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Given the growing importance of migrant remittances for transition economies, their impact on economic development is a major policy concern. The study focuses on the supply side of these financial flows by assessing the remittance behaviour of Serbian migrants in Switzerland, one of the major immigrant countries in Europe.

The majority of Serbs in Switzerland are involved in interpersonal economic transfers to Serbia. The large majority of senders use informal remittances channels. An economic integration of the migrant households, as well as close transnational relations increase not only the likelihood to remit but also the amounts transferred. The stability of remittances may depend on future migration flows, since the amounts sent drop when length of stay increases.

Authors:

Mathias Lerch, geographer, is scientific collaborator at the *Laboratoire de démographie et d'études familiales* of the University of Geneva and former collaborator at the SFM.

Janine Dahinden, social anthropologist, is professor for social and transnational studies at the University of Neuchâtel.

Philippe Wanner, demographer, is professor at the *Laboratoire de démographie et d'études familiales* of the University of Geneva.

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Remittance Behaviour of Serbian Migrants living in Switzerland



Mathias Lerch, Janine Dahinden, Philippe Wanner

SFM Studies 51

Mathias Lerch
Janine Dahinden
Philippe Wanner

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Content

1	The Study : Introduction	7
2	A Short History of Serbian Migration Since Second World War	9
3	Methodology	13
3.1	The Telephone Survey	13
3.1.1	Data and Sampling Procedure	13
3.1.2	Field Preparation	16
3.1.3	Data Gathering Instrument	17
3.1.4	Household Definition and Remittance Decision Patterns	17
3.1.5	Descriptive versus Analytical Approach	19
3.1.6	Profile of the Surveyed Population	20
3.1.7	Representativity of the Surveyed Population	21
3.2	Focus Group Discussions and Key Informant Interviews	23
4	Remittances: A Survey of the International Literature	25
4.1	Macroeconomic and Political Determinants	26
4.2	Individual and Household Determinants	27
5	Economic Transnational Practices of Serbian Migrants in Switzerland: An overview	32
5.1	Household Transfers	32
5.2	Real Estates and Economic Activities of Serbian Migrants in their Country of Origin	33
5.3	Characteristics of Potential Investors in Serbia	36
5.4	General Financial Support in Serbia	39
5.5	Synthesis	40
6	Estimation of Flows of Remittances from Switzerland to Serbia	41
7	Characteristics of Remitters versus Non Remitters	45
7.1	Demographic Characteristics of Remitters and Non Remitters	45
7.2	Migration Patterns of Remitters and Non Remitters	47
7.3	Socio-economic Characteristics and Human Capital of Remitters and Non-Remitters	50
7.4	Household Type and Financial Resources of Remitters and Non-Remitters	51
7.5	Transnational Living of Remitters and Non-Remitters	53
7.6	Reasons for Non Remitting	56
7.7	Determinant Factors of the Decision to Remit	58
7.7.1	Results	59

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SWISS FORUM FOR MIGRATION AND POPULATION STUDIES (SFM)
AT THE UNIVERSITY OF NEUCHÂTEL
RUE ST-HONORÉ 2 – CH-2000 NEUCHÂTEL
TEL. +41 (0)32 718 39 20 – FAX +41 (0)32 718 39 21
SECRETARIAT.SFM@UNINE.CH – WWW.MIGRATION-POPULATION.CH

7.8	Synthesis	63
8	Amount of Remittances, Receivers and Purpose	64
8.1	Total Amount Sent by Households during the Last Twelve Months	64
8.2	The Remittance Receivers in Serbia	69
8.3	The Reasons for Sending Remittances	71
8.4	Total Amount Received during the Last Twelve Months	73
8.5	Determinant Factors of the Remittances Amount	74
8.5.1	Results	76
8.6	Synthesis	79
9	Transfer Channels Used for Remittances from Switzerland to Serbia	81
9.1	An Overview of the Main Transfer Methods used and their Respective Advantages	81
9.2	Speed and Costs of Transfer	87
9.3	Characteristics of Remitters Using Informal versus Formal Channels	93
9.4	Determinants of the use of formal channels	99
9.4.1	Results	100
9.5	Synthesis	103
10	Executive Summary	104
11	Bibliography	118
12	List of Figures	122
13	List of Tables	124
	Annexes	125
	Annex 1: Questionnaire for the CATI-Survey	125
	Annex 2: Input paper for focus group participants (German version)	142
	Annex 3: Representativity of the Surveyed Population	147
	Annex 4: Socio-economic characteristics of Remittances sending and non-sending migrant households	154
	Annex 5: Amount, stability and frequency of remittances according to socioeconomic characteristics of the senders.	160
	Annex 6: Socioeconomic characteristics of formal and informal channel using remitters	162

Abbreviations

CAR	Central Aliens Register
CATI	Computer Aided Telephone Interviewing
EBRD	European Bank for Reconstruction and Development
FID	Foreign Direct Investments
FOM	Federal Office for Migration
GDP	Gross Domestic Products
IOM	International Organization for Migration
SEE	South East European Countries
SFM	Swiss Forum for Migration and Population Studies
SLFS	Swiss Labour Force Survey
SNB	Swiss National Bank

1 The Study : Introduction

In the past two decades, economic remittances have rapidly become a major source of income for many countries with high rates of emigration and, at the household level, have significantly contributed to reducing poverty. Migrant remittances also constitute a growing source of foreign exchange, enabling countries to acquire vital imports or to pay off external debts. There is also a growing awareness, as well as evidence, of the potential that remittances have to contribute to economic development in migrant-sending countries at the local, regional and national level.

The State Secretariat for Economic Affairs (SECO) of Switzerland would like to facilitate the growing remittance flow from migrants residing in Switzerland. Since remittances are, first and foremost, private transfers that offer a potential for economic growth in developing countries and countries in transition, SECO is interested in improving the impact of remittances on the economic development in migrant countries of origin.

With this in view, SECO has mandated the Swiss Forum for Migration and Population Studies (SFM), the International Organization for Migration (IOM) and the European Bank for Reconstruction and Development (EBRD) to carry out a remittances-for-development research initiative. **The aim of the present study is to collect, analyse and present information about remittance transfers of the Serbs in Switzerland, as well as to study the current patterns of remittance investment and use by the receivers in Serbia.**

The innovative potential in this project largely lies in that remittance behaviour patterns were analysed in both Switzerland and Serbia: SFM conducted a survey in Switzerland and IOM performed research in Serbia. EBRD dealt with the macro economic aspects of the study. The research undertaken by three different organizations in both Switzerland and Serbia has produced many new insights into the topic.

There were three **objectives** to the study conducted in Switzerland:

- Assess the **remittance behaviours** of the group of migrants from Serbia in Switzerland, as regards their volume, frequency, channels used, currency, transaction costs, priority allocations at the household level, etc.
- Examine the **transfer patterns** and assess the efficiency (the cost, access and speed) of remittance services to and in the partner country (i.e. Switzerland).
- Examine **the use and impacts of remittances** in the receiving country (i.e. Serbia).

The present study provides the results of the survey and the research conducted in focus groups undertaken among Serbian migrants living in Switzerland. It should be highlighted, however, that the migrant population chosen for this analysis – the Serbs in Switzerland – is particularly difficult to identify. Foreign registers and statistics are based on the criteria of the individual's nationality. An exact identification of ethnic groups of citizens of a given nationality (i.e. Serbs of Serbia-and-Montenegro) is methodologically impossible. The Serbian population in Switzerland can nevertheless be studied from various perspectives and its remittance behaviour investigated. The results presented in this report may only be applied to the whole Serbian population living in Switzerland with caution, however (see chap. 3.1.7).

Structure of the Report

The first chapter draws an overall profile of the Serbian migration to Switzerland in a historical perspective (chap. 2). Chapter 3 presents the methods, the surveyed population and its representativity. A brief overview of prior studies on remittance behaviour follows (chap. 4).

The core of the study is found in chapters 5 to 9. Chapter 5 presents different forms of economic transnational practices among Serbs in Switzerland and draws a profile of potential Serbian investors. The next chapter estimates the Swiss-Serbian flows of remittances, and compares and discusses the estimation in reference to other attempts (chap. 6). Chapter 7 deals with the profile of senders of remittances and the determinant factors of the decision to remit. Information about remitters not only provides insight into the development potential of a given remittance flow, but is also essential for the implementation of adequate incentives for the use of formal channels. In chapter 8, the amounts and frequency of remittances sent by Serbian migrants, the receivers' profile and the purposes of the transfer are presented. Furthermore, the main determinants influencing the amount transferred are investigated. Chapter 9 describes the use of different methods of transfer by Serbian remitters and their respective advantages and weaknesses. The profile of formal transfer channel users is also drawn.

The different elements of the study are integrated in the conclusion, which proposes future development-related action from a sender country perspective.

☛ **Readers can find all the concluding results of this study in this chapter.**

2 A Short History of Serbian Migration Since Second World War

The Serbian migration to Switzerland has historical origins: Switzerland and Serbia signed a settlement of a consular convention in 1888 to facilitate migration in the framework of their economic, political and cultural linkages (Mikic 2001). However, things changed after World War II: during the first years of socialist Yugoslavia's existence (1945-64), the country was – like other socialist countries in the Balkans, Eastern Europe and the Soviet Union – a closed country in term of migration.

Yugoslav economic emigration to Switzerland, as well as to other countries, started in the 1960s. The Yugoslavian federation's political decision to open up its borders for emigration was associated with the launching of liberal economic reforms in 1965 (Schierup 1995). Yugoslavia was made up of a multi-national community with significant inherited differences of development in the different parts of the country. Whereas internal population movements (from the less developed Southern regions to the Northern ones) already started after World War II, the northwestern parts of the country were the first to be affected by mass labour emigration. In the 1960s the majority of Yugoslavian migrants in Switzerland were Croatian. At the beginning of the 1970s however, the regional pattern of emigration progressively changed, affecting the south-eastern parts of the country at an increasing level (Mesic 1992). This temporary economic migration, which has been "subject to state organisation since 1965", was considered to be a "demographic management" in order to export labour surplus and to stabilize the economy through the inflow of currencies from the returnees (Molnar 1997: 110).

Yugoslavian migration policy was ideologically (and socially) justified on the basis of the assumption that migration was only temporary, and that migrants still formed an integral component of the so-called Yugoslavian working class. Therefore, their position in the receiving countries as well as their return were not merely their own concern, but the responsibility of the whole socialist community. This social concern of the Yugoslavian state about its migrants led to the signing of employment contracts, the establishment of social security conventions (with Switzerland in 1964), the designation of Diplomatic-Consular representatives who, besides their standard consular functions, were given the task to "protect" the interests of Yugoslavian migrants, and the encouragement of migrants to join clubs and associations for a better "social-organization" (Baletic 1982; Mesic 1992).

This pattern changed with the outbreak of the first riots in the 1980s and then with the civil wars: initially, the pressure to emigrate increased. From 1989

onwards, however, Switzerland replaced its relatively liberal admission policy - at least for non-EU citizens - by a more restrictive one. While EU citizens were admitted with increasing freedom, the policies for non-EU citizens grew more restrictive with regards to educational and work opportunities. Already with the implementation of the 'three circles' model at the beginning of 1990, the recruitment of workers from the Socialist Federal Republic of Yugoslavia was no longer possible: these immigrants were categorized as members of the third circle and had no right to obtain a work permit (Swiss Federal Council 1991; Efonayi et al. 2005). From then on, immigration into Switzerland from former Yugoslavia was only possible by seeking asylum, through family reunification or for highly skilled migrants.

The developments in the Swiss migration policy and the situation in Yugoslavia also affected another agenda. Confronted with growing economic hardship and increasing political unrest at home, the Yugoslav guest workers (as they were called until the mid 1990s) slowly abandoned their plans to return to their native country. In recent years, the return rate has been much lower among these migrants than among other Southern European populations (Gross 2006). Rather than returning home, Yugoslav migrants preferred to bring their families to Switzerland when circumstances allowed it.

The analysis of the determinants of Yugoslav migration to Switzerland indicates an important shift. Until 1994 immigration primarily occurred due to financial incentives and network effects in Switzerland, and unemployment in Yugoslavia. Since 1995, however, the migration flow has not related to financial incentives alone. Rather, the motives of this new wave of migration, which has resulted from the difficult economic and political situation in the country, are related to non-financial amenities (i.e. peace, quality of life, humanitarian and social protection, etc.; (Gross 2006)).

The result of this "new migration" was a steady increase in this population in Switzerland. It should also be noted here that there has been a growing number of women migrants arriving to Switzerland.

The statistics of this immigration history are included below in Table 1 and Table 2.

Table 1: Yugoslavs in Switzerland 1941 - 2004

Citizenship	1941	1950	1960	1970	1980	1990	1998	2004
Former Yugoslavs*	648	892	1 169	24 971	60 916	172 777	234 988	
Serbia-and-Montenegro	211 340
Croatia	42 050
Bosnia and Macedonia	48 931
	61 534

Source: Swiss Federal Statistical Office 2005. *Until 1999 there was no detailed statistical information available with regards to the different ethnic groups in Yugoslavia.

Between 1941 and 1960 only relatively few Yugoslav migrants lived in Switzerland. This group represented between 0.2% and 0.3% of the total foreign population. In 1970 24,941 Yugoslavs were surveyed during the Census, a number that represented 2.3% of the foreign population at that time. From 1980 onwards, especially during the 1990s, a high influx of Yugoslav nationals was observed: by 1998 no fewer than 234,988 Yugoslavs were living in Switzerland, representing 15.6% of the total foreign population (and 23.8% in 2003 – (Gross 2006)).

Table 2: Yugoslavs as share of the total foreign population

	1941	1950	1960	1970	1980	1990	1998
Foreign citizens Total	223 554	285 446	584 739	1 080 076	944 974	1 245 432	1 500 736
Former Yugoslavia	648	892	1 169	24 971	60 916	172 777	234 988
% of foreign citizens	0.3	0.3	0.2	2.3	10.4	13.9	15.7

Source: Swiss Federal Statistical Office 2005.

Politically-motivated immigration started during the 1990s. Europe and especially Switzerland, with its already-established former-Yugoslavian diaspora, received the first asylum seekers from this region. The civil war in the Former Republic of Yugoslavia and the outbreak of the war in Kosovo in 1998 led to a phase of massive emigration. Between 1992 and 1999 42% of all asylum seekers in Switzerland came from the Former Republic of Yugoslavia, among them many Kosovo-Albanians (Efonayi et al. 2005; Piguet 2005). In the period following the war and in the context of return programmes, a significant number of asylum seekers returned home. Today, asylum-seekers and provisionally admitted individuals account for only a minority in the Serb-Montenegrin population in Switzerland (13,408 asylum-related persons in 2003) (see Table 3).

Table 3: Asylum-related* population, 2000-2003.

	1999	2000	2001	2002	2003
Serbia-and-Montenegro	52 462	19 974	16 975	15 251	13 408

*F and N permits.

Source: Swiss Federal Statistical Office, 2004.

After the emergence of the different republics of the Socialist Federal Republic of Yugoslavia, the Serb-Montenegrin citizens represented the largest group of immigrants in Switzerland (see Table 1): in 2004 there were 211,340 citizens from Serbia-and-Montenegro in Switzerland. Thus the majority is supposed to be Kosovo-Albanians.

3 Methodology

In order to answer the questions of this research, a method using both quantitative and qualitative data, with a focus on the quantitative approach, was adopted.

First, a telephone survey of 600 randomly selected Serbian migrants in Switzerland was organised to investigate their behaviour regarding remittances (volume of remittances, types of remittance services used, transfer patterns, receivers of remittances etc.).

Second, focus groups with Serbian migrants in different parts of Switzerland and qualitative interviews with key informants from the banking sector were conducted. This information provided insight into the ways remittances transfers were arranged through the formal channels, and about the obstacles that had to be overcome in order to do this.

This chapter describes the detailed methodological approach and discusses the representativity of the sample.

3.1 The Telephone Survey

3.1.1 Data and Sampling Procedure

The sample was selected from two groups of people. First, the resident population of Serbian origin aged 18 and above holding either a residence or settlement permit,¹ and, second, Serbs who were naturalized in 2004 and 2005.

The sample was drawn from the Central Aliens Register (CAR). The list of all Serb-Montenegrin citizenship holders living in Switzerland (in January 2006), registered in the CAR, was provided by the Federal Office for Migration (FOM). This register records every documented foreign citizen living in Switzerland, with the exception of asylum-seekers, protected persons (F permit) and diplomats. Short-term residents were excluded.

Also included in our sample are the individuals holding dual (Serb-Montenegrin and Swiss) citizenship. Their information was provided by the FOM as well. There are several reasons why naturalized persons should be taken into account in this study. First, the rate of naturalization was highest among the migrants from the Former Republic of Yugoslavia compared to other immigrant groups in

¹ Residence permits are granted for a period of one year, settlement permits are granted for a period of five years.

recent years. They represented one third of all naturalisations in 2003 (Gross 2006). Serbs, more especially those born in Switzerland, have a higher propensity of becoming Swiss as compared with other migrants (Fibbi et al. 2005). Second, naturalized persons are commonly seen as being the most successfully integrated group of Serbs in Switzerland – especially in the fields of education and language. These attributes facilitate assimilation into the labour market and probably play a role on behaviour with regards to remittances. Finally, Swiss citizenship gives the Serbs more freedom and opportunity for travel abroad and therefore also for transnational business. However,. It must be noted, however, that we only had access to the information of those individuals naturalized within the last two years.

The CAR provides the names, surnames and addresses as well as some demographic and migration specific attributes (i.e. age, sex, formal date of entry in Switzerland).

As the subject of our analysis is the Serbian population, we excluded all Serb-Montenegrin citizens with a Kosovo-Albanian name and surname. The number of cases considered consequently decreased from 144,112 to 110,917 (see Table 4).

Among this population a stratified random sample along the types of residence status (residence, settlement permit and naturalized) has been drawn. The type of permit closely depends on the length of stay. The naturalized populations have been over sampled in order to work with sufficient samples. A sample of 7200 individuals was drawn.

Table 4: Sample of Serb population living in Switzerland aged 18 years and more, holding either a residence or settlement permit, or has been naturalized in 2004-05, 2006

	Residence permit (B)		Settlement permit (C)		Naturalized		Total	
	N	in%	N	in%	N	in%	N	in%
Total population of Serb -Montenegrin citizenship (aged 18 and above)	32605	22.6	100531	69.8	10976	7.6	144112	100.0
Total population for sampling (individuals with Albanian names and surnames deleted)	24243	21.9	77998	70.3	8676	7.8	110917	100.0
Sample brutto	2000	27.8	4000	55.6	1200	16.7	7200	100.0
Addresses used	869		2262		716		3847	
Technical break-offs	91		105		21		217	
in % of addresses used	10.5		4.6		2.9		5.6	
Not contacted individuals	12		300		248		560	
Contacted individuals	766		1857		447		3070	
Non Serbs	564		1164		283		2011	
in % of contacted individuals	73.6		62.7		63.3		65.5	
Sample netto	202	19.1	693	65.4	164	15.5	1059	100.0
Final interviews	120	20.0	380	63.3	100	16.7	600	100.0
Break-offs / refusals	82		313		64		459	
in % of Sample netto	40.6		45.2		39.0		43.3	

Source: CAR 2006; Survey 2006.

The data from the 600 respondents was gathered through “Computer assisted telephone interviews”- (CATI) executed by the survey institute IHA Gfk in Hergiswil.

In addition to the technical break-offs (representing 6% of the used addresses²), there was still a significant proportion of contacted individuals that had to be excluded from the survey because they were non-Serb respondents (66% of contacted the individuals) – particularly among short-term migrants³.

The data gathering process also revealed that the non-response rate among the effectively surveyed individuals of Serbian origin (43%) is at the level of the standards observed among foreigners in other socio-economic surveys in Switzerland, for example the Swiss Labour Force Survey (SLFS).

3.1.2 Field Preparation

As mentioned above, data was collected through telephone interviews. Preliminary preparation for these interviews ensured that the study would be acceptable to the Serbs as well as the quality of the questionnaire.

In the first phase, a “feasibility” study was organized. Explorative interviews were conducted with representatives of migrant organisations as well as informal and formal money transfer agents to explore the remittance behaviours of migrants coming from the Balkans (Lerch et al. 2005). These interviews, as well as the literature reviewed on the topic, allowed the drawing up of a well-designed and relevant questionnaire.

To ensure a good acceptance of the survey among potential respondents, information about the existence and objectives of this study have been diffused among the Serbian population in Switzerland: study descriptions have been published in Swiss and European Serbian newspapers and information letters have been sent to the Embassy, to several migrant associations across Switzerland and to selected individuals known for their important role in major networks. It should be mentioned, however, that the respondents were not informed about the main topic of the survey – remittances – in the early stage of the phone conversation in order to limit the self-selection of respondents.

² The proportion of technical break-offs was higher among migrants with short-term residence permit than among long-term permits or naturalized migrants. This can be explained by the difficulties to update addresses in the CAR for this population particularly mobile.

³ Given that the linguistic distinction of Serbian names from those of other ethnic groups in Serbia-and-Montenegro (Kosovo-Albanian, Montenegrin, Roma, etc.) is difficult to assess, a preliminary question was set at the beginning of the questionnaire in order to select only Serb migrants for the interview.

Also, the questionnaire was tested and conducted in the Serbian language in order to facilitate the contact with the respondents and to exclude misunderstandings.

3.1.3 Data Gathering Instrument

The questionnaire was built around **6 main subjects**: migration to Switzerland, household composition and family situation, remittances, main channels used, in-kind remittances, and lastly, other economic relations of Serbian migrants⁴.

Aside from questions related explicitly to economic transnational living⁵ the survey also reported demographic and socio-economic information on the individual’s and household’s living situation in Switzerland.

The survey focused on remittance behaviour during the **last 12 months** (decision process, receivers, amount transferred, choice of the channel).

The interview was not necessarily conducted with the household head, but with a **randomly chosen individual**. This approach was chosen in order to include the responses of women as well as men in the survey. Still, the large majority of the respondents counted among the male or female heads of the household (94%). Moreover, an analysis of the Swiss Population Census 2000 showed that the homogamy in couples of Serbian origin living in Switzerland is rather high, especially regarding the level of education or the residence status. However, the possibility of biased responses due to different knowledge of the households’ remittance behaviour based on the respondent’s sex and age cannot be excluded.

