilled workers also send significantly more than those who are unskilled.

Table 13. Estimation of money transfers in 2010 by migrants occupational status, CZK

	Total	Managers and directors of small and large enterprises	Scientists, technicians and associated occupations	Lower level administrators	Service and retails workers	Skilled workers	Machine operators and drivers	Unskilled workers
		A	B	C	D	E	F	G
Mean	34,237	46,355 CDG	38,264 C	21,611 ABEF	30,253 AEF	42,647 CDG	44,077 CDG	29,676 AEF
St. Deviation	30,470	38,840	37,900	19,396	31,259	31,426	33,126	23,346
25th percentile	12,500	12,500	9,000	9,000	9,000	15,701	12,500	12,500
Median	25,000	28,585	25,170	17,500	17,500	35,000	45,000	25,000
75th percentile	45,000	75,000	45,000	25,000	36,377	75,000	75,000	45,000
N for mean (unweighted)	*498*	*54*	*44*	*16*	*122*	*51*	*43*	*146*

Source: Research on Foreigners' Incomes, Expenditures and Remittances, 2010.
Note: Categories recoded to the mean of the interval, highest interval (100,000 CZK and more) coded as 125,000 CZK. No statistically significant differences between means (ANOVA using Bonferroni inequalities, Welch test, 95% significance level).

When it comes to the work status of immigrants, the key difference, as shown in Table 14, with regard to position at work is between the self-employed with subordinates and all others. This self-employed group reported sending about 50,000 CZK annually in the survey interview. Keeping in mind that this subset of migrants do not constitute a large number we may assume once again that these people do not send money abroad out of "pure need" but rather because they can afford to support someone due to their higher income. According, to the survey data, self-employed with subordinates send about one sixth (17%) of their income abroad in the form of remittances. In contrast, company employees dispose of almost one forth of their personal incomes as remittances. Therefore, the kind of job migrants do is influencing the amount of remittances sent. However, this occupational effect is limited to migrant businessmen with employees; otherwise migrants' occupation has no strong statistical association with level of remittances.

Table 14. Estimation of money transfers in 2010 by migrants working status, CZK

	Total	Employee of the company	Employee of the personnel agency	Share holder, executive partner or member of the cooperative	Trade license holder employed at the company	Self-employed with subordinates	Self-employed without subordinates	Helping family member
		A	B	C	D	E	F	G
Mean	34,237	31,578 E	36,420 E	31,752	34,969 E	50,680 ABDFGH	27,399 E	33,469 E
St. Deviation	30,470	27,849	29,965	34,674	34,560	36,076	28,886	31,245
25th percentile	12,500	9,000	12,500	6,500	9,000	17,500	9,000	12,500
Median	25,000	25,000	25,000	16,015	17,500	45,000	17,500	25,000
75th percentile	45,000	45,000	45,000	62,378	75,000	75,000	43,280	45,000
N for mean (unweighted)	*498*	*218*	*69*	*13*	*47*	*43*	*45*	*27*

Source: Research on Foreigners' Incomes, Expenditures and Remittances, 2010.
Note: Categories recoded to the mean of the interval, highest interval (100,000 CZK and more) coded as 125,000 CZK. No statistically significant differences between means (ANOVA using Bonferroni inequalities, Welch test, 95% significance level). Total includes categories "other" and "don't know".

4.3. Comparison between 2008 and 2010

In order to minimize the risk that remittance estimation would be undermined by recent developments during 2009-2010 in the international economy and domestic labour market; the respondents were asked about remittances made during 2008. The idea here was to compare the answers to this retrospective question (prior to the global financial crisis of late 2008 and subsequent economic downturn) to the current situation using the same question format to facilitate comparison.

Table 15. Estimation of remittances sent in 2008 by citizenship, CZK

	Total	Ukraine	Vietnam	Russia	Moldavia	Former Yugoslavia
Mean	30,766	30,751	29,094	33,190	20,254	42,867
Std. Deviation	30,177	29,403	30,189	32,342	25,739	39,914
25th percentile	9,000	9,000	9,000	12,500	6,500	11,548
Median	25,000	25,000	17,500	25,000	12,500	25,000
75th percentile	45,000	45,000	35,000	45,000	28,002	75,000
N for mean (unweighted)	*416*	*149*	*123*	*76*	*28*	*40*

Source: Research on Foreigners' Incomes, Expenditures and Remittances, 2010.
Note that the categories have been recoded to the mean interval, where the highest interval (100,000 CZK and more) is coded as 125,000 CZK. No statistically significant differences between means (ANOVA using Bonferroni inequalities, Welch test, 95% significance level).