The survey of 600 Serbian migrants living in Switzerland took place between March 6th and April 6th 2006.

3.1.4 Household Definition and Remittance Decision Patterns

We were primary interested in the transnational economic relations of the **household** instead of those of the individual. Remittances sent during the last 12 months were also recorded at the household level.

The rationale of the New Economics of Labour Migration (Massey et al. 1993; Stark 1996) puts the migration decision process in the context of a household strategy. The same can be applied to migrant households’ remittances behavior in the destination country. The household (and not the individual migrant) is

⁴ The country name “Serbia” instead of “Serbia-and-Montenegro” will be used in the following analysis since only Serbian migrants were interviewed and that Montenegro recently gained independence.

⁵ Transnational integration means social and economic relations that link the migrant to the country of origin as well as to the country of destination. See also chap. 4.2

considered to be fundamental in the decision to maintain economic relations with the family or friends in the country of origin. **The members of a household are defined** as individuals sharing their living quarters, assets and consumption. In order to exclude persons whose economic residence is based elsewhere, only those individuals who lived in one household for at least four days a week were considered as household members.

Different household decision patterns have been observed among the surveyed remitters (Table 5)⁶.

Table 5: Patterns of remittances decision process in Serbian remitting households, 2006.

	Sex of the households' respondents				Total	
	Male		Female		in %	N
	in %	N	in %	N	in %	N
Decision patterns in remitting households						
Individual decision for all transfers	23.0	41	19.8	33	21.4	74
Common household decision for all transfers	73.1	130	73.1	122	73.1	252
Common or individual decision for at least one transfer	1.1	2	0.6	1	0.9	3
No participation at all for any transfer	2.8	5	6.6	11	4.6	16
Total	100.0	178	100.0	167	100.0	345

Source: Survey 2006.

This theoretical approach was confirmed by the data: sending money to the country of origin is in most cases a common decision of the members of the same household: 75% of all remitting households decided in common about every transfer made in the last 12 months, and a significant number of those who made the same decision alone live in a single household. Only in 5% of the remitting households (i.e. 16 households) the respondents indicated that they never participated at any remittances decision. It should be mentioned that the differences between male and female respondents in this regard are not statistically significant (7% of females against 3% of males). These respondents were consequently either considered as non-remitters (for the analysis of individual determinants of whether they remit or not) or excluded from the sample.

⁶ For every remittance transfer made by the household, the questionnaire asked who decided to send it.

Based on these observations, the conclusion can be drawn that **the remittance decision is a result of individual as well as household characteristics and that both levels interact in the decision-making process. The survey therefore not only asks individuals about their individual remittance behaviour but rather, about their household's remittance behaviour.** Even if respondents who only participated in the decision-making process are considered, this methodological choice cannot exclude response biases. Indeed, knowledge as well as perceptions as regards household remittance behaviour may differ according to the respondent's knowledge about the household finances, the respondent's sex or age.

3.1.5 Descriptive versus Analytical Approach

The analysis of the survey data follows two methodological approaches. In the **descriptive parts** the profile of the Serbian migrants (and their households) who remit, send high amounts and use formal channels are presented and systematically compared to their non-remitting, low-amount-sending and informal-channel-using counterparts. Confidence intervals of commented percentages have been computed. Except where mentioned, only statistically significant differences⁷ at the .05 level are discussed.

In the **analytical parts** of this study, statistical models were used to **identify the main determinants of the remittance behaviour** (the decision to send money, to send high amounts and to use formal channels). Logistic regressions were applied, in order to identify the independent impact of different migrants' or households' characteristics (introduced as qualitative independent variables in the model) on the probability to realize an event (i.e. to send money to Serbia – a binary variable “yes” or “no”).

The model computes **odds ratios illustrating the impact of a given explaining variable on the probability that one event occurs.** The odds ratios represent a value of this impact – **after the control of the possible influence of the remaining variables included in the model.**

The “Odds” ratios are defined as the odd of the event occurring divided by the odd of the event not occurring. These “odds” are calculated for different groups of population according to their characteristics, which are introduced in the model in the form of discrete variables.

⁷ Confidence intervals have been computed for percentages representing an effective of lesser than 30 individuals. A result (i.e. difference of percentage of low skilled migrants among remitters compared to non-remitters) is considered significant if the lower or upper bonds of its confidence interval is higher or respectively lower than the reference value (i.e. percentage of low skilled migrants among non-remitters).

The results can be interpreted as follows: the higher / lower the odds ratio for a given attribute (i.e. of sex “male”), the higher / lower is the probability for the individual characterized by this specific attribute to realize an event compared to individuals in the group of reference (i.e. of sex “female”) – if all other variables are controlled. This means that between men and women with the same educational level, the same income, the same age, men are more likely to send remittances than women. The logistic regression model also allows a hierarchy of explaining factors of the remittances behaviour. The higher the differences of the odds ratios according to an attribute introduced in the model (i.e. sex: men or women), the stronger is the impact of that variable on the probability that the event occurs.

3.1.6 Profile of the Surveyed Population

The description of the main characteristics follows, whereas a complete analysis of the profile is done in Annex 3.

One out of two Serbs is established in Switzerland since 1991 and 15% of the respondents live in the country since 2000. There is a higher number of women than men among recent migrants, which illustrates the “feminisation” of recent migration flow (Table 6).

As regards the age of the respondents, it can be observed that they are young, as half of them are under 40 years of age, and retired migrants are almost absent (2%). Many of the respondents, however, were in an advanced stage of the family life cycle (with children becoming adult) and in an older active age. Indeed, the majority of respondents live in family households (74%). Residence permit holders – mostly recent immigrants – and recently naturalized migrants are younger than settlement permit holders.

Women are generally more numerous in the sample than men. The sex-ratio⁸ differs however according to the age of respondents, which can be explained by the “feminisation” of the recent migration flow as well as a possible self selection of female respondents: whereas in the younger age groups until 44 years female migrants are over-represented (67 men for 100 women), the older ones count proportionally more men (sex ratio of 113).

Most of the respondents have completed at least a secondary diploma (71%), but tertiary degree holders are a minority (15%). Women are less skilled, as only a third hold a primary diploma against 23% among men. But, the largest proportion of low skilled Serbs is observed among migrants aged 45 and above (39%).

⁸ i.e. the number of males for 100 females in a given population.

Table 6: Main socio-demographic characteristics of the survey population, 2006

		Male	Female	Total
Sex	Male			46.3
	Female			53.7
	Total			100.0
Age	18-34 years	31.7	40.1	36.2
	35-44 years	25.9	29.2	27.7
	45+ years	42.4	30.7	36.2
	Total	100.0	100.0	100.0
Sex ratio	18-29 years		66.7	
	30-39 years		64.0	
	40-49 years		114.3	
	50+ years		112.7	
	All		86.3	
Length of stay	0-4 years	5.4	13.7	9.8
	5-9 years	12.2	13.4	12.8
	10-14 years	27.0	26.7	26.8
	15-19 years	31.3	23.0	26.8
	20-24 years	11.2	12.7	12.0
	25+ years	12.9	10.6	11.7
	Total	100.0	100.0	100.0
Level of education	None or primary	23.0	33.7	28.7
	Secondary	62.2	50.5	55.9
	Tertiary	14.8	15.9	15.4
	Total	100.0	100.0	100.0
Economic status	Active occupied	78.4	75.4	76.8
	Unemployed	5.8	8.7	7.3
	Inactive	15.8	15.9	15.9
	Total	100.0	100.0	100.0
Household type	Single			5.7
	Couple without children			20.7
	Couple with children			70.0
	Monoparental			3.7
	Total			100.0

Source: Survey 2006.

Labour market integration is high, too. While 84% of the respondents are economically active, only 9% of them are unemployed. Moreover, sex differences are not significant.

3.1.7 Representativity of the Surveyed Population

The aim of the sampling procedure was to apply the results of the survey to the entire Serbian population. But Swiss statistics are based on the individual's nationality and no information is available regarding the ethnic origin.

Therefore, a pre-sampling procedure was applied in order to identify the Serbs among the Serb-Montenegrin citizens: the onomastic method⁹. A list of 1744 Albanian names and 1090 Albanian surnames provided by a German survey institute has been compared to the names and surnames of the total Serb-Montenegrins registered in the CAR¹⁰. All individuals with Albanian names *and* surnames were excluded from the sampling procedure.

This methodology did not show the expected result. It became apparent during the data collection process that it is difficult to transfer instruments for the onomastic analysis of names and surnames from one context to the other (i.e. from Germany to Switzerland). Still two third of the contacted respondents were non-Serbs. Given that the total Serbian population could not be identified among the Serb-Montenegrin citizens in the CAR, **the results of the survey cannot be applied to the total population either.**

The following paragraphs discuss the representativity of the survey sample by comparing it to the population of Serbian origin identified in the Swiss Population Census 2000 (for a full analysis, see Annex 3).

On the basis of this analysis, it can be assessed that the 600 Serbs surveyed in 2006 show a socio-demographic structure that is very similar to the one censused in 2000 – especially as regards age and sex structure as well as household composition and geographical localisation.

The main differences might be imputed to the 6 years distance between the time of the Census and the time of the survey. The differences also partly reflect the trend of the migration flows. As expected, the female overrepresentation is slightly more pronounced in the survey population as compared with the Census data. Then, young adults as well as older adults in the late working age are overrepresented in the survey, too. The recent immigration of young Serbs and the ageing of the ones censused in 2000 might explain these differences.

Furthermore, some biases have been detected. The over sampling of the naturalized population in the survey sample has consequences on the overall socio-economic profile of the surveyed population, as the naturalized persons tend to be better educated and better integrated. Indeed, the surveyed population shows a higher level of education than the censused one. We know that recent migration predominantly involved skilled and highly skilled migrants; however, some indices point out a self-selection of the respondent of the survey: the

⁹ Onomastics (or onomatology) is the study of proper names of all kinds and the origins of names.

¹⁰ Kosovo-Albanians are generally supposed to be the major part of Serb-Montenegrin citizens living in Switzerland (Efionayi et al. 2005; Piguet 2005).

better-educated and bread-winning individuals (especially among the women) tended to participate more frequently in the survey. Such characteristics must be taken into account when interpreting of economic transnational relationships. In particular, the generalisation of the results of the survey to the entire Serbian population of Switzerland has to be made carefully. Finally, the described difficulties in identifying the Serbian population in the Swiss statistics as a point of reference undoubtedly have consequences for the representativity of the survey.

3.2 Focus Group Discussions and Key Informant Interviews

To add a qualitative dimension and to allow for a better interpretation of the survey, some focus groups were organized.

The objective of the **focus group discussions**¹¹ was to gain in-depth insights in the remittance behaviour among the Serbs. They focused on the **underlying reasons** for the patterns identified in the survey. The data gathering during the focus groups and the interviews explained the survey results and also suggested how the development potential as regards remittances could be increased.

The participants in the focus groups were defined as follows: they had to be a member of an association of Serbian migrants or had to be a so-called “ethnic business owner”. Furthermore, we looked for informal remittance transfer companies and individuals as well as for members of the second generation (young adults who grew up in Switzerland).

Four focus groups were conducted; the profile of the participants is presented in Table 7.

Table 7: Participants in the focus group discussions

Focus group discussion 1 (Dübendorf, Zurich, March 16, 2006)		
President of a Serbian migrant organisation	First generation	Male
Member of a Serbian migrant organisation, Translator	First generation	Female
Member of a Serbian migrant organisation	First generation	Male
Former president of a Serbian migrant organisation	First generation	Male
Former president of a Serbian migrant organisation	First generation	Male
Member of a Serbian migrant organisation	2 nd generation	Female

¹¹ For details about the method used, see (Powell and Single 1996).

Focus group discussion 2 (Dübendorf, Zurich, March 30, 2006)

Owner of a restaurant and a discotheque in Zurich	First generation	Male
Director of a Serbian translating office and Cooperation with Serbian enterprises	First generation	Female
Owner of a telephone company	2 nd generation	Male
Owner of a business and culture exchange centre, manager of an import and export enterprise	First generation	Female
Owner of a credit institute (for enterprises)	First generation	Male
Owner of a travel agency and transport office	First generation	Male
Owner of a travel agency and credit institute	First generation	Male
Owner of a micro credit institute	First generation	Male

Focus group discussion 3 (Gossau, Mai 8, 2006)

President of a Serbian migrant organisation	First generation	Male
Member of a Serbian migrant organisation	First generation	Male
Owner of a business in Serbia (agricultural enterprise)	First generation	Male
Owner of a consulting and translation office in Switzerland	First generation	Male

Focus group discussion 4 (Lausanne, Mai 10, 2006)

Former Bus driver	First generation	Male
Honorary representative of the Ministry for Diaspora (Republic of Serbia) in Switzerland, republic of Serbia, Ministry for Diaspora, Republic of Serbia (observatory)	First generation	Male
	Lives in Serbia	Female

In order to prepare the group discussions, the participants received general information about the study and about the Serbs living in Switzerland. The main questions we discussed during the focus groups have also been included in this paper (see Annex 2: Input paper for focus group participants (German version).

The focus groups were conducted in German (or French).

Furthermore, two **interviews with key informants** were conducted: the key informants were both employees of formal remittance companies, one of the Post-bank and one of Western Union.

4 Remittances: A Survey of the International Literature

The subject of remittances has received a lot of attention lately not only in international organizations but also in universities and scientific publications. However, looking just a few years back, one realizes that the topic is not a new one, but has been on political and scientific agendas since the 1960s. The subject was generally found in discussions about the so-called migration-development-nexus. The development potential of migration with regard to its (economic) impact in the country of origin has been a matter of some controversy, as shown by the studies done by the exponents of the modernization theory and the supporters of the dependency theory (Appleyard 1992; Fischer et al. 1997). Likewise, the topic of remittances is an ongoing subject of debate.

On the one hand, the theoretical and political debates emphasize that migrants' remittances increase a family's income and help defray the cost of education and healthcare. They not only contribute to alleviating poverty, but also help improve human or health capital. Furthermore, there is empirical evidence that households receiving remittances from migrant relatives are more likely to invest their money. Most studies showed, however, that the money is principally spent on consumption, land, prestige objects and luxury goods. A study done in Mexico shows that the economic impact of these "non productive" spending patterns may spread on the whole regional economy thanks to their multiplier effects (Taylor 1999).

A more critical debate concerns the long-term effects of remittances. Indeed, they can lead to the dependence of national economies on foreign incomes, which may have negative effects in terms of inflation. Excessive importation of foreign goods may also hinder endogenous development (Glytsos 2002). Thus, migration may stimulate even more migration, which becomes necessary to sustain the new living standards (Gedeshi 2002). Furthermore, remittances may deepen inequality both at an inter-family level as well as at an inter-regional level. The remittances' effect on inequality depends however on the socio-economic profile of the receiving households in the country (Adams 1991; Jones 1998): if remittances-receiving households or regions are the wealthiest members in a given economy, inequality may increase; in the adverse case remittances could equalize income distribution.

The effects of remittances might be much more complex, however. They are not only determined by macroeconomic and political factors, but also by cultural factors and microeconomic processes.

For purposes of brevity, this overview cannot take all the aspects of this debate into account, but will focus on one of them. A broad picture of the major factors

explaining the remittance behaviour of migrants has been discussed in the international literature. It must be mentioned, however, that the international literature about remittances almost exclusively concerns working migrants. Studies about the remittance behaviour of refugees and dislocated people are rare if not inexistent.

The international literature about remittances can be split into two groups of analysis: the study of macroeconomic determinants and the one of microeconomic factors. Even if the present study focuses on microeconomic determinants – predominantly on the sender’s side, it is interesting to illustrate the influences of macroeconomic variables as an overall framework in which the household decisions under study are taken.

4.1 Macroeconomic and Political Determinants

The number of migrants is evidently one of the determinants of remittances flows (World Bank 2006): the higher the stock of migrants in a given destination country, the higher the outflow of remittances will be. But, a progressively restrictive migration policy in the destination countries does not necessarily mean a decrease in remittances, as the returnees take their savings with them and family migration cannot be restricted (Keely and Tran 1989). Undocumented migration may consequently increase, too. Given that these migrants are supposed to have the highest tendency to remitting (see below), remittances may increase even more.

Employment opportunities in the country of destination also have an impact on remittances, given that they influence wages and, indirectly, the available pool for remittances (World Bank 2006).

Political and economic development in the country of origin are also important determinants of remittances: “political changes that affect the composition of the emigrant pool and the process of self-selection within an emigrant pool are likely to have large effects on remittances” (Funkhouser 1995: 145). Moreover, the theory suggests that migration flows increase as a result of a raise in the income levels of a given emigration country up to a peak (the so called “migration hump”), after which the incentive to migrate tends to decrease (Martin and Taylor 1996). The composition of migration flows is supposed to change over time, too. In an early phase of income growth it would be primarily the poorer part of the population who moves, as the additional income makes possible for them to migrate. Later on and after this “survival” migration, the flows are supposed to become increasingly composed of “opportunity seeking” migrants. This evolution of the emigration flows are associated with different remittance patterns affecting not only the overall flow of remittances to a given community but also their impact (Skeldon 1990). Evidence shows that

remittances are quite stable or even contra-cyclical to economic and political problems in the country of origin, however (Ratha 2005).

In the specific context of transition countries, econometric analyses confirm that the remittances were positively affected by former remittance flows, unemployment rate and a low performing banking sector in the country of origin. Whereas the flows additionally increase in times of war, growing income levels and increasing degrees of political integration of the real economy tend to affect negatively remittances transfers (Jovicic and Dragutinovic Mitrovic 2006; Schrooten 2005).

However, an analysis of the Serbian context shows – in comparison to other countries – that remittances are pro-cyclical. They tend to increase with wage increases and tend to slow down in times of higher unemployment in Serbia. One explanation might be that more remittances are sent in periods of relative prosperity. The other rationale, however, would suggest that remittances cause this higher prosperity (Jovicic and Dragutinovic Mitrovic 2006).

4.2 Individual and Household Determinants

Migrants constitute a select group of the population (and even of potential migrants) of a given country of origin. Indeed, the successful realisation of the migration project needs – additionally to the firm intention – certain resources that not every individual has. International studies show that often it is not the most poor who undertake an international migration (Straubhaar and Dhima 1993). In the same way, a selection process of remitters among the migrant population in the country of destination can also be observed. The pattern of who is remitting to whom, how often and how much, is influenced by various range of determinant factors. These factors on the micro or meso level are considered as more important for the decision to remit, the volume and the use of the remittances than factors on macro level (Russel 1986).

The articulations of different determinant factors on the remittances behaviour of migrants – which will be presented in the following paragraphs – have been highlighted in different case studies **focusing on the sender’s side of given remittances chains**. It is important to remember that generalizations are difficult to assess and that contradicting results exist: the context of destination¹² and sending countries differs from one study to the other as well as the

¹² Most studies were undertaken in the US context; but some findings are also available for Europe (Clark and Drinkwater 2001; Gedeshi 2002; Gedeshi et al. 2003; Lerch and Wanner 2006) and especially for the Asian region (Cai 2003; Semyonov and Gorodzeisky 2005).

characteristics of the different migrant populations¹³ studied. The following section illustrates a non-exhaustive picture of observed trends more than general laws.

Settlement Patterns

Studies showed that the tendency to settle in the destination country is related to a decline of remittances: this means that the longer the migrants are living in a given immigration country and the older they get, the less often and the less money they remit. Empirical findings suggest an inverted U-shape curve between length of stay and the likelihood of remitting as well as the amount remitted: the ability to send remittances increases with the number of years of residence until a peak, after which it decreases again (Cai 2003; DeSipio 2000; Funkhouser 1995; Lozano-Ascencio 2004; Rodriguez 1996; Russel 1986). Indeed, at the beginning of the migration project a certain period of time is necessary to adapt to the new place of residence until a stable economic situation has been achieved (i.e. a better integration in the labour market) which allows to remit. It is also supposed that the link with the country of origin as well as the necessity to support close family members is decreasing with the number of years abroad (Rodriguez 1996) and negatively influences the probability of remittances as well as the volume remitted. But, in contexts where the length of stay had a positive impact on remitting or no impact at all, combined effects of increasing professional experience and qualitative differences between immigration cohorts (i.e. in term human capital; see below) – which may increase wages – are mentioned as possible counter forces to the remittances-decreasing effect of the length of stay (Clark and Drinkwater 2001; Durand et al. 1996). Finally, some findings show that the second generation (born in the destination country) is the least likely to send remittances abroad and transfers generally less money (Clark and Drinkwater 2001).

Even if the residence status of migrants in the country of origin might partly depend on the length of their stay as well as on their socio-economic status, research has shown other significant influences on remittance behaviour. Illegal and temporary migrants tend to be more likely to send (important amounts of) remittances home because of their expected return and because their family

¹³ Most studies on migration are devoted to Latin American migration. In this regard, it is also worth mentioning that the data gathering sites differ: some studies surveyed migrants in the country of origin, some others in the country of destination. Whereas the former type of surveys tend to overestimate remittances because of a positive selection of respondents (migrants returning regularly home), the latter tend to better assess the remittances behaviour in considering all the migrants living in the destination country, whatever their link to the country of origin.

might live in the country of origin (Cai 2003; Durand et al. 1996; Gedeshi 2002; Rodriguez 1996; World Bank 2006). Qualitative studies undertaken in the Swiss context seem to confirm these observations (Achermann and Chimienti 2006; Dahinden and Stants 2006 [forthcoming])

Acquisition of the destination's country citizenship may decrease or increase the remittances inclination (DeSipio 2000; Lozano-Ascencio 2004), as it may indicate a permanent establishment of the migrant, but probably also increases his employment possibilities as well as wages.

Sex, Age and Family Life Cycle

Demographic characteristics such as sex (as well as gender representations) and age are considered as important determinants influencing remittance behaviour. Men are generally more likely to send remittances than women. This is often explained by predominant gender representation which attributes the financial support of (older) family members to men (Gedeshi et al. 2003; Pessar and Mahler 2003). Another explanation of the different likelihood of remitting for women, however, could be attributed to gendered labour markets, which have the effect of earning discriminations. In this logic women are less remitting because they have fewer economic resources (Semyonov and Gorodzeisky 2005). Another explanation might be that gender differences regarding settlement patterns in the destination country have an impact on remittances behaviour (Ramirez et al. 2005): given that women often migrate in order to join family members, they are expected to have greater tendency to settle in the destination country which might lower the likelihood to remit. However, with an increasing demand for female work in different parts of the labour market, economic restructuring towards a "hourglass economy", and the post-communist economic transformation, increasing numbers of women are migrating on their own, either on a short-term or permanent basis. (Hochschild 2002; Kofman 1999; Morokvasic 2003; Sassen 1991, 2003). Besides, women have not been seen as active economic subjects within migration studies but as dependent family members. This is one of the reasons why there is still a lack of information with regards to the gendered aspects of remittance behaviour.

The relationship of remittance behaviour and the age of the migrants is supposed to follow a similar trend to the one with the length of stay (Mejivar et al. 1998; Rodriguez 1996). Age often increases income and therefore also the available pool for remittances. But, on the other hand, the settlement inclination is supposed to grow as the migrant grows older, rendering at the same time remittances transfers lower (DeSipio 2000).

Probably one of the most determinant effects of age has to do with the migrant's particular stage in the family life cycle. Migrants with dependent children in the household and consequently higher living expenses in the destination country, and migrants who live alone and who are responsible for their own living

expenses are less likely to remit (Clark and Drinkwater 2001; DeSipio 2000; Gedeshi et al. 2003; Mejivar et al. 1998). But the effect of the family life cycle is reversed in situations where dependent (nuclear) family members still live in the country of origin (Clark and Drinkwater 2001; DeSipio 2000; Funkhouser 1995; Gedeshi et al. 2003; Rodriguez 1996; Russel 1986). Obviously, these dislocated transnational families have the greatest likelihood of sending remittances and send higher amounts, given that the migrant ensures their livelihood from abroad. Generally speaking, the closeness of kinship between the migrant and individuals in the country of origin has a positive impact on remittance behaviour. This might be true for women as well as for men.

Human Capital, Labour Market Integration and Financial Resources, Transnationalism

Human capital is considered as an indication of social and economic status of the migrant (and his family) in the country of origin prior to his emigration and often goes along with specific migration motives: better educated migrants are supposed to have been less motivated by poverty, but rather by professional incentives or aspirations to go abroad. Their family is therefore supposed to be less in need of remittances. Most studies confirm the lower likelihood of remitting on the part of skilled migrants as compared to non skilled or less skilled ones (DeSipio 2000; Durand et al. 1996; Funkhouser 1995; Marcelli and Lowel 2005; Sana 2005). But, in cases where highly skilled migrants remit, the amount is generally higher because they often earn more than lower skilled migrants.

The status on the labour market is important too. Working migrants tend to send more remittances than inactive or unemployed ones and the likelihood as well as the amount remitted increases with the related income (Cai 2003; DeSipio 2000; Durand et al. 1996; Funkhouser 1995; Lozano-Ascencio 2004). But the framework of the New Economics of Labour Migration (Stark 1996) – which suggests that migration decision processes of individuals be embedded in the context of a common household strategy - can be applied to the remittances decision. That would imply that financial resources of the household rather than of the remitting individual are determinant. The few studies that take into account that dimension show that households in the lower income strata are less likely to remit than the ones in better-off strata (Lozano-Ascencio 2004).

More recently researchers have attempted to explain remittance transfers in the broader framework of *transnationalism* (Guarnizo 2003; Portes et al. 1999; Vertovec 1999). One can distinguish between social and economic transnational living – even if they often complement each other. Both of them might determine the relationship of the migrant with the country of origin as well as with the country of destination. The idea underlying the transnational perspective is that emigration is not a break with the country of origin, but that

migrants maintain their relations with the countries of origin. Social relations are not bound to fixed places and migration decisions are not separated from processes of adaptation to a new environment. During the migration process it is possible that new interdependencies are built up. Remittances can be seen as one element of an economic *transnationalism*. Transnational businesses – travel agencies, remittance carriers, and telephone companies – are other important elements of transnational economic living.

Through these transnational relations the relationship of the migrants to their countries of origin is maintained and the mobility of the members of the transnational community certainly facilitates (informal) remittance transfers (Faist 1999).

5 Economic Transnational Practices of Serbian Migrants in Switzerland: An overview

Before discussing the main aspects of the Serbs' remittance behaviour, it might be useful to give a general overview of some of the main features of the transnational economic relations of the Serbs living in Switzerland.

Even if such a typology is simplistic, one can distinguish three features of these economic relations with Serbia:

- Transfers intended directly to households in Serbia (interpersonal transfers);
- Holding of assets or economic activities of Serbian migrants in their country of origin;
- And general financial support in Serbia.

5.1 Household Transfers

Interpersonal transfers are frequent among the respondents' households and highlight the close relation between the Serbian migrants and their family of origin (Figure 1): 31% of respondents' households sent only money, 29% sent money and goods, and 14% sent only goods during the last 12 months. A quarter of all households had not carried out any interpersonal transfer during the reference period.

The 60% of the respondents who remitted transferred the amount of CHF 4 364.- during the 12 months preceding the survey. However the median¹⁴ amount is only CHF 3 000.-. The comparison of the two amounts suggests important extreme values in the higher strata of the distribution.

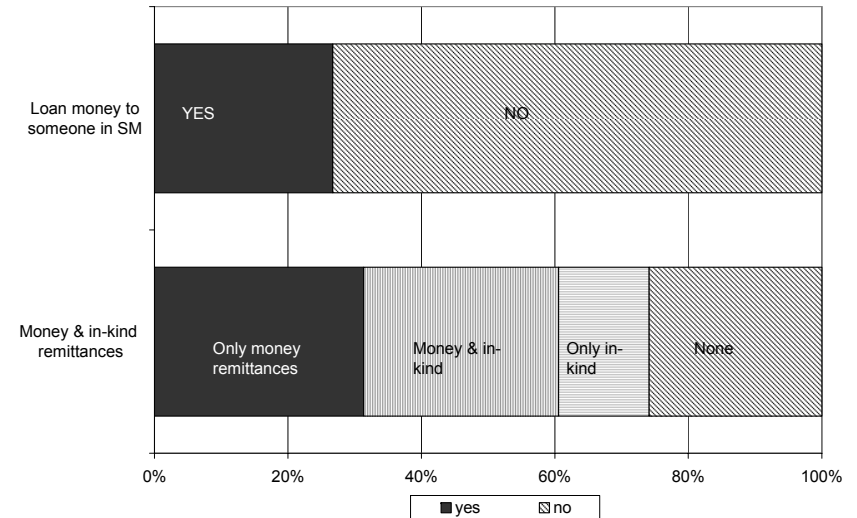
Most households who sent in-kind remittances transferred consumption goods (70%) and household equipments (20%). Other more productive goods are rarely sent to Serbia.

Aside from these remittances, over a fourth of the respondents indicated that their household loaned money to some family members or friends in Serbia.

¹⁴ The median is the middle value in a distribution (i.e. transfer amounts), above and below which lie an equal number of values. In contrary to the mean, the median is not influenced by extreme values.

The receivers of pecuniary remittances were mainly members of the close family (parents, grand-parents and siblings) as well as members of the nuclear family still living in Serbia (see chap. 8.2).

Figure 1: Economic transfers to households in Serbia, 2006



Source: Survey 2006.

The enormous significance of this kind of transnational economic relations was reinforced by the focus groups. The following quote illustrates their all-embracing importance:

"I think everybody is sending remittances, all our people, particularly the older generation. We have two households, one here, an apartment with everything, and a second one in Ranovac" (2nd focus group).

5.2 Real Estates and Economic Activities of Serbian Migrants in their Country of Origin

In addition to these forms of interpersonal transfers, the ownership of assets in Serbia is very frequent among Serbian migrants, too (Figure 2): three quarter of the respondent households own a house or apartment, and over half own land in their country of origin (the majority have both). Again, the respondents without real estate or land in Serbia are the minority (22%). About 31% of the respondents also mentioned that they would like to invest their money in housing or land – either by acquiring a new property, building a house, or improving their existing house.

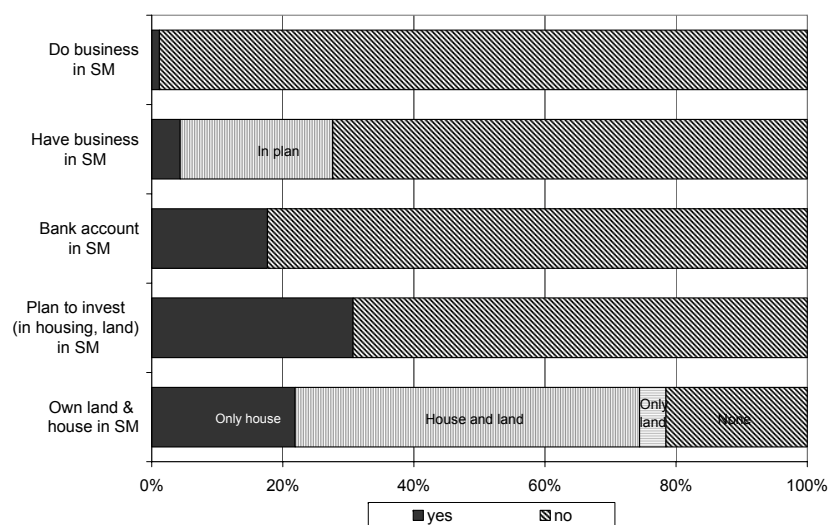
The participants in the focus group discussions underlined the fact that Serb migrants often bought houses and land. Some even voiced their concern that investing in real estate was often the only option they had of investing the money earned in Switzerland. This attitude is clear in the following quote:

“Millions have been invested in houses. Back there [in Serbia] were mainly poor people who emigrated. For years they dreamed about building a house and buying a car. And the first thing they did was to build a house. They did not invest their money otherwise” (First focus group).

Sometimes to buy a house and a car was even the main motivation for emigration:

“I came to Switzerland with a vision. I told myself that I will live in Switzerland for 5 or 6 years, which would allow me to buy a good car and a good house in Serbia”(First focus group).

Figure 2: Real estate, land and economic activities of Serbian migrants in Serbia, 2006



Source: Survey 2006.

On the other hand, not everyone was involved in economic activities in Serbia. While 18% of respondents' households have assets in a local bank, economic activity in Serbia is very rare (4%). But a significant part of the respondents indicated that they plan to open a business in their country of origin (23%). The realization of this plan can be questioned, however, as “entrepreneurship and self-employment are regarded as only marginally important” in Serbia (World Bank 2003: 80). The private sector – which is considered to be the main source

of economic growth in the region – is still in its beginning stage. Indeed, even if Serbia-and-Montenegro managed successfully to privatize businesses in the early stage of the transition period, they are now – together with Moldova and Bosnia-and-Herzegovina – far behind all the other South-Eastern European countries (SEE) in this regard: in 2003, only 8 small and medium size enterprises per 1 000 in-habitants were officially counted, the private sector made up only 40% of the country's GDP (against a SEE average of 58%; (Falcetti et al. 2003) and the non-agricultural self-employed income only represented 2% of total earnings (World Bank 2003).

The underlying reasons for low economic involvement in Serbia were also discussed in the focus groups. The principal reasons mentioned are the following:

The post-war situation and the economic transition were mentioned by different participants as an obstacle for investments in Serbia. The bad economic situation in Serbia – compared to other South-Eastern Europe countries – does not encourage investments as the risks are seen as being too high.

A second and more frequently mentioned factor that is seen as impeding economic involvement by Serb migrants in their country of origin is that democratic processes are unaccomplished and that corruption, criminality and clientelism¹⁵ are frequent. A few of the participants indicated that the situation was slowly getting better, however. One participant who owns a small business in Serbia told us:

“I founded a small business in Serbia in the agricultural sector in 1994. This business is still running. Until 2000 I had problems, but slowly it is getting better. On the basis of my experience I think that anybody could invest. Especially because some democratic processes have been taking place in Serbia. Democratic development encourages businesses” (Third focus group).

Lack of trust in the government was another argument, which was brought up.

“The reasons are the bad experiences with the former governments, but also with the first democratic governments” (Fourth focus group).

Some participants said that they knew Serbs who lost their money shortly after having invested it.

“People go there [to Serbia] with 100'000 and then lose it all within a short time. That's what we see every day on TV and in the newspapers. Therefore we have no trust in Serbia” (Third focus group).

¹⁵ Clientelism refers to the structuring of political power through networks of informal dyadic relations that link individuals of unequal power in relationships of exchange.

Others mentioned that old ways (i.e. socialist) of thinking were still widespread and that there was “no culture of small businesses in former Yugoslavia” (Second focus group). In this line of thought, the absence of human capital and know-how about how to run a business were also mentioned. According to one participant, the fact that Serbs only invest in houses and cars indicates their inexperience and lack of knowledge about how to manage a business.

Finally, some participants mentioned that they had no money to invest, as all of it went towards guaranteeing the survival of family members in Serbia.

“If poor people are sending money, you cannot expect economic development of any kind. Because they send money to their families for survival” (Second focus group).

5.3 Characteristics of Potential Investors in Serbia

It has already been shown that the business activities of Serbian migrants in their country of origin are a rare practice. This chapter discusses the profile of the households that plan to invest their money in Serbia in the future. Indeed, more than a quarter of the respondents wish to open a business in Serbia and almost a third intends to invest in land or housing¹⁶ (Table 8).

Table 8 : Plans to invest in housing or land, 2006.

Plan to open a business	Plan to invest in housing or land			N
	yes	no	Total	
yes	68.6	31.4	26.2	118
no	18.3	81.7	73.8	333
Total	31.5	68.5	100	451
N	142	309	451	

Source: Survey 2006.

The focus of this section will be on those households that are inclined to invest in business activities. It is important to keep in mind that the majority (69%) of them also wish to invest in housing or land¹⁷. The profile of these two groups of potential investors is very similar.

First of all, it should be highlighted that potential business investors live as long in Switzerland as those migrants, who are not interested in investing in their country of origin. But naturalized migrants are underrepresented among these potential investors (12% in comparison with 19% among non investors). Double

citizenship is not necessarily a prerequisite for easier transnational business, since it might more be associated with a project of live in Switzerland. Or, put in different words, an enhanced integration in Switzerland might have the effect of a lower degree of integration in the country of origin.

It is also interesting to note that potential investors show a quite similar demographic and socioeconomic profile to the non investors: they have the same skill level, more or less the same sex ratio and are only slightly (but not significantly) better integrated in the Swiss labour market.

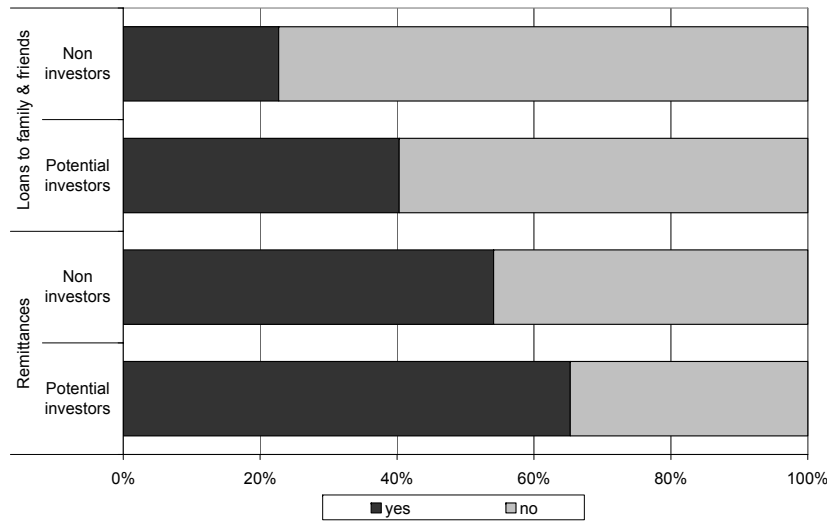
But potential business investors are younger than the respondents who do not want to open a business in Serbia (43% of the former are less than 35 years old in comparison to a third among the latter). Additionally, they count proportionally more better off households as 45% of them have a monthly equivalent household income of more than CHF 3 600.-, among the non investors this number is less than a third.

The most distinctive feature of the “would-like-investors” is however their important (economic) transnational relations with their country of origin. Indeed, they tend more to send remittances to Serbia (Figure 3) – especially the young ones: while almost two third of young potential investors send money to someone in Serbia, remitters represent only 40% among their young non investor counterparts. Evidence also shows that the potential investors send more money to Serbia than the non-investors, even if this result is statistically not significant. Furthermore, the potential investors who remit represent the economically best off group (more than half of them have an equivalent household income higher than CHF 3600.-). Potential investors additionally more often loan money to family members or friends in Serbia than non-investors (44% against 23%; Figure 3).

¹⁶ Among these “would-be-investors”, some already own a business (10 households), land or a house.

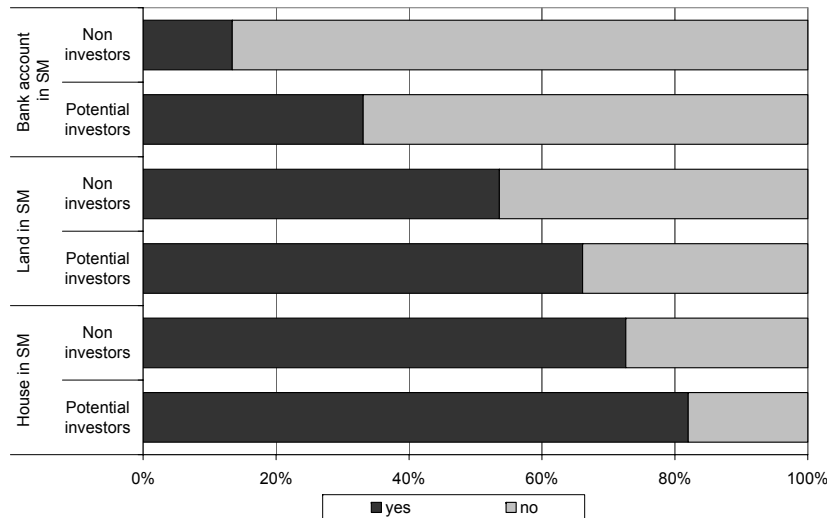
¹⁷ The Pearson's correlation coefficient is indeed high : $R^2 = .48***$

Figure 3: Remittances and loan practices of potential investors and non-investors, 2006.



Source: Survey 2006.

Figure 4: Land, housing ownership and bank accounts of potential investors and non-investors, 2006.



Source: Survey 2006.

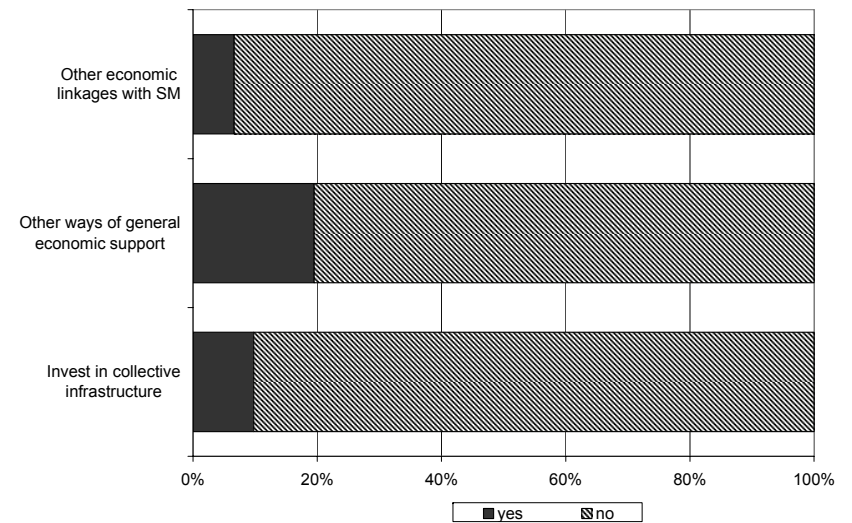
Other economic relations with the country of origin are maintained by potential investors (Figure 4). A third of them hold a bank account in Serbia against only 13% among non-investors. They also more often own land (66%) or a house (82%) than non-investors (respectively 54% and 73%).

Additionally to their economic presence in Serbia, potential investors are physically more present in the country of origin, representing therefore an important potential for transnational development: 45% of them went to Serbia at least 6 times in the last three years against only 31% among non investors. This observation goes along – at least for a fifth of them – with family obligations, since parts of their nuclear family still live in Serbia.

5.4 General Financial Support in Serbia

According to the survey, 10% of the respondents support the country more generally through the financing of collective infrastructure project, as 19% support other general economic activities or entertain other forms of economic relation with Serbia (Figure 5).

Figure 5: Other ways of economic transnational activities of Serbian migrants, 2006.



Source: Survey 2006.

5.5 Synthesis

Economic transnational relations of Serbian migrants in Switzerland with their country of origin are a widespread practice. Three quarters of Serbian households have send either money or goods or both to Serbia within the last 12 months. The households concerned remit in median terms CHF 3000.-, mostly to remaining family members. Households who send goods mostly send consumption goods or household equipment and only rarely production goods. It concerns however mostly interpersonal transfers or holding of assets and only rarely economic activity as investments and production.

Furthermore, almost four out of five surveyed households own a house (or an apartment), land or both in Serbia. Economic activities in the sense of a business are however rare among Serbian migrants even if a significant proportion indicated that they plan to start one.