As Table 15 suggests that, despite the economic crisis migrants did not stop sending remittances. In fact, although the difference between estimations is not that large, the mean level of remittances sent two years ago in 2008 were lower than those evident in 2010. Interpretation of this comparison is, however, limited by the lower number of responses,[20] and by the validity of estimates in the context of the global financial crisis that occurred in late 2008.[21] These findings were cross-validated by asking the respondents to compare their remittances in 2008 and 2010 in the very last part of the questionnaire. An analysis of these subjective comparisons reveals that almost one half (45%) of those who reported making remittances claimed that they sent approximately the same amount in 2008 and 2010, one fifth (20%) stated that they sent more in 2010 and, finally, almost the same number of respondents (18%) mentioned that they sent less in 2010 than in 2008.

4.4. Transfer means, frequency and usage in the country of origin

The way migrants send money and the frequency of transfers depends on (a) the money transfer facilities available in the Czech Republic, and (b) the reason for sending remittances. Migrants, who came to the Czech Republic in order to support their nuclear family members abroad, often send money on a frequent or regular basis. Others prefer saving money and sending or bringing it with them personally in the form of less frequent larger lump sums. The frequency of making money transfers is likely also be influenced by the options available for saving money safely in the Czech Republic. The results of informal interviews suggest some migrants prefer to send smaller sums more often because they don't have a safe place to keep their money. This might be one explanation as to why one-in-ten Ukrainians and two-in-ten Moldovans send money outside the Czech Republic on a

[20] Nearly one fifth (17%) of immigrants who sent remittances in 2010 either did not send money abroad two years earlier in 2008 or were not living in the Czech Republic in 2008.
[21] See for example the standard deviations for Moldavians and Vietnamese.

monthly or more frequent basis, while one-in-four Vietnamese and Russians and 20% of former Yugoslavians typically make money transfers less than once a year. Higher frequency money transfers are most associated with migrants making shorter stays in the Czech Republic. Such short stay high frequency remittance providers are likely to have stronger ties to their home country than all other migrants.

One important finding relates to migrant's preferred means of making remittances. More specifically, many migrants prefer to use informal channels of money transfer such as sending cash via trusted couriers. This fact should be taken into consideration when using official money transfer data gathered from financial institutions. When asked to choose between two preferred means of money transfer almost 40% of respondents mentioned that they prefer to personally take their money home (or to some third country), while almost one third use the services of trusted friends or relatives who come abroad to the Czech Republic for a short visit, and 6% stated they prefer to send money through other informal intermediates.[22] Exactly one fifth of respondents mentioned use of professional money transfer firms, and 24% of those interviewed mentioned sending money through banks. Unsurprisingly, use of formal means of making money transfers is most often used by immigrants who less opportunities for making a personal visit home. In the survey sample this situation mainly related to Vietnamese migrants.

When asked about the main reason for sending remittances from the Czech Republic most respondents (58%) stated that the money would be used for "basic needs" and food. Almost one third of those who made remittances said that the money transferred would also be used to pay for medical care or medicines. Many migrants also mentioned sending money in order to pay for education (19%) and making real estate investments (17%). The repayment of loans and investment in their own business or the business of the relatives was mentioned less frequently (8% and 5% respectively).

4.5.Estimated goods transfers by groups

The survey revealed that sending remittances in-kind are less frequent than money transfers: only one fifth of the respondents (21%) stated that they have sent some valuable goods and gifts abroad within last twelve months.[23] Is seems to be logical that less than one-in-ten Vietnamese respondents (9%) have sent in-kind remittances due to the longer distance and higher transportation costs. The

[22] Note that this item was a multiple response question with two possible answers. Therefore, the total does not sum to 100 percent.
[23] 3% of the respondents did not answer the question.

research suggests that in-kind remittances are most often brought personally by migrants. Valuable items like electronic goods, expensive drugs, clothes, jewellery and even automobiles were, however, sent or brought by almost every third migrant from the former Yugoslavia (30%) and one-in-four respondents from Ukraine and Russia (25%).

Respondents who reported that they did send in-kind remittances were asked to estimate the value of these goods. Unlike most of the other questions used to collect data on remittances, incomes and expenses, here migrants had a chance to answer an open-ended question, and did not have to choose between fixed categories. One could argue that the estimation of mean values from such 'unconstrained' (interval level) data contains more information than that obtained from categorical (ordinal) data. However, in case of in-kind remittances the opposite seems to be true.