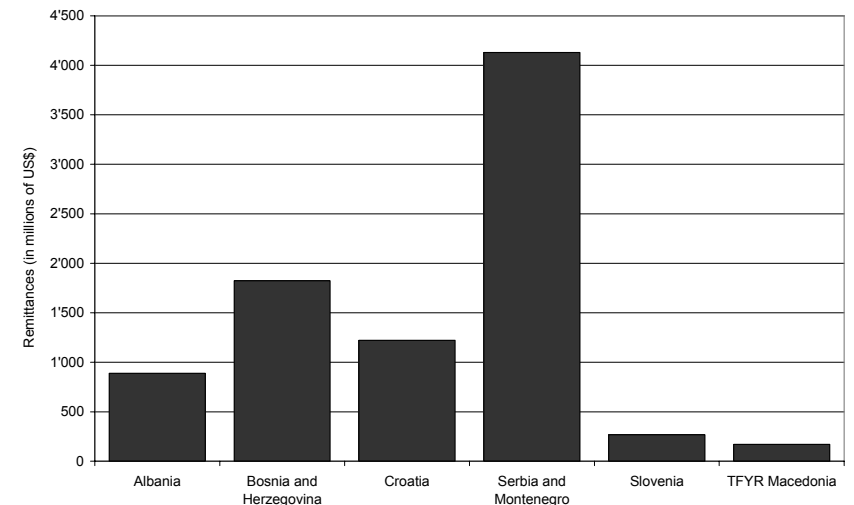
The profile of these potential investors show however interesting features in a developmental perspective: they are not only young households with high financial means but they are also very well connected with Serbia through different kind of economic and social transnational relations (among them remittances). Their potential influence on development in Serbia might therefore be important.

6 Estimation of Flows of Remittances from Switzerland to Serbia

An Overview of Serbia-and-Montenegro Remittances

Serbia-and-Montenegro ranks under the top ten remittances receiving transition countries (Schrooten 2005) and is the major recipient among the countries of the Former Republic of Yugoslavia with 4 129 millions US dollars (Figure 6).

Figure 6: Remittances (in millions of US\$) for the countries of the Former Republic of Yugoslavia, 2005.



Source: www.unpopulation.org.

Indeed, remittances growth in 2001-2004 was more than 100%¹⁸ and they contribute to the national's economy. The total amount received exceeded net foreign direct investments (FDI) by four times in 2004 and represented 18% of its GDP in 2005 (World Bank 2006).

¹⁸ Parts of this increase can also be incremented to improvement in data recorded by central banks as well as depreciation of the dollar (in which international remittances are recorded by the World Bank) against the Euro.

Money transfers from Switzerland to Serbia-and-Montenegro

Due to data limitations, it is generally difficult to estimate remittance flows between two countries. This is the case also regarding remittance corridors between Switzerland and other countries. Every year the Swiss National Bank (SNB) evaluates the remittance flows¹⁹ from Switzerland to the rest of the world in the balance of payments. According to our interview with the Bank, this estimation is based on average proportions of the income remitted by every working migrant according to his/her status of residence, without distinction of citizenship and country of origin, age, or sex. Residence permit holders are supposed to send 14% of their income, settlement permit holders 4,6% and short-term permit holders 24,5%. Such proportions are considered as averages for all migrants in Switzerland. In reality, they probably vary according to the structure of the foreign population and over time. According to the survey conducted with Serbian migrants, their household remittances represent more or less the same proportion of the household income for settlement permit holders (mean 5,3%). But, residence permit holding Serbs sent a much lesser proportion of their income (6,3%) than supposed by the SNB.

Total amounts are obtained by applying the estimated proportions to the mean income of three categories of migrant workers (according to their residence permit) as surveyed by the Swiss Labour Force Survey (SLFS). The methodology has been established about 8 years ago and has not been updated.

The present survey provides some information on remittances flows from Switzerland to Serbia. A very rough estimation of the total amount transferred by Serbian households holding either a residence or settlement or having been naturalized in 2004-05 can be made.

Our estimate is compiled by a method using the following information:

- a) The proportion of remitters among the sample and the average amount transferred by each household within the last 12 months, according to the number of persons in the household.
- b) The number of Serbian households according to the Swiss Population Census 2000. This database is the most accurate to estimate the number of households, even if it concerns the year 2000. Indeed, the total number of Serb-Montenegrin citizens only slightly grew during the last six years,

¹⁹ Remittances are defined as money transfers from foreigners holding a settlement, residence or short term permit and live in Switzerland (savings broad back when they return or pensions transferred to the country of origin are not included).

according to the CAR. The Census 2000 partly authorizes the identification of ethnic groups within citizens of a given country²⁰.

These sources make it possible to estimate the number of remitting households (Table 9 – column F) and the total account remitted (column G) to Serbia.

According to these figures, the total amount of remittances sent by Serbian households to Serbia during the 12 months preceding the survey is 60 million Swiss francs. This rough estimate has to be taken with caution for the following reasons:

First, the survey excludes undocumented migrants, asylum seekers and short-term migrants. According to SNB, short-term migrants send the most important parts of their income to the country of origin. Undocumented migrants are also considered as important remitters (see chap. 4.2). Therefore, the amount of 60 million Swiss francs is unrealistically low.

Second, the survey focused on Serbian migrants, one of the three groups of citizens from Serbia-and-Montenegro. For this reason, this estimation cannot be compared to official statistics based on citizenship. The estimated amount represents less than 2% of worldwide remittances to Serbia-and-Montenegro. Indeed, these sources include remittances sent to Montenegro and Kosovo as well, which are not included in the estimation in this chapter that focuses exclusively on Serbs. The exclusion of Kosovo-Albanians in the data considerably reduces the figures as they represent a majority of the Serb-Montenegrin citizens in Switzerland.

Another problem is the representativity of the sample (see chap. 3.1.7). The over sampling of naturalized Serbs in the survey, for example, may have created an overly high estimate of the total amount because their probability to send important amounts to Serbia is higher, as compared with other migrants (see chap. 8.5.1). Finally it can not be excluded, that the information diffusion preceding the survey (see chap. 3.1.2) might have produced a self-selection of the respondents to the survey. The likelihood to remit for Serbian households may be overestimated for that reason, which would have a direct influence on the estimated macro outflow.

²⁰ For more information about the identification of Serbs within the censused citizens of Serbia-and-Montenegro, see Annex 3: Representativity of the Surveyed Population.

Table 9: Estimation of the remittances macro-flow from Serbian migrants in Switzerland to Serbia.

Type of households	Likelihood to remit of surveyed remitter households (%)				Mean amount transferred by surveyed remitter household	N censused Serbian households ²	ESTIMATION		
	N surveyed Serbian households	N surveyed remitter households ¹	C	D			N Remitting households	Total amount (in CHF)	Total Amount (in US\$)
	A	B				E	$F=E \cdot C / 100$	$G=F \cdot D$	
Single	29	8	58.6	2225	4888	2865	6'375'394	5'203'499	
Two persons	122	46	54.1	4870	6520	3527	17'176'532	14'019'222	
Three persons	133	50	59.4	3679	5284	3139	11'547'263	9'424'699	
Four persons	208	92	60.6	5042	6314	3825	19'285'183	15'740'271	
At least five persons	80	33	51.3	3329	3266	1674	5'571'812	4'547'628	
Total	572	229	57.5	4364	26272	15030	59'956'183	48'935'320	

¹ Households for whom the amount transferred is missing are excluded

² Collective households are excluded

Source: Estimation based on Survey 2006 and Census 2000. "Remittances" are defined as money transfers of a respondent household residing in Switzerland to someone in Serbia during the last 12 months.

7 Characteristics of Remitters versus Non Remitters

This chapter systematically compares the socio-economic characteristics of remitting and non-remitting Serbian migrants and their households in order to identify the profile of the remitters²¹. This profile not only determines the amount transferred but might also have an influence on the development impact through the types of transfers carried out (for subsistence, production, etc.). This information is essential to adapt actions, which intend to give incentives for the use of legal channels, to the principal concerned (i.e. banking information).

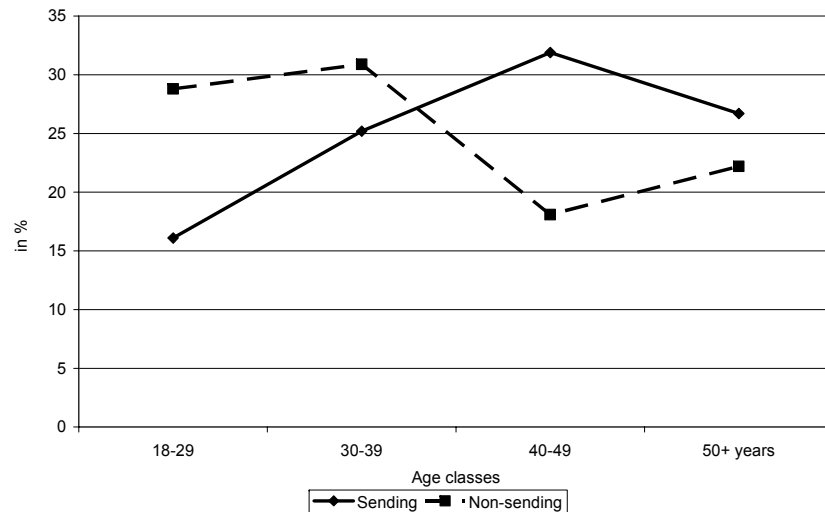
7.1 Demographic Characteristics of Remitters and Non Remitters

The comparison of the age and sex structure of the surveyed remitters and non-remitters provides some information. With 59% aged 40 and over, remitters are generally older as compared to non-remitters (40%, Figure 7). 29% of non-remitters are under 30, as compared to 16% among the remitters.

The relationship between the age of the respondents and the likelihood to remit money to Serbia does not fit into the traditional inverted U-shaped curve (see chap. 4.2): the probability to remit is quite high for all age groups and suddenly increases and picks up for respondents aged 40 to 44. It then slowly decreases and stays at a comparatively high level for the older migrants (Figure 8).

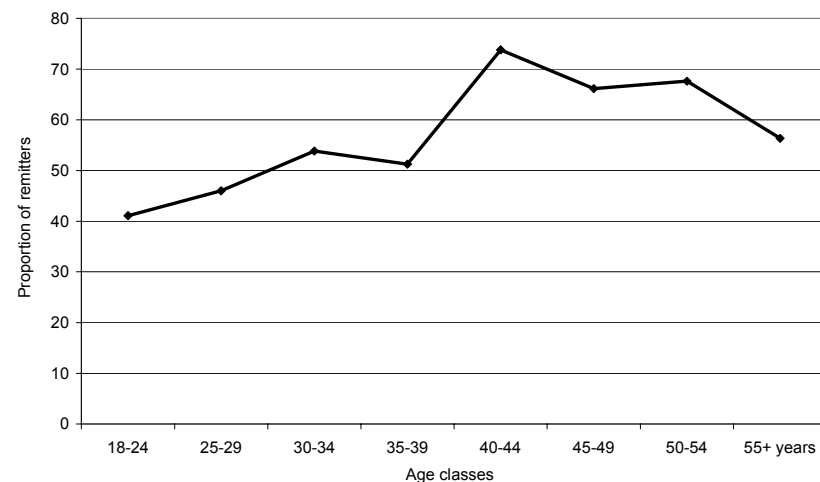
²¹ Discussed results that are not illustrated in a figure can be found in Annex 4: Socio-economic characteristics of Remittances sending and non-sending migrant households.

Figure 7: Age distribution of remitting and non-remitting Serbs



Source: Survey 2006.

Figure 8: Probability to remit, according to the age of respondents, 2006



Source: Survey 2006.

Regarding differences on the basis of gender, it can be observed that the remitters are most frequently men (53%), while almost three third of non-

remitters are women. The differences between remitters and non-remitters vary however according to the age groups of the respondents and the sex ratio of each age group (see chap. 3.1.6).

7.2 Migration Patterns of Remitters and Non Remitters

Given the recent character of the migration flow from Serbia (see chap. 2) and the low return rate (Gross 2006)²², the age is closely related to the length of stay²³ which means that older migrants tend also to stay in Switzerland for a longer time²⁴. However, the length of stay does not differ much according to the remitting status of the respondents (Figure 9). This observation can be explained by the particular circumstances of Serbian migration. Due to the post-war context and the related economic deprivation, those who stayed in the country required substantial support. Indeed, a significant decrease in the level of wages as well as growing unemployment was observed during the Serbian transition process (World Bank 2003), which probably mobilized long-term migrants as well as short-term ones to offer their support to family members in their country of origin. This was one of the main explanations that arose in the focus groups, as a participant mentioned:

“Until the end of the 1980 I did not send money to support someone. In those days, the conditions of life and the old-age pension were enough to live on in Serbia. At that time we only sent money to buy a house or a car. This changed later [include a date here?] and the everyday survival of the family members became a priority.” (Fourth focus group)

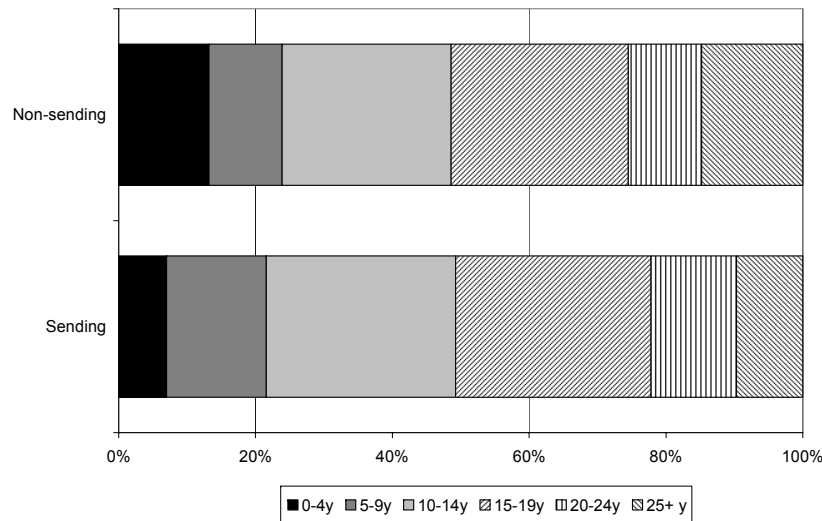
Nevertheless, it may be observed that the very recent migrants (who have lived in Switzerland for 4 years or less) and those living in Switzerland for more than 25 years are statistically significantly underrepresented among the remitters, which is a slight convergence with the standard U-shaped curve.

²² Asylum seekers and persons with a humanitarian status were excluded from the analysis. An important proportion of them returned after the war in Kosovo.

²³ It should be mentioned that this indicator refers to the length of documented residence in Switzerland and that it therefore does not count the years a migrant could have lived in clandestinity. It does not count either the period during which he could have been an asylum seeker, but includes the number of years he was granted the refugee status.

²⁴ Pearsons correlation coefficient $R^2 = .56^{***}$.

Figure 9: Length of stay of remitting and non-remitting Serbs, 2006



Source: Survey 2006.

The survey data shows that recent migrants who have lived in Switzerland for less than five years face the greatest difficulties on the labour market, which certainly inhibits the remittance transfers of this group of migrants. Indeed, the proportion of unemployed individuals is almost four times higher among recent migrants (27%) than among migrants who have lived in Switzerland for more than five years. The workers' median wages are also lower (effective and full-time equivalent) for recent migrants than for longer established ones.

Furthermore, differences in the length of stay of young migrants explain their under-representation among the remitters, as mentioned above (see chap. 7.1). They are composed of two groups, each having a distinct type of remittance behaviour. Almost a fifth of young migrants aged 18 to 34 are in Switzerland for only up to 4 years (as opposed to 5% among the older ones) and they probably cannot afford to send remittances for the aforementioned reasons. Also, there is a growing second generation (Serbs who arrived in Switzerland before their 16th birthday and who were enrolled in Swiss schools). This generation is represented twice as much among the non-remitters (23%) than among the remitters (9%).

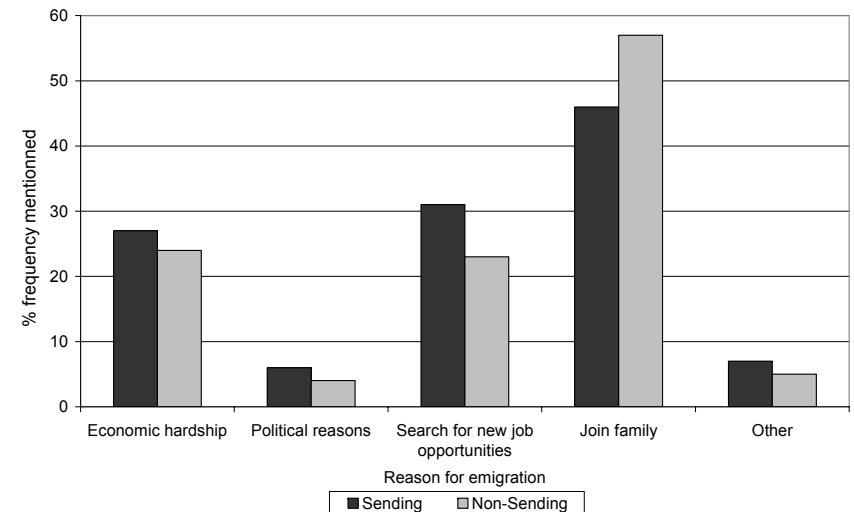
The view that the second generation is only remitting on an insignificant level was also communicated in the focus group discussion:

“And the young people of the second generation, they think on a different level and are thinking of living here [Switzerland], they are not interested in buying houses in Serbia. They go to school here and start their career here and they adopt a different mentality.” (First focus group)

However, only small differences can be observed on the basis of the residence status of remitters and non-remitters. Settlement permit holders (who are on average older) are slightly over represented among the remitters (66% against 59% among non-remitters), whereas annual permit holders and naturalized Serbs are slightly underrepresented.

The reason for emigration might also explain remittance behaviours. The plan to migrate often includes an anticipated financial outcome or an improvement in one's living standards. Indeed, most remitters mention economic (or political) reasons, especially those who are not driven by poverty (i.e. search for new job opportunities). As concerns non-remitters, they are mostly migrants who emigrated to join family members in Switzerland (Figure 10). Family-related motives have been mentioned by three thirds of both female remitters and non-remitters. Among males, however, just one third of the remitting migrants arrived in Switzerland to join family members against 43% of non-remitters.

Figure 10: Reason mentioned for emigration of remitting and non-remitting Serbs (multiple answers possible), 2006



Source: Survey 2006. Respondents could mention at most three reasons.

The under representation of family migrants among remitters is not surprising, since family reunification decreases the number of persons to support at home and weakens the financial ability of the migrant's household in Switzerland due to an increasing number of persons in the household.

7.3 Socio-economic Characteristics and Human Capital of Remitters and Non-Remitters

As concerns the human capital endowment, one can observe almost no differences between remitters and non-remitters. Observations differ however according to the sex of the respondent. Remitters are better educated than non-remitters among men (82% of remitters hold at least a secondary education, as opposed to 70% of non-remitters). By contrast, the level of education among the female remitters and non-remitters is quasi-identical (thus, this latter result is statistically not significant).

Whatever their level of education, the data clearly shows that remitters are better integrated in the labour market than non-remitters, with activity ratios²⁵ of respectively 87% against 80%, and unemployment rates of 7% against 11% (Table 10).

Table 10: Labour market indicator of remitting and non-remitting Serbs, according to the level of education, 2006

		<i>Sending</i>	<i>Non sending</i>
Activity ratio	Male	"86.1	81.8
	Female	88.5	79.2
	Total	87.3	80.2
Unemployment ratio	Male	"8.01	5.5
	Female	6.6	14.8
	Total	7.3	11.3
Full time workers (in % of active occupied)	Male	"94.2	97.0
	Female	72.1	58.0
	Total	83.4	73.8

" Difference statistically not significant

Source: Survey 2006.

²⁵ The activity ratio is the proportion of economically active people in the total population. The unemployment ratio is the proportion of unemployed people in the economically active population. It must be stressed again that the large majority of our respondents were of working age (i.e. between ages 15 and 65).

A better integration in the labour market among remitters in comparison with non-remitters is observed for all age groups. But, this observation concerns a much higher number of women than men. Indeed, the number of unemployed or inactive respondents was proportionally half as much represented among female remitters (both respectively 6%) than among female non-remitters. Census analyses show that couples where both partners are active are not frequent among couples from former-Yugoslavia as compared with other migrant populations (Wanner et al. 2005). The remitting households certainly benefit from a higher household income and might better afford to send remittances. One can also suggest that the higher labour market integration of remitting Serbian women may be a strategic choice to increase the available household income pool for remittances.

Moreover, remitters work more hours per week than non-remitters: only 17% of the active occupied remitters work on a part time basis, as compared with 25% of employed non-remitters. Again, this is only due to an increasing number of working women (72% of remitters and 58% of non-remitters are full-time employees).

7.4 Household Type and Financial Resources of Remitters and Non-Remitters

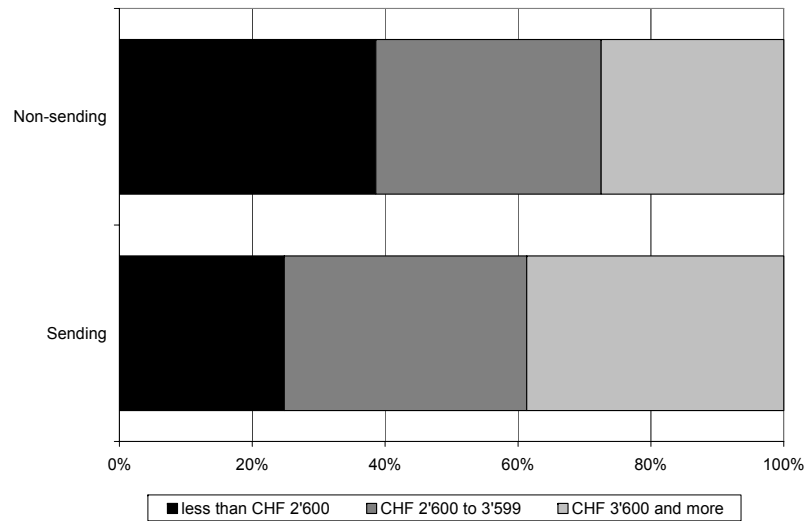
The living conditions could have an important impact on the remittance behaviours given that family expenses limit the available income that is sent to the country of origin. Regarding the type of household in Switzerland, however, remitters and non-remitters do not differ. Even if non-remitters tend to live in nuclear households (couple with children or monoparental household) less often than remitters, this type of household represents the majority of both subpopulations (representing 68% of the non-remitters and 72% of the remitters).

On the other hand, households headed by older migrants (aged 45 and over), are clearly over represented among the remitters as compared to the non-remitters. One can suspect that the older the head of a nuclear household, the more income sources are available, given that the children and the partners – if they were inactive during the childhood – are becoming economically active and contributing to the household income. Indeed, some observations suggest the presence of multiple sources of income for these households: the greater the number of individuals over the age of 15 in a household, the less the respondents' salary represents in the total household income.²⁶

²⁶ Pearsons' correlation coefficient $R^2 = -.37^{**}$.

Household financial resources are therefore determinants of the remittance behaviour (Figure 11): only 26% of remitters live with a monthly equivalent household income situated under CHF 2 600.- whereas this situation concerns 42% of non-remitters.

Figure 11: Monthly equivalent household income²⁷ of remitting and non-remitting Serbs, 2006



Source: Survey 2006.

Remitters are more frequently in the median income group (CHF 2600.- to 3600.-) and especially over represented in the upper group (39% versus 28% of non-remitters). This better financial situation can be observed among non-family

²⁷ The monthly equivalent household income is calculated on the basis of the self-declared household income and takes into account the number of persons living in the household weighted according to their age (see OCDE scale). Given that the “available income” cannot be calculated from our data, the calculated indicator is a rough estimation of the equivalent income as defined by the OCDE.

In order to work with higher samples, both auto-declared continuous indications as well as in-class indications of household income were considered. For the latter ones, the modal value of the distributions of continuous indications in the classes of the in-class indications has been taken as continuous value. As distribution tests showed, this variable fits quite well the distribution of the continuous indications of household incomes. Again, the number of missing values (179) leads to a need of a cautious interpretation of this indicator.

as well as family households, regardless of the length of stay of the respondent person of the households.

Other resources as house ownership in Switzerland do not differ between the two sub-populations.

7.5 Transnational Living of Remitters and Non-Remitters

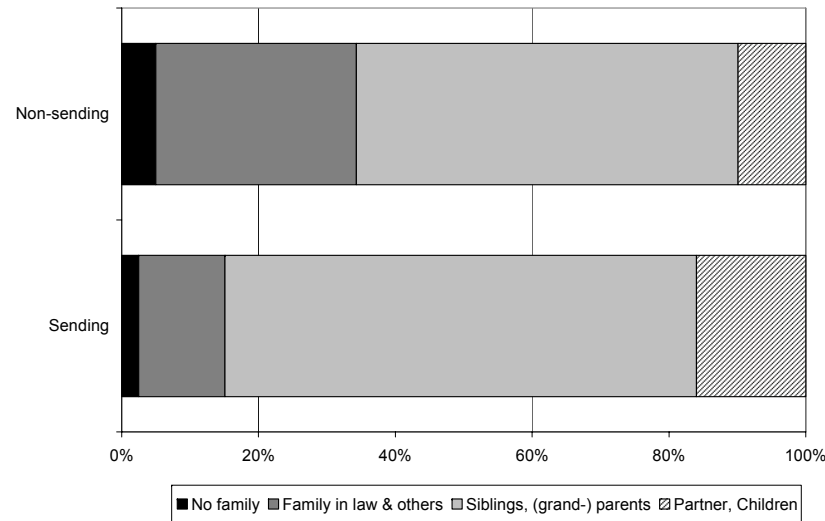
In addition to the variables exposed above, transnational “integration”²⁸ may also influence the remittance behaviour of Serbian migrants. One can suggest that the individuals who maintain strong links with persons or family members in their country of origin send remittances more frequently. This might be particularly true of the Serbs in Switzerland, who live in relative proximity to their country of origin.

Different elements were introduced in the questionnaire to approximate the intensity of transnational living. One is the degree of closeness (in terms of kinship) with the respondent’s family who remained in Serbia. Having family members abroad clearly influences remittance behaviours. Figure 12 shows that the sense of kinship with family members in Serbia is stronger among remitting migrants than non-remitting ones.

First, 16% of remitters have their partner and/or children in Serbia, as compared to 10% among non-remitters. If only the partner and *dependent* children of the respondents are considered, the part of geographically separated families is twice as high among the remitters than the non-remitters (15% against 7%). It is more frequent for remitters to have at least one close family member in Serbia, for instance siblings or parents (69% against 56%). Non-remitters, on the other hand, include twice as many respondents who only have family in law, other family members or none of them in Serbia (34%). Consequently, the financial pressure coming from the remaining family of the non-remitters is probably lower as compared to the one of the remitting migrants.

²⁸ Transnational integration means social and economic relations that link the migrant to the country of origin as well as to the country of destination. See also chap. 4.2.

Figure 12: Closest family member living in Serbia of remitting and non-remitting Serbs, 2006



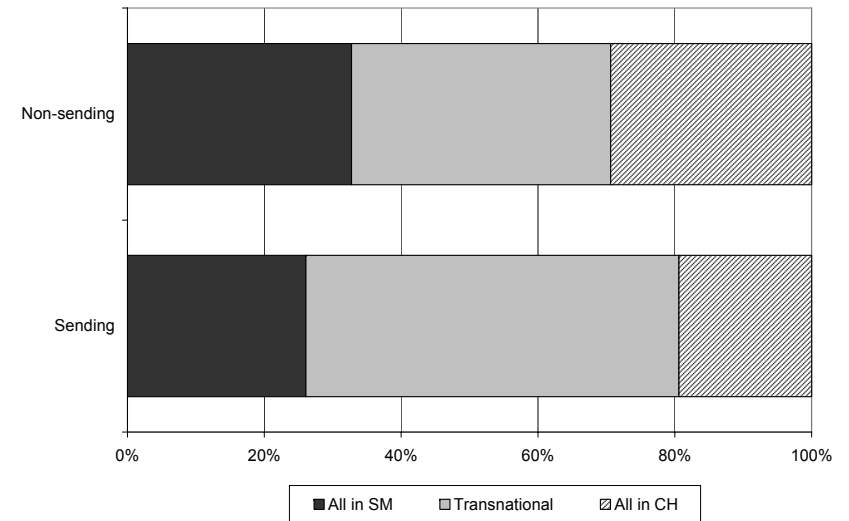
Source: Survey 2006.

The relationship between the age of respondents and the degree of kinship affinity of the remaining family members is reversed – the older a migrant, the closer his affinity with the nearest family member who stayed in Serbia (whereas the ageing process would suggest the inverse). Migrants – remitting or not – without close family in Serbia are proportionally almost three times more numerous among young respondents aged 18 to 34 (44%) than the older ones. The growing second generation among the young migrants is certainly one of the explanations for this. But the economic and political hardships experienced during the transition period probably motivated whole families to go abroad.

Aside from family relationships, remitters also tend to have geographically-dispersed friendships (55%), as compared with 38% non-remitters (see Figure 13) – whatever their residence period in Switzerland. Two-thirds of non-remitters have all their closest friends either in Switzerland or in Serbia. Again, transnational friendships are most common among the older migrants and especially among the remitting ones (62%).

Transnational friendship relationships are a good indicator of the successful integration in both the Swiss and the Serb communities. The results of such successful transnational integration are many: it facilitates the migrants' life in Switzerland, maintains the migrants' connection with the country of origin, and creates pressure to remit. This may create the best context for remitting.

Figure 13: Geographical location of three best friends of remitting and non-remitting Serbs, 2006



Source: Survey 2006.

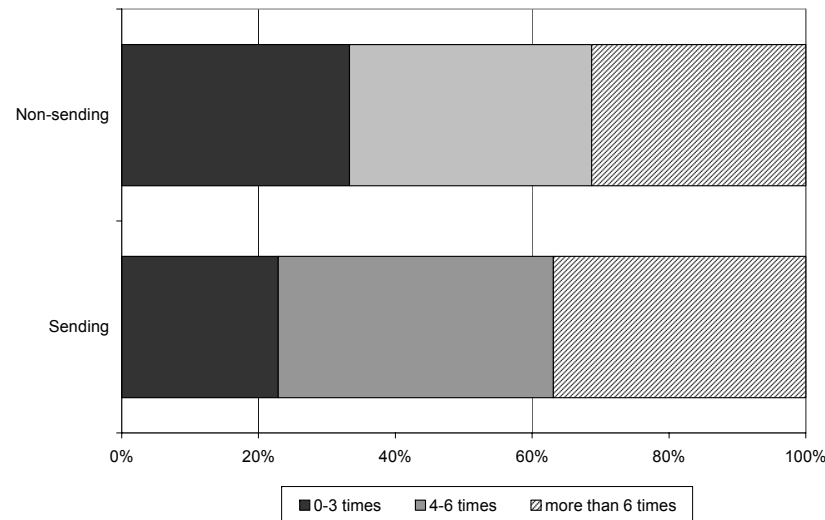
Aside from social relations with the country of origin, economic responsibilities in Serbia can help maintain and can even strengthen the migrants' relations with Serbia. First, the proportion of remitters who have a bank account in Serbia (22%) is twice as high as that of non-remitters. A bank account in Serbia is probably an indicator that the migrant intends to return (even if this occurs only after retirement) and it also facilitates remittance transfers. But the reverse is also true: the frequency of remitters with bank accounts could be higher simply because they remit.

Second, the proportion of remitters who own a house (78%) in Serbia is higher than non-remitters (74%). Moreover, differences in ownership between remitters and non-remitters grow in accordance with the age of the respondents. The proportion of owners is the highest among older migrants (83% of remitters aged 45 and over, and 71% of non-remitters). Finally, remitters are also more often economically connected to their family or friends in the country of origin, since 30% of them loaned money to someone in Serbia, as opposed to 23% of non-remitters. Loans could indeed lead to even more productivity as remittances in a country where, given the failure of the capital market, business capital is often loaned from family members (EBRD 2006).

Due to the closer social and economic relations of remitters to Serbia, it is not surprising that they most often travel between the two countries. Whereas 77% of remitters travelled to Serbia at least 4 times during the last three years, this

was the case only for three third of non-remitters (Figure 14). Also, it may be observed that, the older migrants (45 years and over) travel more frequently between Switzerland and Serbia than the younger ones (Annex 2).

Figure 14: Number of visits to Serbia of remitting and non-remitting Serbs, 2006.



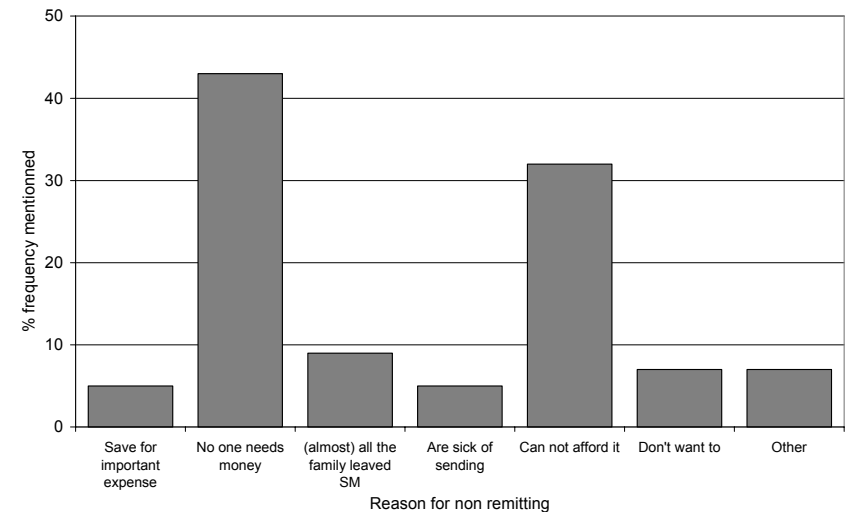
Source: Survey 2006.

7.6 Reasons for Non Remitting

The survey asked the respondents whose household did not remit money to Serbia to explain their decision (Figure 15). Among the reasons mentioned by the respondents, the following two are the most significant: either the family or friends left back in Serbia did not need financial support (43% of non-remitters mentioned this reason), or such support was not possible for the migrants living in Switzerland for financial reasons (32% mentioned this reason).

The first reason clearly takes precedence over the second, not only among the highly skilled workers and migrants who are in the upper household income group, but also among the second-generation migrants. This indicates that the relatives of migrants coming from the higher strata of Serbian society do not need remittances. Focus groups discussions also revealed that the second generation is not integrated in the Serbian society, which reduces their need to send remittances. Serbs who grew up in Switzerland are indeed greatly underrepresented among remitters (see chap. 7.2).

Figure 15: Reasons mentioned for not remitting to Serbia, 2006



Source: Survey 2006.

The second reason linked to the economic situation of the migrant household in Switzerland is more frequent among the households with the lowest financial resources. Therefore, as the observations about the equivalent household income already showed (see chap. 7.4), financial constraints in Switzerland seem to be at the heart of the decision whether or not to remit.

This point was brought up in all the focus group discussions and the participants did indeed make out a difference in their economic situation in Switzerland now as compared with a decade or so ago. The sense was that the situation had got increasingly difficult in Switzerland and that unemployment was a greater problem among the Serbs now than it had been. This situation makes it more difficult for many migrants to send money to Serbia.

7.7 Determinant Factors of the Decision to Remit

To estimate the independent impact of different factors on the probability to remit money, a logistic regression model²⁹ was run. The following variables were introduced in the model:

1. **Sex of the respondents.**
2. **Economic status of respondents.** Four positions were defined: respondents working more than half time; respondents in a part-time job up to 50%; retired, unemployed, assisted persons or invalids; and other inactive individuals.
3. **Age of respondents and the type of household** were merged because they were associated and indicated different stages in the family live cycle: individuals aged under 40 living in non family households (single, couple without children); individuals aged 40 or more living in non family households (single, couple without children); individuals aged under 40 living in family households; individuals aged 40 or more living in family households.
4. **Equivalent household income per month**, in three groups: low income (income under CHF 2600.-); median income (income between CHF 2600.- and 3599.-); and high income (CHF 3600.- and over)³⁰.
5. **Respondent's dependent (nuclear) family in Serbia** in two positions (yes or no). This variable was preferred to the one related to the closest kinship affinity with family members who stayed in Serbia because of its higher impact³¹.
6. **Place of residence of respondent's three best friends:** indicating whether the respondent's three best friends live in Switzerland; live in various countries (Switzerland, Serbia and other countries); or live in Serbia.
7. **Number of respondent's visits to Serbia** within the last three years, in three positions: less than four times; four to eight times; at least nine times.
8. **Bank account in Serbia** (yes or no).
9. **House ownership in Serbia** (yes or no).

²⁹ For methodological remarks, see chap. 3.1.5, p. 19.

³⁰ See note 27 on p. 52.

³¹ It should be mentioned that the effects of co-linearity with the type of household should be limited as the geographical separation of the nuclear family not only affects the individuals living in non-family households but also the individuals living in family households (even if the occurrence is lower).

Respondents who did not participate in the household's decision to remit were not included in the model. Given that the income variable contains a lot of missing values, two separate models were tested: one without the income variable on the whole sample (N =497), and another model that included the income variable on the restricted sample (including those respondents about whom the income variable was known – N=349).

Moreover, distinct models were run to test the stability of the determinants according to the gender of the respondents. Only the results (odds ratios) significant at the .05 level are discussed below.

7.7.1 Results

The first model in Table 11 shows that **men are only slightly more likely to send remittances** to Serbia than women. This result, however, is statistically not significant if the information about household income is included in the model. Furthermore, response biases cannot be excluded³², as male and female respondents show different types of household remittance behaviour. The main differences are presented below.

The impact of the respondents' economic status is limited and only statistically significant if the model does not control for equivalent household income differences. Thus, different levels of female economic activity clearly impact the remittance behaviour of households.

The **educational level** has a minimal and statistically not significant impact once the effects of other variables are controlled in the overall model. But among male respondents, the lowest skilled are the least likely to send remittances to Serbia (O.R. = 0.47*) compared to those who hold at least a secondary diploma. The impact of education remains significant (at the .1 level) once household income differences are controlled. A possible explanation might be that the lowest skilled migrants might be issued from lower social strata of the Serbian society and might therefore tend to give greater support to their family in Serbia. Even if the results for women are statistically not significant, they indicate a reverse tendency for these households³³.

³² See chap. 3.1.4.

³³ According to the Census 2000 the educational homogeneity of Serbian couples is very high: in 72% of couples, men and women have the same educational level and in another quarter the difference is only of one degree. So the differences observed in the model regarding this indicator cannot be attributed to different educational backgrounds of the male and female partners in a family household.

As the model shows, the family situation plays a highly significant role. In this regard, the geographical separation of the nuclear family is the main determinant of the likelihood to remit. **Respondents, who still have dependent children and/or a partner in Serbia, are more probable to send money abroad** (O.R = 4.33*) than those who do not. In the former case, the migration is certainly part of a household strategy including the transfer of money from Switzerland to Serbia to ensure a decent standard of living for the family. Women are particularly sensitive to this family support as the odds ratios are statistically significant and higher than the ones for men – especially if the model controls differences in the equivalent household income. Whatever the economic resources of the household, the geographical location of the family is of primary importance for women.

The family situation in Switzerland also has an impact on remittances. **Family households headed by a person aged over 40 have the highest probability to send remittances, especially if differences in equivalent household incomes are controlled** (O.R. = 2.12*). Non-family households of young migrants (aged 40 or less) have also a higher probability to send remittances to the country of origin, as compared to young family households – this result is however not significant. Indeed, an analysis of the Census showed that young adults of Serbian origin tended to stay in the family household for a longer time than those of other origins (Fibbi et al. 2005). **The family households headed by a person aged over 40 can therefore rely on a cumulative number of sources of income, as the children are of working age and the partner of the respondents probably economically active (again). By contrast, the non-family household headed by a young respondent does not have economic burdens other than the household's own expenses and would be more financially able to send a part of their income to Serbia as well.**

The results of the gender-specific models show interesting differences in this regard. Among men, the younger migrants living in a non-family household are more likely to send remittances than the older ones in family households (O.R. of respectively 4.21* and 1.81^b). As regards women, the main remitters are above 40 and live in family households (O.R. = 2.00*). The respective odds ratios are even higher if differences in household income are controlled. Women might only remit in economically secure situations of multiple incomes in the household.

Table 11: Determinant factors of the likelihood for Serbian migrants to remit, according to gender. Results of a logistic regression, 2006.

	TOTAL				MALES				FEMALES			
	Model I		Model II		Model I		Model II		Model I		Model II	
	Odds ratio	Stat. Sign.	Odds ratio	Stat. Sign.	Odds ratio	Stat. Sign.	Odds ratio	Stat. Sign.	Odds ratio	Stat. Sign.	Odds ratio	Stat. Sign.
Sex												
Male	1.48	^b	1.21									
Female	1.00		1.00									
Economic status												
In job <=50%	1.00		1.00		1.00		1.00		1.00		1.00	
In job >50%	0.35	*	0.37	^b	>999.999		-		0.28	*	0.32	^b
Assisted (unempl, IV, AVS)	0.55	*	0.98		0.73		1.02		0.39	*	1.15	
Inactive	0.58		0.69		1.28		0.58		0.49		1.21	
Level of education												
None or primary	0.92		0.83		0.47	*	0.40	^b	1.43		1.48	
Secondary	1.00		1.00		1.00		1.00		1.00		1.00	
Tertiary	1.21		1.03		1.25		1.10		1.38		1.06	
Age & HH-Type												
<=40 years, non family HH	1.43		1.26		4.21	*	4.24		0.85		0.58	
>40 years, non family HH	0.82		0.78		1.21		0.80		0.48		0.67	
<=40 years, family HH	1.00		1.00		1.00		1.00		1.00		1.00	
>40 years, family HH	1.91	*	2.12	*	1.81	^b	1.38		2.00	*	3.78	*
Equivalent HH income (per month) ⁺												
Less than 2'600.-			0.58	^b			0.87				0.33	*
2'600 to 3'599.-			1.00				1.00				1.00	
3'600.- and more			1.19				1.03				1.22	
Dependent family in SM												
Partner or/and children	3.26	*	3.40	*	4.33	*	3.96	^b	4.10	*	5.29	*
None	1.00		1.00		1.00		1.00		1.00		1.00	
Place of residence of 3 best friends												
Switzerland	0.51	*	0.39	*	0.54	^b	0.48	^b	0.49	*	0.34	*
Transnational	1.00		1.00		1.00		1.00		1.00		1.00	
Serbia-and-Montenegro	0.59	*	0.45	*	0.38	*	0.34	*	0.73		0.57	
Nbr of visits to SM in last 3 years												
Less than 4 visits	0.72		0.79		0.60		0.85		0.80		0.70	
4 to 8 visits	1.00		1.00		1.00		1.00		1.00		1.00	
at least 9 visits	0.95		1.03		0.65		0.87		1.18		1.18	
Bank account in SM												
Yes	2.44	*	2.00	*	2.14	^b	1.77		2.97	*	3.63	*
No	1.00		1.00		1.00		1.00		1.00		1.00	
House ownership in SM												
Yes	1.00		1.00		1.00		1.00		1.00		1.00	
No	0.70		0.66		0.49	^b	0.32	*	0.91		0.97	
Non remitters (N):		204		140		77		56		127		84
Remitters (N):		292		202		158		110		134		92

^b p < 0,1; * p < 0,05; ** p < 0,001; *** p < 0,0001

Source: Survey 2006.

Thus, the models clearly show how economic resources determine the decision to remit: the poorest households are least likely to remit (O.R. = 0.58^b). **Economic hardship in Switzerland impacts negatively on remittances.** The absence of statistical significance for men and the higher value of the odds ratio for women suggest, however, that financial constraints might be more of a decisive factor for women than for men. Men might respond to financial needs in Serbia even if they have a low salary in Switzerland, which might not be the case for women.

Finally, the model shows that holding a **bank account** in Serbia significantly increases the likelihood of remitting (O.R. = 2.44*), as it facilitates bank transfers. As already mentioned, however, remitting respondents are probably also more likely to have bank accounts in Serbia. Saving money in Serbia certainly sustains the relation with the country or even indicates a potential return project. The same can be said in regards to **house** ownership, even if the higher probability to send remittances only more significantly concerns men.

Friends' place of living also plays an important role, as migrants with best friends in different countries (Serbia, Switzerland and other) face the highest probability to send remittances. The supposed higher mobility of their social network, as compared to migrants whose best friends all live in Switzerland, certainly maintains transnational linkages and facilitates the transfer of money.

Finally, **the number of visits** within the last three years – seem to influence remittance behaviour too. Migrants who rarely visit the country of origin have a lower probability to send remittances, even if these results are statistically not significant. Given the geographical proximity of Serbia and Switzerland, frequent visits might support social and kinship networks across space and maintain the moral obligation of the migrants to send money home.