More than half of the migrants interviewed who reported sending in-kind remittances (53%) stated that the value of goods they had sent within last 12 months (2009-2010) was less than 10,000 CZK (Czech crowns),[24] while two respondents (>1%) mentioned that the value of the gifts they sent was 300,000 CZK. Even after excluding these extreme values the mean value of in-kind remittances exhibit a high level of variation (as indicated by the standard deviation). The average value of remittances in kind is 18,000 CZK. This value is close to the 75th percentile (20,000 CZK).[25] Therefore, the value of in-kind remittance varies greatly because such goods vary from inexpensive symbolic gifts to the purchase of highly priced luxury expensive goods. Due to the smaller number of valid answers and high level of variance between the values of in-kind remittances it is not sensible to report differences between groups, or summary statistics of in-kind remittances as the error on such estimates undermines making useful substantive interpretations. Rough estimates do suggest that settled immigrants tend to send more expensive goods. Nevertheless, the in-group averages are in most cases smaller than the level of variation (standard deviations) observed; and once again it is not appropriate to place much importance on the significance of the observed differences. To sum up, in order to quantify in-kind remittances sent form the Czech Republic a more detailed and specific research project should be carried undertaken.

[24] The median is 10,000 CZK

[25] More technically, the value of in-kind remittances does not have a normal (or Gaussian) distribution indicating that the use of the arithmetic mean is inappropriate and likely to be misleading. Often non-normality in data distributions is seen to be problematic for making statistical inferences. In this situation, the response profile observed provides valuable insight into how migrants respond to open ended questions on valuing in-kind remittances. Understanding these survey response mechanisms is important as it influences how such data is analysed and the causal inferences derived from this source of information.

5. Conclusion

It was noted in the introduction that the main motivation of this project, implemented by the Institute of Sociology, Czech Academy of Sciences between May 2010 and February 2011, was to collect quantitative data on the incomes, expenses and remittances of selected groups of immigrants. As a result, a representative national quota sample of 1,003 economically active immigrants from specific countries was interviewed. This migrant remittances survey was designed and fielded in close cooperation with the Czech Statistical Office and reflects the requirements of national experts working on the construction of comparative indicators of remittance flows cross-nationally.

The research presented in this report is by necessity exploratory in nature. This is because there are currently no comparable data on which to cross-validate the finding reported. Unfortunately even the results of substantively similar research carried out by the World Bank in 2009 do not provide many comparable outputs.[26] This research for the World Bank adopted a different survey sampling and interviewing approach. Only immigrants who sent remittances were targeted and interviews were conducted at specific localities, not national wide. Moreover, World Bank report does not include any statistics, which would allow us to judge the reliability of used estimates (only means). Therefore, it is not easy to interpret quite large differences in the amounts of annual transfers by different nationalities. For example, the World Bank's estimates for Vietnamese citizens annual remittances was $2,423 USD,[27] while for Ukrainians and Russians it was almost half of that sum: $1,419 USD and $1,488 USD respectively[28] (Corazza and Nikoli 2010: 41). Keeping in mind the results of estimations made in this research study (for all three mentioned nationalities between 33,000 and 34,000 with no statistically significant difference), we have to state that the difference when it comes to applying these estimates to the total population of immigrants could be significant.

The survey of migrants explored not only remittances but also the incomes and expenditures of immigrants. In order to keep the evidence presented in this report within reasonable bounds many of the results from this data have been limited to discussion of the main topic: remittances. In order to describe the differences in remittance behaviour the focus was placed on explanatory factors that are currently used by the Czech Statistical office for their estimation of this form of international financial transfers. This report does not provide a comprehensive explanation (or causal model) of why there are significant differences among migrants in remittance behaviour or provide detailed

[26] Corazza, C. and M. Nikoli. 2010. *The Market for Remittance Services in the Czech Republic. Outcomes of a Survey Among Migrants.* Washington, DC: The International Bank for Reconstruction and Development / The World Bank (A World Bank Study).
[27] Approximately 43,000 CZK (Czech crowns).
[28] Approximately 25,000 CZK.

recommendations as how best to estimation such behaviour. However, this innovative research could serve as an important basis for developing and improving the methodology of remittance estimation in the Czech context.

At this point, it seems prudent to recommend remittance estimations should not be based on average (or arithmetic mean) estimates for all immigrants because such statistics ignores the skewed distribution of remittance behaviour where a significant portion of migrants do not send either financial or non-monetary remittances. Representing two heterogeneous groups of migrants with single summary statistics is likely to lead to estimates that are not valid measures of either migrant sub-group (or more technically result in invalid causal inferences). In addition, explanatory models of (a) the decision to send remittances, and (b) if remittances are sent – the level of such financial transfers should include a wider range of factors than have been used to date. This additional set of explanatory variables could be easily derived from available statistics.[29]

To sum up, the complexity and the timeliness of migrant remittances as a research topic as well as the large amount of data collected on this issue suggest that the contribution of this project to this area of research and public policy making could, and should, be extended in future more detailed analytical work.

[29] For example, information on migrants' family status is already available within the Czech Statistical Office or information about the presence of close family members in the country, which are currently collected by the foreign police but are currently not reported in aggregate statistics.

Attachment - The Questionnaires