It must be stressed that the models do not contain one of the most frequently used variables in this kind of analysis: **migration patterns** (length of stay and residence status). After the control of the other explaining factors, the length of stay has only a slight non-significant impact on remittance behaviour (both linear as well as non-linear effects were tested). Given that the length of stay additionally correlates with the age of migrants, this variable has been excluded from the analysis. Current or initial residence status had no effect on remittance behaviour. One possible explanation is the particular context of Serbian migration, highly driven by post-war conditions and economic deprivation in a country that used to be among the better off in the Balkan region.

7.8 Synthesis

As migrants often represent a select population of a given emigration country, the Serbian remittance senders in Switzerland have characteristics that clearly distinguish them from the non-remitters.

The results show that most Serbian remitters are older and still live with their (adult) children. This is an important factor – especially for women, as available financial household resources are a major determinant of the decision to remit. Indeed, resources can be accumulated while the children get older and the family expenses decrease. Households who experience economic hardship in Switzerland are therefore the least able to send parts of their income to Serbia. This situation particularly concerns young family households. The high activity ratio and the low unemployment ratio among remitters – especially among female ones – confirm the importance of the economic integration in Switzerland for remittances to Serbia.

With the exception of recent migrants, both long term and short-term migrants are as likely to remit. Given the economic and social conditions in the country of origin after the 1990s, a majority of Serbian migrants help improve (probably again) the living standards of family members in Serbia. Furthermore, the geographical proximity of the two countries helps sustain the relation of the migrants with their country of origin over time. Indeed, remitters with particularly strong connection with Serbia are linked to the country through their family social, economic and physical relation to Serbia. This probably not only influences the decision to support someone living in Serbia with remittances but also represents one of its direct outcomes.

8 Amount of Remittances, Receivers and Purpose

This chapter describes and analyzes the determinants affecting the amounts transferred. The first chapter provides a general overview of the total transfer values sent by Serbian migrant households and gives a differentiated picture according to the main characteristics. The stability and frequency of transfers is also presented. The second chapter analyses the amounts of remittances received by recipients in Serbia and shows some of their principal characteristics. The main purposes of the transfers will also be presented. Finally, a statistical model identifies the determinant factors of the amount of remittances transferred from Serbian household in Switzerland to receivers in Serbia³⁴.

8.1 Total Amount Sent by Households during the Last Twelve Months

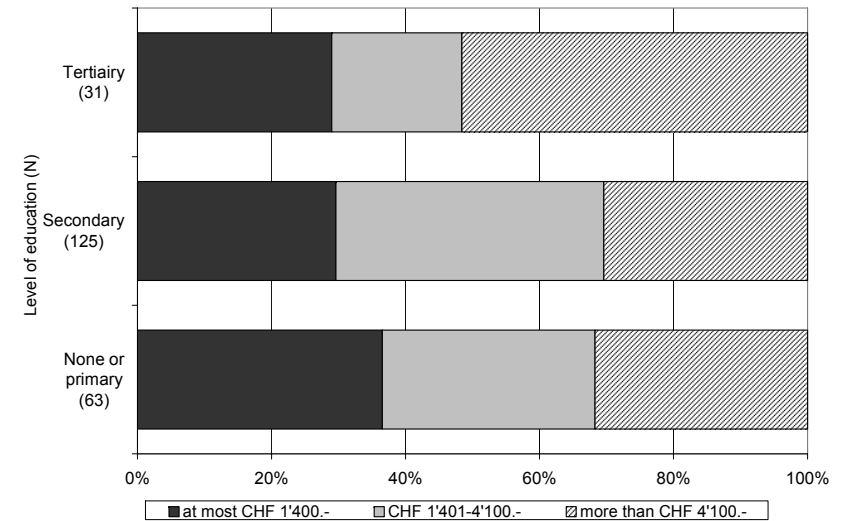
Half of the households sent money only to a single receiver in Serbia, whereas a quarter sent money to two or more individuals. The households with monthly equivalent household incomes of CHF 3600.- or more and those headed by migrants holding a tertiary degree tended to support more people in Serbia than the low-income households (less than CHF 2600.-) and primary education households.

The **median amount** of total remittances sent by remitting households during the last 12 months is CHF 3000.-, whereas the mean is CHF 4364.-. Remitting households sent between 2.1% and 5.4% of their annual income in median terms.

Furthermore, the analysis of the volume of remittances shows that the amount sent by household differs according to the respondents' level of education (Figure 16). Half of the migrants with a tertiary degree sent at least CHF 4100.- in the last 12 months. A third of primary or secondary educated respondents are in the same case.

³⁴ Discussed results that are not illustrated in a figure can be found in Annex 5.

Figure 16: Total amount of remittances sent by remitting households, by respondents' level of education, 2006



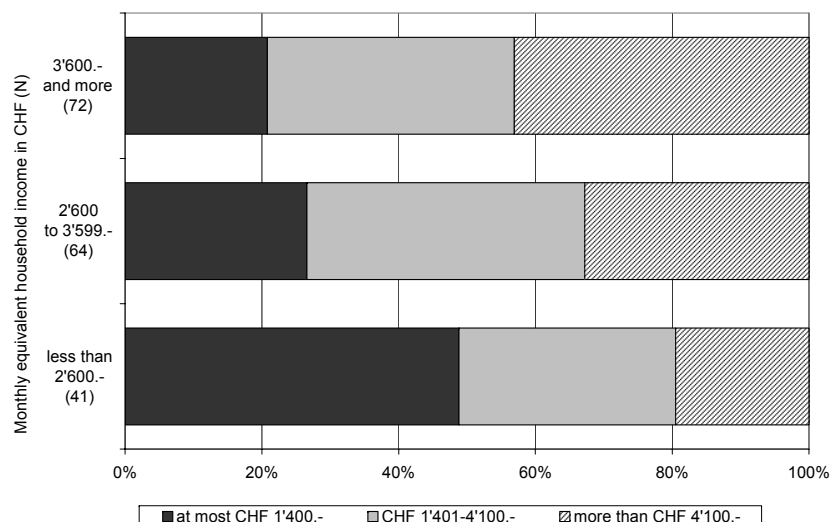
Source: Survey 2006.

Interestingly, compared to the secondary skilled remitters, the lowest skilled ones show a quite similar remittance pattern as regards the sent amount: even if they are over represented among low amount sending households (at most CHF 1400.-), they are proportionally as numerous to send more than CHF 4100.-. Studies have shown that in Serbia low skilled households are the most vulnerable to poverty (World Bank 2003). Such results may perhaps be explained by the need to send more money among the migrants belonging to low-educated families to answer to their bad economic situation.

The most determinant factor, however, for explaining the amounts of remittances sent is the available economic resources of the sender household: as Figure 17 shows the monthly equivalent household income³⁵ has a strong influence on the total amount sent to Serbia.

³⁵ For additional methodological remarks see footnote 27 on p. 52.

Figure 17: Total amount of remittances sent in last 12 months by remitting households, by monthly equivalent household income, 2006



Source: Survey 2006.

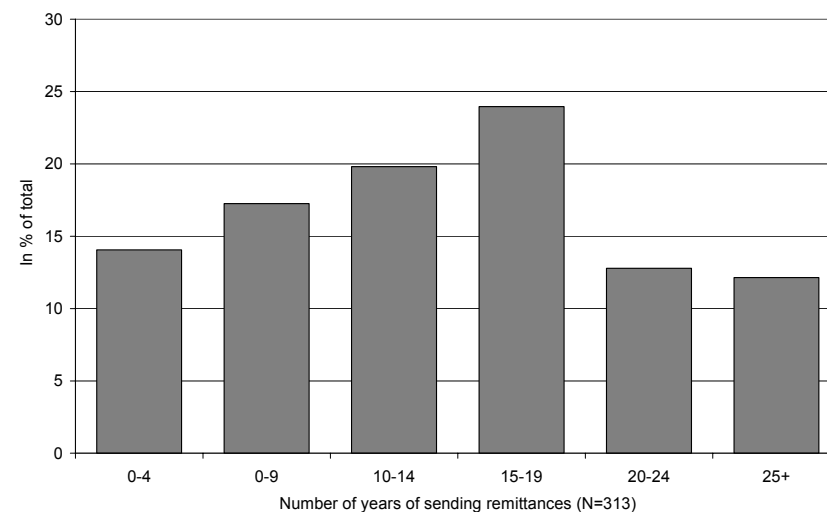
Whereas almost half of the low income households (earning less than CHF 2600) sent CHF 1400.- at most, this is only the case for a fifth of high income households. The differences between the median and upper income group, however, are smaller and statistically not significant.

Stability of the transfers

The median number of years that the remitters sent money to someone in Serbia is 14 years (Figure 18). The most important group (24%) of remitters already sent money to Serbia for 15 to 19 years. Migrants sending remittances for longer than 19 years are rare. Thus, remittances to Serbia seem to be a relatively recent phenomenon. The transfers executed by the migrants still living and remitting from Switzerland really started in the mid 1980's, which coincides with the economic difficulties emerging at that time in Serbia. This distribution can be explained by differences in the length of stay of respondents, as there is a significant positive correlation between these two variables³⁶.

³⁶ The Pearson's correlation coefficient is $R^2 = .56^{***}$. It should be mentioned, however, that the time of remitting cannot only be related to the length of stay of the survey respondents

Figure 18: Number of years that remitters already send money to Serbia, 2006



Source: Survey 2006.

Frequency of the transfers

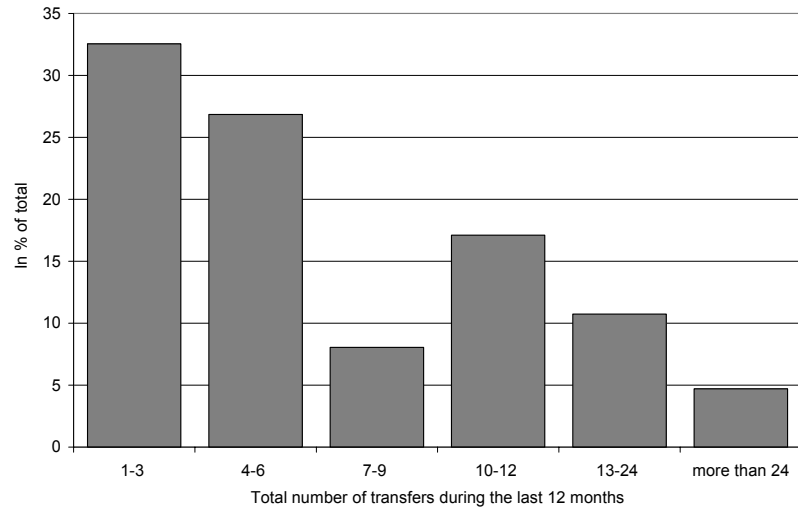
Almost one third of remitting households sent one to three transfers a year to Serbia (Figure 19). On the other hand, remittances on a monthly or more frequent basis are also important as they account for almost a third of all remittances.

In general, high amount sending households are also those who send many transfers per year³⁷. So a pattern according to which remittances are sent four times a year is more frequently observed among low amount (at most CHF 1400.-) sending households (60%), whereas the major pattern of high amount (more than CHF 4100.-) sending households is at least 9 times a year (55%).

because the latter information only concerns the documented length of stay (according to the data, some respondents sent for more years that they legally reside in Switzerland).

³⁷ Pearson's correlation coefficient: $R^2 = .35^{***}$.

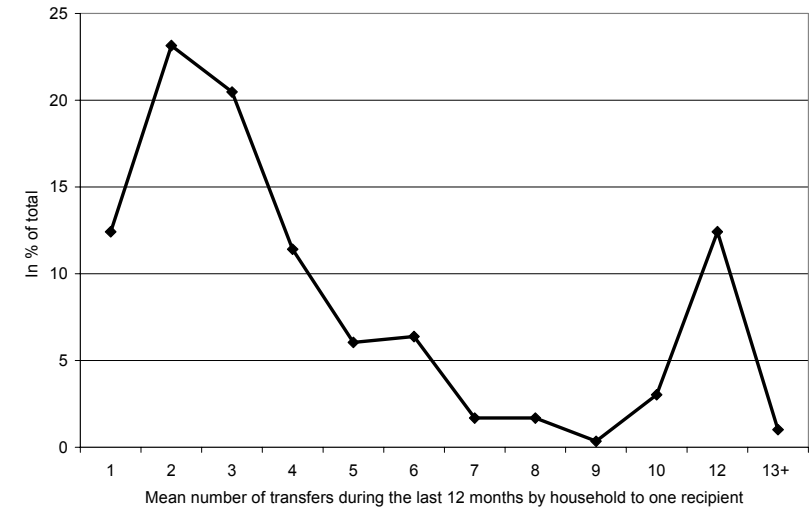
Figure 19: Total number of transfers during the last 12 months by remitting households, 2006.



Source: Survey 2006.

The periodic pattern of remitting, however, appears more clearly if one looks to the mean frequency of remittances per year to one and the same receiver by sender households. Figure 20 shows that remitters send money to people in Serbia either two or three times a year (for example, for holidays), or on a more frequent basis every month.

Figure 20: Mean number of transfers to one recipient by remitting household during the last 12 months, 2006.



Sources : Survey 2006.

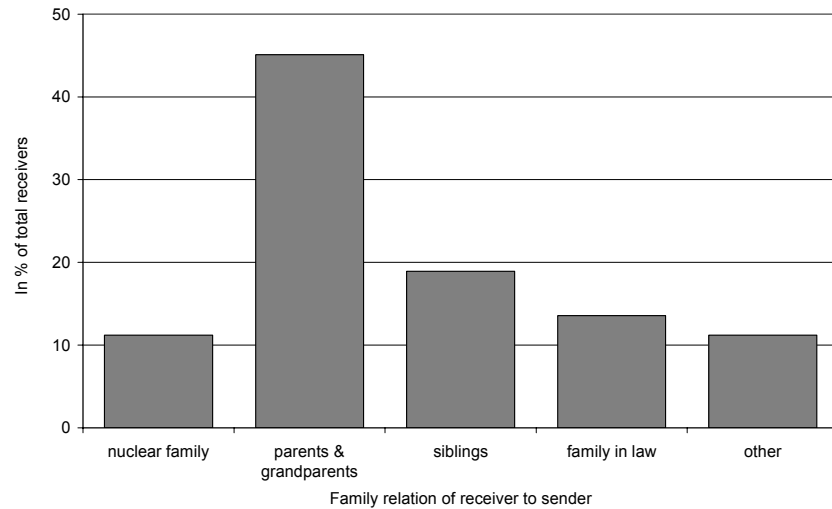
8.2 The Remittance Receivers in Serbia

The questionnaire also reported some information about the receivers, for instance their family affiliation with the senders, the amount received, the frequency, as well as the purpose of the transfers. Receivers are defined as individuals living in Serbia to whom the transfers were addressed, whatever the composition of their household.

Remittances are principally sent to the closest family, as shown by Figure 21. A major part of the remittance receivers are parents and grandparents of the respondents (45%). Siblings represent almost a fifth, whereas members of the respondents' own nuclear family makes up 11% of all receivers. However, when considering only transfers made by remitters whose partner and / or dependent children remained in Serbia, the proportion of receivers pertaining to the respondents' nuclear family grows to 58%.

Respondents' families in law (of whom 90% are in fact parents in law), just represent 14% of receivers. Twice as many female remitters sent money to their family in law (19%) as male remitters (9%). This observation may confirm the gendered norm in parental support in Serbia (see chap. 4.2), as the family of the male head of household seems to have the priority over the female's one.

Figure 21: Family relation of receivers to respondents, 2006

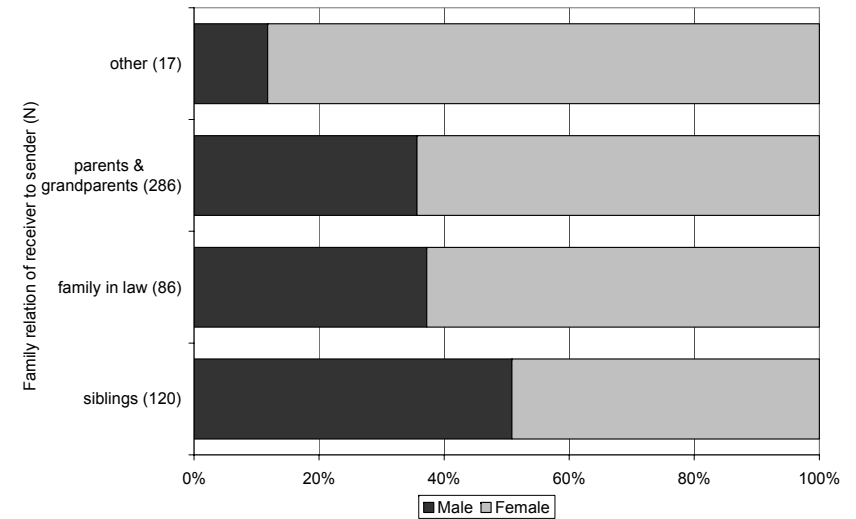


Source: Survey 2006.

Furthermore, the receivers are more likely to be female (61%) than male (39%) – regardless of the sex of the remitter. However, male remitters sent proportionally more remittances to men than female remitters (42% versus 36%).

Whereas remitters send money to brothers and sisters equally, a female dominance is observed among other types of receivers (Figure 22): mothers, grandmothers or women of the family in law make up two thirds of the receivers whatever the family relationship.

Figure 22: Sex of receivers, by family relation with the sender, 2006



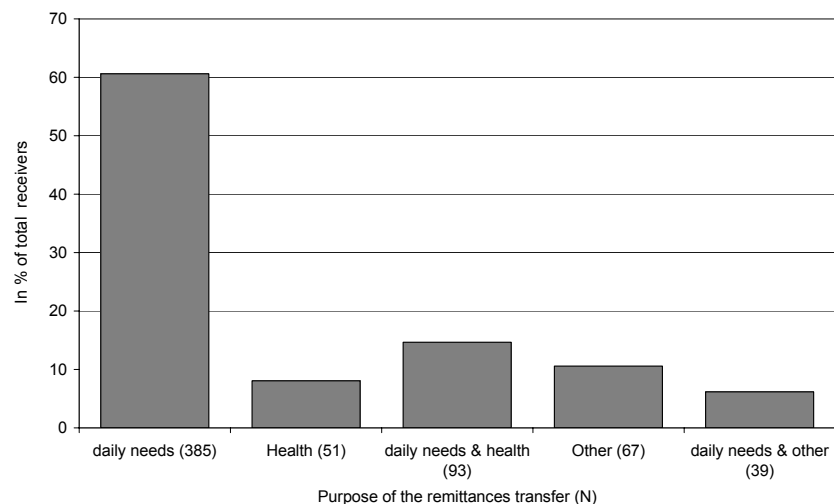
Source: Survey 2006.

8.3 The Reasons for Sending Remittances

The main reasons mentioned by the respondents for each remittance flow to a specific recipient could lead to some hypothesis related to the impact of remittances in Serbia – even if this information has to be confirmed by the study made in Serbia. According to the migrants in Switzerland, remittance transfers mainly respond to situations of poverty (Figure 23): a large majority of recipients received remittances – according to the respondents - to cover daily needs (61%), medical expenses (8%) or both (15%).

The focus groups confirm this highly daily consuming character of remittances: the main reasons for remitting mentioned by the participants where survival and everyday necessities as rental fees, food or medicine.

Figure 23: Purpose of the remittances transfers to each receiver, 2006



Source: Survey 2006.

Not surprisingly, assistance for the coverage of health expenses were the most frequently mentioned purpose for remittance transfers intended for older receivers of the family or the family in law (respectively 32% and 36% against at most 10% for other receivers). Sensitivity to health costs assistance is also greater among female remitters than male ones, as the former are twice as numerous to have indicated this purpose (30%) compared to the latter.

The survey respondents rarely mentioned other purposes. Among these the most important one are education (5%), child support (4%) and investments in constructions or land (3%)³⁸. Discussions in the focus groups also raised the reasons of marriages and funerals: It seems – at least in some parts of Serbia – that when two Serbs marry in Switzerland a huge party is also celebrated in Serbia. A lot of money is spent for these marriages in Serbia. The same is true for funerals: The rituals, which exist for burning the people, are very costly.

Another topic that arose out of the focus groups was the question of dependency of the receivers in Serbia. One participant specifically noted that the remittances

³⁸ Other items that were not mentioned by more than 10 recipients include the purchase of durable goods, equipment goods, investments in non agricultural business, wedding, or funerals, charity, other.

sometimes have the effect of making the receivers extremely dependent, which has negative effects on the economy on the whole:

“Remittances are about 20% of GDP of Serbia. This is a high amount. I mean ironically, we should shorten it, so more people would work there and not live out of these subsidies from Switzerland” (Second focus group).

Another person explained:

“You know what is really bad? To have to live for years from foreign money” [...another person continues] It is even not dependency. This is a parasite that lives off for years of foreign work. This is what really disturbs me in Serbia. I have cousins who never worked in their life, they don't even think about it” (Second focus group)

8.4 Total Amount Received during the Last Twelve Months

During the last 12 months, recipients received in median terms CHF 1000.-. This amount is well above the extreme poverty line (equivalent of CHF 768.-) and half the absolute poverty line (CHF 2000.-) estimated in 2002 by the World Bank (World Bank 2003). Remittances from Switzerland therefore certainly have an important impact on poverty alleviation.

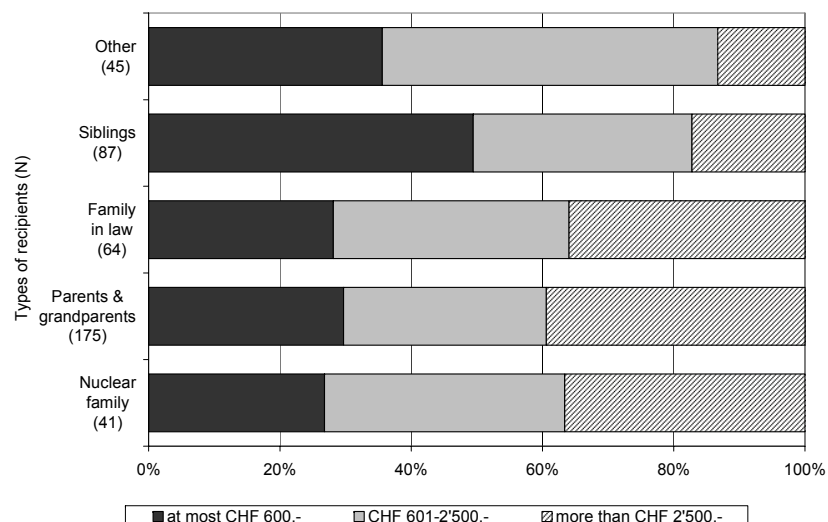
However, the received amounts strongly vary according to the kinship affiliation between the receivers and the senders. At least a third of recipient parents, grandparents, family in law (of whom a large majority are parents in law) as well as members of the migrants' nuclear family received important amounts (over CHF 2500.- ; Figure 24). This is not surprising, given that old age support is one of the major motives for remittance transfers. Indeed, elderly people are over represented among the poor in Serbia, as the pensions declined to a third in 1999 compared to the pre-transition period (World Bank 2003). Thus, remittances act as an old age social assistance.

Such hypothesis was confirmed during the focus groups: A few participants highlighted the fact that the current pension system in Serbia does not work (at least in rural areas. In urban areas the situation is different) for the older people and that they have the duty to send to their parents a kind of “pension” every month.

“I have a grandfather, he needs 300 CHF every month. He has to get this amount” (Second focus group)

Furthermore, the sender who left their nuclear family behind most certainly emigrated in order to ensure a major part of their living standards.

Figure 24: Total amount of remittances received in the last 12 months, by types of recipients, 2006



Source: Survey 2006.

On the other hand, less dependent recipients such as siblings or other family members much more benefit from low amounts (at most CHF 600.-).

8.5 Determinant Factors of the Remittances Amount

A logistic regression model³⁹ has been applied in order to test the independent impact of different variables on the probability for sender households to send an “important amount”⁴⁰.

Two logistic regression analyses were run. The first concerns the **value of interpersonal transfers during the last 12 months** (i.e. the money a household sent to each recipient) and includes 385 transfers for whom all needed information is available. Separate models were also run for transfers executed by households whose respondents were male and for those executed by households with female respondents – all participating to the remittances decision. The

³⁹ For methodological remarks, see chap. 3.1.5, p. 19

⁴⁰ Defined as CHF 4000.- for amounts sent by a sender household to one specific recipient or CHF 9000.- for total remittances sent by a sender household to Serbia a year.

models identified the **determinants of the probability that a remitting household sends at least CHF 4000.- to a receiver in Serbia in 12 months.**

The second analyses acts as a **control model**, as it contains the same variables as the first one but is run on 168 remitting households: it estimates the determinants of the probability that a remitting household sends **in total CHF 9000.- to Serbia in 12 months.**

The following factors had been included in the models:

1. **Sex** of the respondents.
2. **Level of education** of respondents in three positions: primary school diploma; secondary degree; tertiary degree.
3. **Age and household type** have also been merged because they are associated and indicate different stages in the family life cycle: individuals aged up to the age of 40 living in non family households (single, couple without children); individuals aged above 40 living in non family households (single, couple without children); individuals up to the age of 40 living in family households; individuals aged above 40 living in family households.
4. **Equivalent household income per month**, in three positions: low income position (equivalent income under CHF 2 600.-); median income position (CHF 2 600.- to 3 599.-); and better off position (at least CHF 3 600.-)⁴¹.
5. **Place of residence of three best friends**: best friends in Switzerland; three best friends in different countries (in Switzerland and Serbia or other countries); all friends in Serbia.
6. **Number of visits to Serbia in the last three years** in three positions (less than 4, between 4 and 8, at least 9 visits).
7. **Number of years that the migrant sent remittances** to Serbia in three positions (0-9, 10-14 and 15 years and above). Even if some effects of collinearity may exist between this variable and the age of respondents⁴², its exclusion almost has no impact on the odds ratios of other variables.
8. **Kinship affiliation between the receivers and the respondents in five positions**: member of the same nuclear family (partner, children of respondent); parents or grandparents; siblings; family in law (of whom 90% are parents in law); other member of the family or friends.

⁴¹ See note 21.

⁴² Pearson's correlation coefficient .38***. The co-linearity effect is however lower than that of length of stay and age (Pearson's correlation coefficient .47***).

The analysis has been executed only on those households, whose respondent participated in the decision to remit the concerned transfer. The variable related to the presence of dependent (nuclear) family in Serbia has not been included, given that the information about the family relation of the receiver with the respondent is part of the model. Two models were run in order to test all variables except income (which contains a lot of missing values) on the whole sample: **one model without the income variable on the whole sample and another model including the income variable on the restricted sample**. Only results significant at the 0.05 level are commented below.

8.5.1 Results

Let us concentrate on the models in Table 12, which analyzes the probability to send more than CHF 4000.- a year to a receiver in Serbia.

One of the determinant factors is certainly the **sex of the migrant, since men are much more likely to remit important amounts** (O.R. = 3.15**) than women. Gender roles in family support may play a role: while men underlie the norm to send, the reception of remittances from women might be considered as a surplus for the family in the country of origin. Differences may be partly due to the sex differentiated methodological approach (see chap. 3.1.3 and 3.1.4): indeed, women living with a partner would perhaps indicate different levels of remittances than men of the same household depending on their knowledge about the household finances.

Whereas **the level of education** has only a limited impact on the decision to remit (see chap. 7.7.1, p. 59), Table 12 clearly shows that among the remitters, **this attribute is the most determinant one for the amount**. Respondents holding a tertiary degree are – after control of the other determinant factors and even household income – the most likely to send high amounts to someone in Serbia (O.R. = 5.81***). These households may face better initial conditions for their integration in the Swiss labour market and – if they succeed – can better afford to send high amounts. The migrants' origin households on the recipient side, however, probably need more money to sustain their relatively higher standard of living compared to origin households of lower skilled migrants. Finally, the survey indicates that migrants with a tertiary diploma are proportionally slightly more numerous to have sent remittances for educational expenses, child support or for no specific reason (these results are however statistically not significant) than lower skilled ones. These aims probably need more money.

Table 12: Determinants of the amount of remittances sent by household to one receiver. Results of a logistic regression.

	TOTAL				MALE				FEMALE			
	Model I		Model II		Model I		Model II		Model I		Model II	
	Odds ratio	Stat. Sign.	Odds ratio	Stat. Sign.	Odds ratio	Stat. Sign.	Odds ratio	Stat. Sign.	Odds ratio	Stat. Sign.	Odds ratio	Stat. Sign.
Sex												
Male	3.15	**	4.28	**								
Female	1.00		1.00									
Level of education												
None or primary	1.79		1.59		2.08		2.09		1.64		1.03	
Secondary	1.00		1.00		1.00		1.00		1.00		1.00	
Tertiary	4.53	***	5.81	***	4.48	*	8.61	*	6.00	*	13.01	*
Age & HH-Type												
<=40 years, non family HH	0.96		1.50		0.95		0.66		0.42		0.59	
>40 years, non family HH	0.46	^b	0.48		0.30	^b	0.27		0.85		1.19	
<=40 years, family HH	1.00		1.00		1.00		1.00		1.00		1.00	
>40 years, family HH	0.35	*	0.36	*	0.30	*	0.20	*	0.43		0.49	
Equivalent HH income (per month) *												
Less than 2'600.-			0.14	*			0.13	*			<0.001	
2'600 to 3'599.-			1.00				1.00				1.00	
3'600.- and more			0.55				0.65				0.17	*
Place of residence of 3 best friends												
Switzerland	0.98		1.20		0.94		1.62		1.02		3.28	
Transnational	1.00		1.00		1.00		1.00		1.00		1.00	
Serbia-and-Montenegro	2.60	*	2.68	*	2.48		2.46		3.84	*	11.33	*
Nbr of visits to SM in last 3 years												
Less than 4 visits	0.37	*	0.49		1.05		3.90	^b	1.36		0.39	
4 to 8 visits	1.00		1.00		1.00		1.00		1.00		1.00	
9 visits	2.44	*	2.24		2.83	*	8.14	*	1.74		1.55	
Residence status												
Residence permit	0.89		0.86		0.52		0.96		0.20	^b	0.11	*
Settlement permit	1.00		1.00		1.00		1.00		1.00		1.00	
Naturalized	1.85	^b	2.11	^b	4.20	*	13.67	*	1.25		0.64	
Nbr of years the hh sends remittances												
Less than 10 years	2.89	*	2.99	*	2.76	^b	2.27		4.33	*	11.18	*
10 to 14 years	2.11	^b	3.00	*	2.18		2.55		2.43		9.79	*
15 years and more	1.00		1.00		1.00		1.00		1.00		1.00	
Relation of receiver with respondent												
Nuclear family	2.32	^b	1.37		0.83		0.36		7.68	*	12.01	*
Parents, grand-parents	1.00		1.00		1.00		1.00		1.00		1.00	
Siblings	0.31	*	0.29	*	0.23	*	0.13	*	0.50		0.61	
Family in law	0.59		0.78		0.29		0.30		1.09		2.21	
Other	0.28	*	0.06	*	0.20	*	0.03	*	0.61		<0.001	
Low amount (N):	296		239		142		116		154		123	
High amount (N):	85		66		50		40		35		26	

^b p < 0,1; * p < 0,05; ** p < 0,001; *** p < 0,0001

Source: Survey 2006.

The impact of the respondents' educational level on the amount sent is much stronger among women than men. An explanation lies in the following observation of the survey data: households whose respondent female heads are tertiary educated send remittances more frequently in order to sustain health expenses – which needs important resources – than their male counterparts.

Interestingly, households headed by migrants with a primary diploma (or none at all) also send more remittances than those headed by medium skilled ones – especially among the male respondents – even if these result are statistically not significant. The important economic hardship of the corresponding recipients in Serbia is probably one of the explanations.

Additionally to the better conditions in terms of human capital for an economic integration, best integrated migrants in legal terms – i.e. the **naturalized one** – **have a higher probability to send more remittances than other migrants**, too. This effect is only significant for male migrants (O.R. = 4.20* and even 13.67** after control for household income), but it highlights the importance of the legal integration that is complementary to the individual resources of migrants for their economic integration. However, the legal integration could also be a consequence of a succeeded economic integration. Settlement permit holders also have a higher probability to send high amounts compared to residence permit holders, even if this result is statistically not significant.

Regarding the **stage in the family life cycle** of the remitting households, it appears quite clearly that households headed by older migrants (above 40 years of age) – especially those living with children (O.R. 0.35*) - are less likely to send at least CHF 4000.- to a receiver than younger households. This result may be due to the higher length of stay of older migrants, which decreases the likelihood to send important amounts.

Indeed, the results related to the number of years that migrants are already sending remittances to Serbia confirm the effect of the duration of sending: **the longer the remittances relation with Serbia, the less likely migrants are to send high amounts** – especially if household income differences are controlled (the O.R. are highest for migrants who send for lesser than 10 or 15 years - respectively 2.99* and 3.00*).

Economic resources of the household are an important determinant, too. Households facing economic hardship in Switzerland are probably not able to afford extensive support of individuals in Serbia as the likelihood to send important amounts is lowest in their case (O.R. = 0.14*).

Indicators of transnationalism confirm the importance of the social and physical relation to the country of origin. Indeed, **the more often migrants visit the country of origin, the most likely they send large amounts** (O.R. = 2.44* for those who visit at least 9 times in the last three years). **Migrants with all their three best friends in Serbia are the most likely to send at least CHF 4000.-**

compared to those with all of them either in Switzerland or in Switzerland *and* Serbia (or other countries). The sensitivity to the economic situation in the country of origin as well as the pressure from the receivers' side is probably stronger for the former than for the latter.

Finally, the **kinship relation** with the receiver is a determinant factor, too: **remittances intended to the migrants' own nuclear family or parents of the respondents are more likely to be higher than those directed to other family members**. This result can be explained by different levels of responsibility toward members of the larger family compared to those of the direct family environment.

The second analysis, which identifies the probability for a sending household to transfer in total CHF 9000.- to Serbia, confirms the above mentioned results and is therefore not shown. The number of receivers significantly and strongly affects the probability to send high total amounts to Serbia.

8.6 Synthesis

Remittances from Serbian migrants in Switzerland are important financial contributions to the living standards and represent between 2.1 and 5.4% the sender households' income. Indeed, the median transfer amount per household and per year is CHF 3000.-, whereas the mean is CHF 4364.-. Remitters send money primarily in order to alleviate poverty. Assistance for medical expenses is also an important transfer purpose, especially for those intended for older receivers. On the other hand, the data indicates that remittances are not sent for investments, even not for investment in education.

Households who send important amounts of remittances show particular features regarding sex, level of education, residence status and transnational practices.

Economically better off households whose respondents are tertiary educated and naturalized have the highest probability to send important amounts. On the other hand, it has been shown that remittances decrease over time. The data also indicates that men are much more likely to send important amounts, which might confirm the hypothesis of a gendered norm in remittance transfers. Bias in the estimation of transferred amounts can however not be excluded. Indeed, these could be stronger among women than men, as they probably not always have complete information about their households' finances if they live with a partner.

Furthermore, high amount sending remitters are also closely linked through family, friendship as well as physical relations to the country of origin. This might be the reason for high transfers but also the consequence.

The principal receivers of remittances from Serbian migrants in Switzerland are the parents or grand parents of the senders as well as their own nuclear family

remaining in Serbia. These individuals also benefit from higher transfer amounts than other receivers, as for example siblings, family in law or other family members. Two third of the recipients are indeed women, suggesting that poverty (and remitting) is a gendered issue.

9 Transfer Channels Used for Remittances from Switzerland to Serbia

The first section of this chapter presents the main transfer methods used by the surveyed Serbian remitters. Further, the reasons given by the respondents why they use these specific methods are illustrated. The profile of formal and informal transfer means users is drawn and the determinant factors of the choice to use formal channels are finally assessed⁴³.

In this study formal and informal remittance channels are distinguished as followed: **Formal transfers** are services of Money transfer organizations (MTO), banks as well as the post-bank. **Informal channels** include hand-carry transfers, executed either by the migrant him or herself or by friends and acquaintances using different means of transport as cars, buses, trains or planes. Bus drivers and registered mail are also considered as informal transfer means.

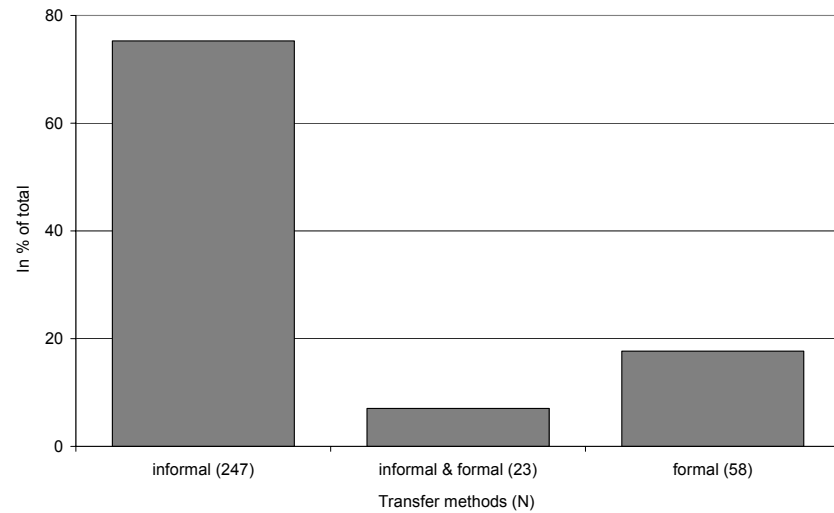
9.1 An Overview of the Main Transfer Methods used and their Respective Advantages

Figure 25 gives an overview of the use of these informal and formal methods. A large majority of remitters uses exclusively informal remittance transfer methods (75%), whereas a small proportion use both (7%) and **only 17% only formal channels**. Results differ from a recently published study about remittance channels of Serbs living in Germany which estimated that 50% of the remittances flow through formal channels (De Luna Martínez et al. 2006): 24% are using either formal or formal as well as informal channels in Switzerland. These differences will be discussed in the conclusion.

The focus group discussions indicate however that the use of formal channels seems to have grown since the end of the 1990.

⁴³ Discussed results that are not illustrated in a figure are to be found in Annex 6: Socioeconomic characteristics of formal and informal channel using remitters.

Figure 25: Informal and formal remittances transfer practices of Serb remitting households, 2006.

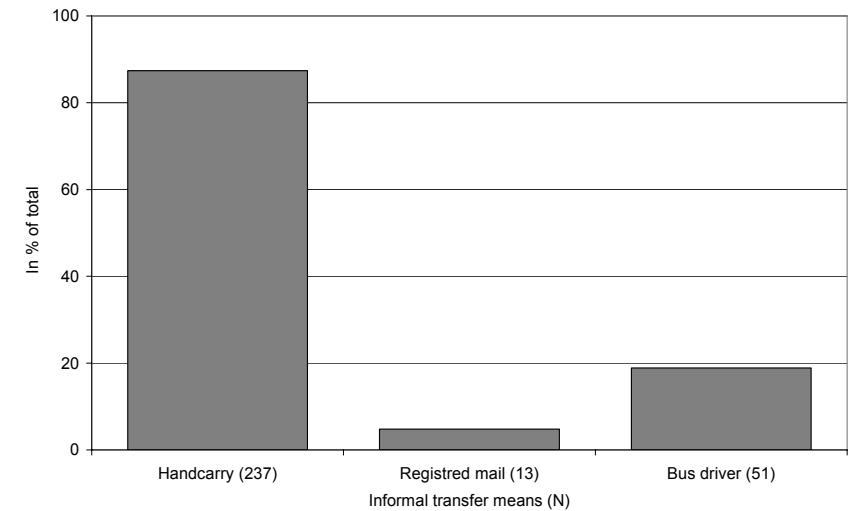
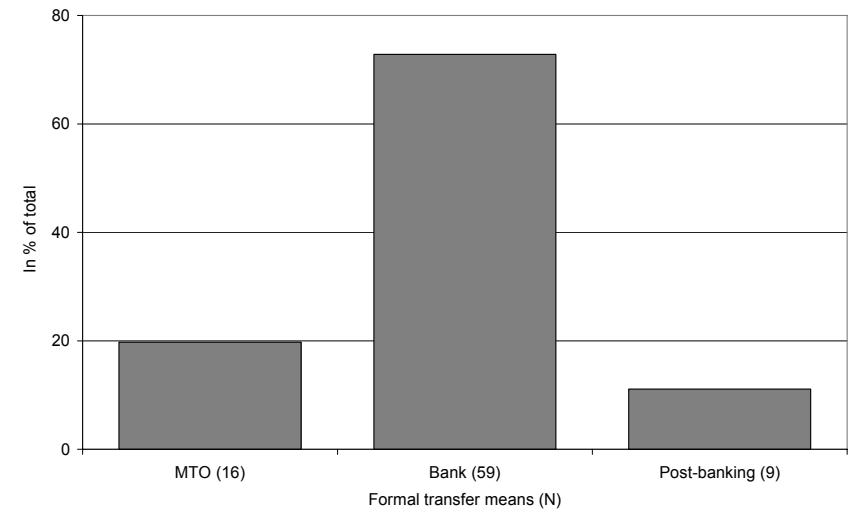


Source: Survey 2006.

The distribution of the transfer means among formal and informal methods shows interesting patterns (Figure 26). **Hand-carry transfers** clearly outweighs (87%) among informal methods, followed by handovers to bus drivers (19%). Registered letters are on the other hand not too popular for remittances (5%).

Among formal transfer methods, **traditional bank transfers** are the most commonly used channel (73%), whereas MTOs and post-bank seems to be less attractive (with 20% and 11%, respectively).

Figure 26: Main formal and informal methods used by Serb remitter households for the transfer of remittances (multiple answers were possible), 2006.



Source: Survey 2006.

According to Table 13, the main criteria for the choice of a particular transfer method are its simplicity, its reliability, its low cost as well as its speed.

However, remitters impute the same advantages to different transfer methods according to their own practice and knowledge of the remittance market.

Table 13: Reasons mentioned by Serb remitter households for the use of different transfer methods (multiple answers were possible), 2006.

Reasons mentioned by users*	MTO	Post banking	Bank	Hand carry	Bus driver	Registered mail	All
Simpliest way	12.5	22.2	47.5	43.6	47.1	33.3	36.7
Reliable, sure	31.3	33.3	44.1	32.1	33.3	33.3	29.4
Lowest cost	0.0	55.6	6.8	25.6	19.6	16.7	18.3
Fast	75.0	0.0	6.8	7.3	17.6	25.0	10.2
Question of trust	0.0	0.0	1.7	8.1	11.8	8.3	6.1
Convenient location / easy access on receivers side	12.5	0.0	1.7	5.6	13.7	8.3	5.4
Legality	25.0	11.1	8.5	2.1	0.0	8.3	3.6
Other or no specific reason	0.0	0.0	3.4	13.2	9.8	0.0	8.6
N respondents for each method"	16	9	59	234	51	12	
% of remitters using each method"	4.9	2.7	18.0	72.3	15.5	4.0	

* each household may indicate at most three reasons per method used

" each household may use at most three different methods

Source: Survey 2006.

Formal channels

Money transfer organizations (MTO) users appreciate the high speed of the transfer, as the money is normally available for the receivers in at most 24 hours. This transfer means is also seen as reliable and certain. The hypothesis might be formulated that this channel is used in case of emergencies: it is the fastest way of sending money at any time of the day.

Remitters who use the **post-banking channel** appreciate its low costs as well as its reliability. However, the very limited sample of MTOs and post-bank users does not allow for generalizations about the analysis of advantages of such methods.

Regarding **bank transfers**, one of the principal advantages lies – in the eyes of their users – in its simplicity (as 48% of the respondents mentioned it). In terms of reliability, however, bank transfers also rank high, as 44% of their users make use of it for this reason.

Informal channels

But, the same advantages are also attributed to informal transfer methods: 44% of **hand-carry transfers** remitters and 47% of those who hand the money over to **bus drivers** choose these channels because of their simplicity. Furthermore, respectively a fifth and a quarter of these two remitter groups consider these methods as fast. What distinguishes the informal transfer users from other remitters is that they **trust** in these practices (at least 8% of the informal transfer means users mentioned this advantage). Remitters who use banks, post-banking and MTOs almost never mentioned this important attribute of trust.

Indeed, the question of trust seems to be central for the choice. When asked about the reasons for not using formal transfer methods, the issue of trust is of high relevance. Remitters using informal methods mention trust as one of the main reasons for not using the formal banking channels (18%; Figure 27). Trust has an all encompassing meaning here, as the focus group discussions revealed, and can be understood in the sense that James Coleman (1990) defined it: trust as the foundation of social practices and trust in universalistic social norms.

Indeed, Serbian migrants made some bad experiences with the local financial institutions, which probably diminished their confidence toward formal channels. In the early years of the transition period (1994) the state froze foreign saving deposits – which were mostly held by Yugoslav migrants⁷ – and a lot of emigrants also lost money because of failed pyramid banking schemes (Bank of Austria 2005; World Bank 2003). These events are still in the memory of older migrants, as various focus group participants mentioned:

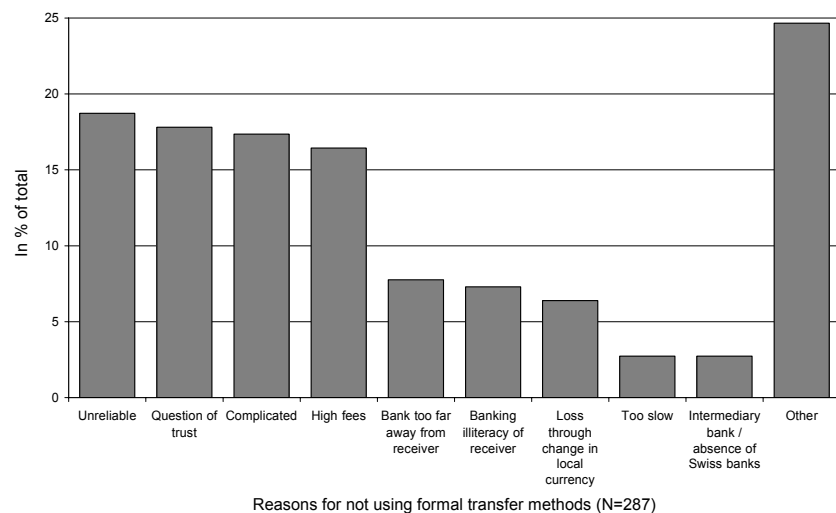
“The migrants had lot of trust in the system of Tito’s Yugoslavia and in the banking system. And they had – then – good interest incomes in this state controlled banks. But with the breakdown of Former Yugoslavia and the wars, lot of people lost their money. The state always promised to repay a certain sum, but this was a big lie. A lot of people lost money... [...] I know four people who lost 80,000 CHF [...] The people living here [in Switzerland] will never trust Serbian banks anymore. I would say this is true for the next 50 years. This is “finito”. The people lost a lot, and they lost trust [...] (Third focus group).

Since 2000, the Serbian banking market has been more stable and is characterized by a high penetration of foreign (especially Austrian) banks which have greater credibility (Bank of Austria 2005). The participants in the focus group made it quite clear that they would trust a Swiss bank, but never a Serbian bank. A participant mentioned:

“They will never use something [a bank] from Yugoslavia. This will never be successful” (Third focus group).

“There should be a Swiss bank. The Serbs trust the Swiss more than the Serbs” [Fourth focus group).

Figure 27: Reasons mentioned by the informal remitting Serbs for not using the formal transfer methods (multiple answers were possible), 2006.



Source: Survey 2006.

Another important reason is the perceived lower reliability of formal transfers (mentioned by 19% of informal transfer users), which may be linked to corruption in Serbia. It is evident that reliability and trust might be two sides of the same coin.

“Sending it this way [hand carried] is the best, because of manipulations. If you want to send money to a hospital, for instance, you never know if the money will pass into the right hands. If we give it directly to someone it goes from hand to hand. And from hand to hand is a secure way” (First focus group)

The complicated procedure of formal remittances services hinders their use, too (17%). Indeed, the new Anti-Money-Laundering law in force since 1999 has increased the number of security information, which has to be given from the sender, necessary for the financial institution in order to execute the transfers.

High fees are also an obstacle for using these channels, however (16%). This reason was sometimes mentioned in the focus groups, as shown by the following:

“A few years ago we bought an apartment in Serbia for 50’000. The post demanded a fee of 7’000 for the transfer of the money. I put the money in my underpants and travelled with the money to Serbia” (First focus group).

“The intermediary banks also take fees. 3 Euros here and 4 Euros there and 2% for taking the money and 11% at the intermediary banks. If you are sending small amounts, these fees can be as high as 10% of the money sent” (First focus group).

“My father is living in a village, not very far away from the town. I once tried to send the money through the post. The first time the money came back because they could not find the address. The second time I had to pay 15.- for the transfer. After a month I had to pay another 7.- for charges I did not understand.” (First focus group)

Aside from these reasons related to the financial infrastructure, there are other more practical reasons that hinder the use of formal remittance services: sometimes receivers are not banked (7%) or they are geographically too far away from the banks (8%). This aspect was also discussed in the focus groups.

Also, security concerns may also encourage remitters to send money through informal channels because, in this way, it arrives directly to the receivers’ home. This point arose in the focus groups. Indeed, as one focus group participant put it, it can be dangerous – especially for older receivers – to take important amounts to the bank because of aggressions.

9.2 Speed and Costs of Transfer

Speed of transfers

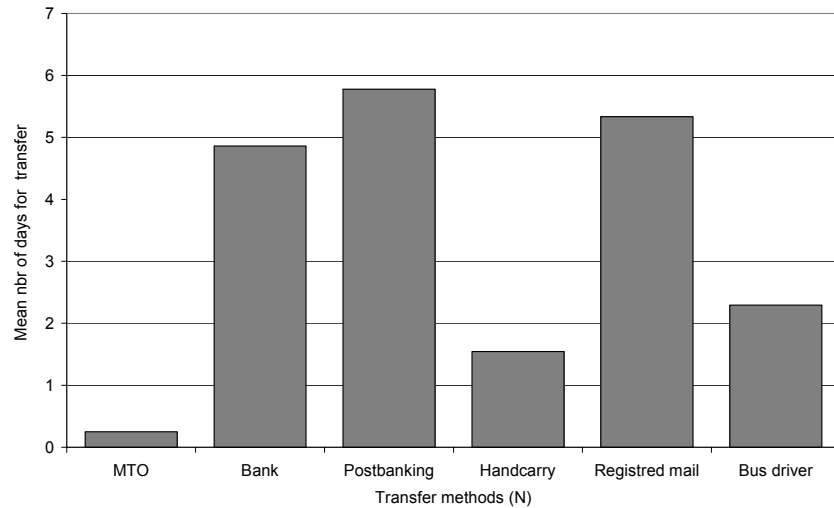
An additional reason for the important use of informal remittance channels might be differences in the time of transfers. It is however difficult to assess the speed of formal transfers as this not only depends on the intermediate banks but also on the standardization of the payment system of the different banks involved in the transfer. Furthermore, different practices of the recipient may speed up the transfer⁴⁴.

For this reason, the users’ indications about the speed of the different transfer channels might probably be the best estimate as it is an experienced and aggregated one.

Informal remittance transfers are by far the fastest ones – except when compared to MTO services. Figure 28 shows the mean number of days a transfer takes through a given channel, according to their correspondent users. Given the geographical proximity of Serbia to Switzerland, hand carry transfers do last on average between one and two days until they arrive to the receiver. They are most often handed over directly at the receivers’ home.

⁴⁴ Holding a foreign account in the Postal Savings Bank (the remittances service partner of the Swiss Post), for example, decreases the time of the transfer through that channel, as any cash payment is directly credited on that account. Otherwise, it takes an additional two days to reach the customer in order to advise him on the value date.

Figure 28: Mean number of days till the transfer arrives to the receiver in Serbia, by remittances transfer method, 2006.



Source: Survey 2006.

Money handed over to bus drivers arrives on average a little bit later (the transfer lasts about 2 days) but is still much faster than bank or post-banking transfers (who last on average between 5 and 6 days). Even if MTOs provide the fastest transfer services, their high cost proportionally to the transferred amount is certainly one of its greatest disadvantages as compared to the informal means. Given that health costs assistance is one of the principal purpose of remittances transfers (see chap. 8.3), the speed of transfers – especially the sporadic ones – is certainly a very important consideration for remittances transfers.

Cost of Transfers

The survey does not provide satisfying results as regards costs. Indeed, the questionnaire reported the costs for each channel used. The analysis of this data showed inconsistencies and anomalies, however. This was not the result we have been looking for, but it shows very well the intransparencies of the transfer channels and transfer phase. However, in order to gather the required information we undertook personal and telephonic interviews with the channel providers these days. Put differently, we had to rely on the channel providers answers themselves. This method showed however the disadvantage, as Swiss (post-) banks do not always know about the transferring fees of the intermediary and recipient banks (fixed fees, fees that depend on the transfer amount, no fees

at all). Therefore the information mostly only concerns the costs on **senders' side**.

Two types of formal remittance channels from Switzerland to Serbia can be distinguished. The first is direct in that the financial sender institution is directly connected to a partner in Serbia and therefore can provide accurate information on the cost of transfers. The second type of channel is indirect and characterized by the involvement of intermediary banks, given that the sender institution has no direct connections with local financial institutions in Serbia.

The first type concerns the services of **Western Union** as well as of the **post bank**. **The Western Union's** fees are defined proportionally to the amount of remittances transferred. The higher the amount transferred, the lower the fee. . For an amount of CHF 300.- the fees represent 10% (Table 14). This type of transfer presents the major advantage over other formal transfer methods that neither the sender nor the receiver needs to be banked. Western Union's services in Switzerland are restricted for financial institutions (falling under the Anti-Money-Laundering law), however: since 2004, the post bank only has the right to offer this service to senders holding a post bank account.

The **post bank** also has a direct partner in Serbia (namely, the Postal Saving Bank), and the fees on the sender's side are fixed. Two transfer options exist. The use of the first one, the *Giro International*, is open to all migrants (having or not a post bank account) but is restricted to transfers on Serbian bank accounts – so the recipient has to be banked. The correspondent fixed fee is one of the lowest in the Swiss remittance market, as it represents about 5% of the transfer value. However, depending on the recipient bank, additional fees proportional to the amount sent may raise the cost of transfer. The second option is a money order, the *Cash International*, which does not ask for a bank account on the recipient's side. If the sender is a client at the post bank, the fixed fees are low (5% of the transfer value), but if not, they rise to CHF 40.-.

All **other Swiss banks** offer remittance transfers through indirect channels (Table 14). Given that the choice and the number of intermediary banks depend upon the choice of the final recipient bank in Serbia, the total fees of the transfer are not known in advance. Indeed, the sender institutions apply fixed fees on the transfer, without any foreknowledge of what fees the different intermediary and final banks apply (fixed fees, proportional to the transfer value or no fee at all). Switzerland is not an exception in the international community. This uncertainty about final fees for remittance transfers is common⁴⁵.

⁴⁵ The same problem also exists in Great Britain, for example. Indeed, the temporarily actualized information about fees provided online by DFID only concerns information known

The information in Table 14 might therefore be underestimated. Indeed, the fees on the sender's side are low, varying between CHF 10.- and 25.- (3% to 8% of CHF 300.- transfers).

Compared to the level of fees of formal transfer channels and especially to their uncertainties, informal channels are by far the least expensive ones. Hand carry transfers cost nothing given that the money is handed over to a friend or a family member travelling to Serbia. Bus drivers do not ask to be paid for the transfer of money either. However, according to one bus driver, a commission of about 2 to 3% of the transfer value is usually requested if the sender is not a friend of his.

As compared to the fees of formal remittance services (see Table 14), the institutionalised commission for the bus driver is still the cheapest way to send remittances, especially if these add additional fees not known in advance by the sender banks.

from the sender institution's side (see notes on page <http://www.sendmoneyhome.org/Contents/Online%20database.html>).

Table 14: Fees for formal remittance transfers (CHF 300.-) at different financial institutions in Switzerland, 2006.

PAYMENT INSTITUTIONS	FEES		TYPE OF FEES AND ADDITIONAL INFORMATION
	CHF	% of the amount	
Formal direct remittances channels			
SBB (Swiss Railway System) - Western Union	30.-	10%	Proportional to the transfer value
Post bank - Giro International (Post-banking)	12.-	4%	Fixed; Receiver has to be banked; additional fees proportional to the transfer value on receivers side
- Cash international (money order)	12.-	4%	Fixed; Fees for non post-bank account holders: 40.-
- Western Union*	30.-	10%	Proportional to the transfer value; since 2004, this channel is only available for post-bank account holders
Formal indirect remittances channels			
Raiffeisen*	15.-	5%	Fixed; Unknown additional fees of intermediary and recipient banks
Crédit Suisse*	10.-	3%	Fixed; Unknown additional fees of intermediary and recipient banks

Kantonal Bank*	25.-	8%	Fixed; Unknown additional fees of intermediary and recipient banks
UBS*	25.-	8%	Fixed; Unknown additional fees of intermediary and recipient banks
Informal remittances channels			
Handcarried	None		
Bus drivers	15.-	2-3%	Proportional to the transfer value; especially applied to migrants who do not know personally the bus driver

Notes: all fees concern payments made over the counter; * sender needs a bank account in the corresponding institution
Source: Face to face and phone interviews.

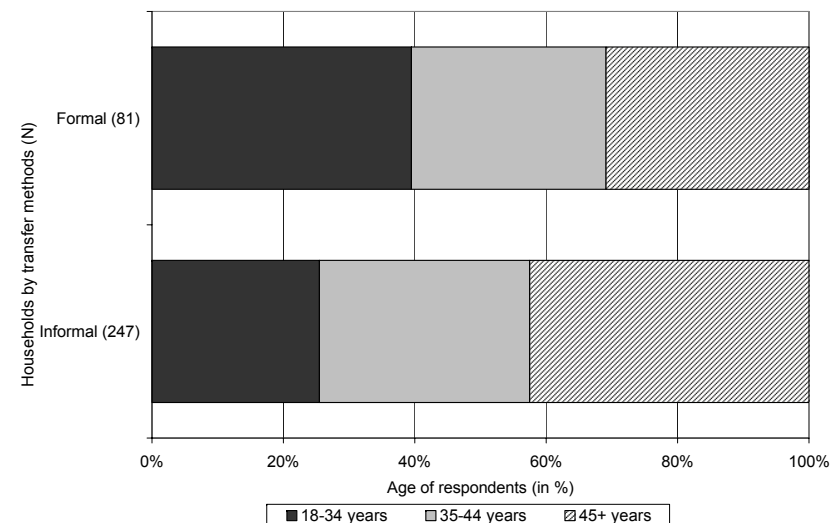
9.3 Characteristics of Remitters Using Informal versus Formal Channels

This chapter describes the main distinctive characteristics of remitters using formal versus informal channels. Formal remitting households are defined as those households, who mentioned (among others or only) either bank transfers, post-banking or MTOs as their main transfer methods used for sending money to Serbia during the last 12 months. Only results significant at the .05 level are commented. Discussed results that are not illustrated in a figure are to be found in Annex 3.

Demographic Characteristics of Informal and Formal Channel Users

Respondents of formally remitting households are younger than those who remit money by informal means: whereas 40% of the former are 18 to 34 years old, this age group represent only a quarter of the latter (Figure 29). The oldest migrants (aged 45 and above) are particularly underrepresented among the formal remittances senders (31% against 43% among informal methods users).

Figure 29: Age distribution of formal and informal Serb remitting households, 2006.



Source: Survey 2006.

How can these differences in the age structure be explained? They might point to a habit of an earlier time when the formal remittances mechanism was not available because of the UN economic embargo from 1992 to 1995 (De Luna

Martinez et al. 2006). This probably concerns the older more than the younger migrants, as mentioned in the focus groups. In this way the use of informal channel is a kind of “old habit”.

“Until the end of the 1980 everything went well, we still had our banking and posting channels. With the breakdown of former Yugoslavia we witnessed the closure of the bank and the chamber of commerce. During the civil wars we could no longer use the banking system. The situation got worse after the UN embargo. We therefore had to find new ways to bring money into Serbia. So we just started to give the money to colleagues travelling there. Today it is still works this way although there are banks in Serbia now” (First focus group).

Secondly, the older generation of migrants may be more sensible with regard to possible problems linked to formal channels, because they were directly – or indirectly– concerned by the freezing of deposits as well as the failure of pyramid banking schemes in the 1990. This question of trust in formal banking systems is of high relevance for their choice of remittance channels.

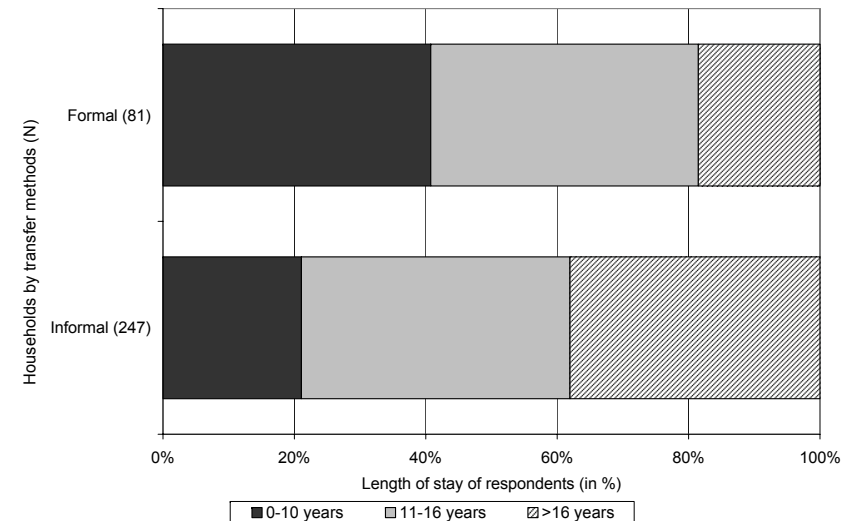
Younger migrants, on contrary, probably themselves experienced the stabilization of the Serbian banking market (and economy in general), which is linked among other things to the recent market penetration of foreign banks. However, younger people might just be more familiar with modern forms of banking, like e-banking, the use of credit cards and so on.

Differences according to sex are not significant.

Length of stay of Informal and Formal Channel Users

However, differences arise with regard to the length of stay of the respondents – whatever their sex and age (Figure 30): Those who arrived in the last 10 years are almost twice as likely to use formal remittance channels (41%) than informal ones. On the other hand, long-term migrants living in Switzerland for over 16 years are proportionally half as likely (19%) when compared to the informal remittance senders.

Figure 30: Length of stay of formal and informal remitting Serbs, 2006.



Source: Survey 2006.

Indeed, the shorter stay of formal channel users is mirrored in their residence status: residence permit holders – whose permit is renewed annually – represent 30% of the formal channel users versus only 13% of those who remit exclusively through informal channels. These differences may be explained by a higher level of trust in the Serbian financial infrastructure of recent migrants, as they left the country when the situation began to improve. One can also suppose that their annually renewed residence permit may discourage them to transfer money by illegal ways, as compared to migrants who benefit from a more stable permit.

Furthermore, among male or older formal remittances senders (aged 45 and above) naturalized migrants are strongly underrepresented, as they only represent respectively 9% and 4% versus 16% or 18% among their informal channels using counterparts.

Level of Education of Informal and Formal Channel Users

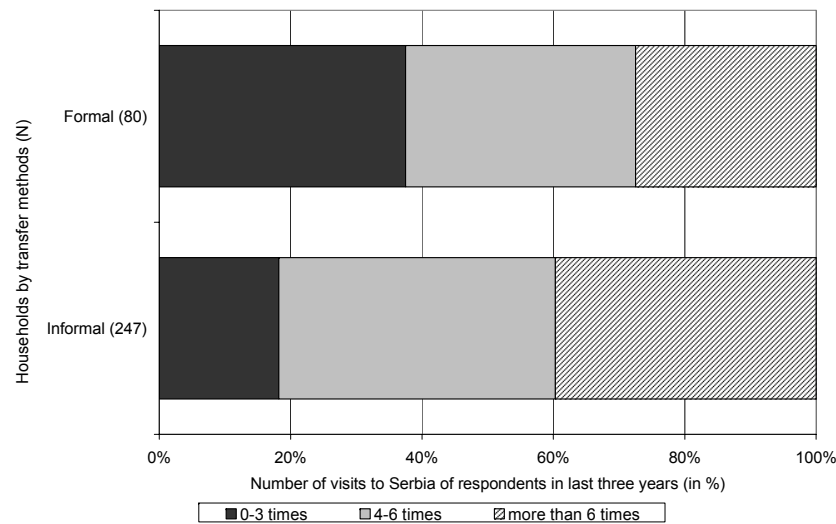
Formal channel users also show a different feature compared to informal ones what the level of education is concerned. However, these differences differ according to the age of the respondents. If one considers only older migrants aged 45 and above, 32% of the formal remittances senders hold a tertiary degree against 11% of the informal ones. Indeed, a higher level of education is generally supposed to indicate a higher banking literacy. But, among young migrants under 35 these differences are inverted, as tertiary educated

respondents are proportionally six times less numerous among formal channel users (3%) than among informal channel users (20%).

Transnationalism of Informal and Formal Channel Users

It is not surprising to observe that informal transfer method users are travelling more often to Serbia, given that they probably bring the money to the receivers themselves. Indeed, migrants who went to Serbia at least 7 times in the last three years only represent slightly more than a quarter (28%) of formal transfer channel users versus 40% of informal ones. On the other hand, those who travelled at most three times to Serbia in the last three years are half as much represented among the former (18%) compared to the latter (38%).

Figure 31: Number of visits of Serb formal and informal transfer methods users, 2006.



Source: Survey 2006.

These frequently travelling respondents who use informal methods may also be integrated in a highly mobile social network of other Serbians, which gives them more opportunities to hand over money intended for the family to a travelling friend. Indeed, focus group participants also mentioned this point: it is possible to find a friend leaving for Serbia almost every day:

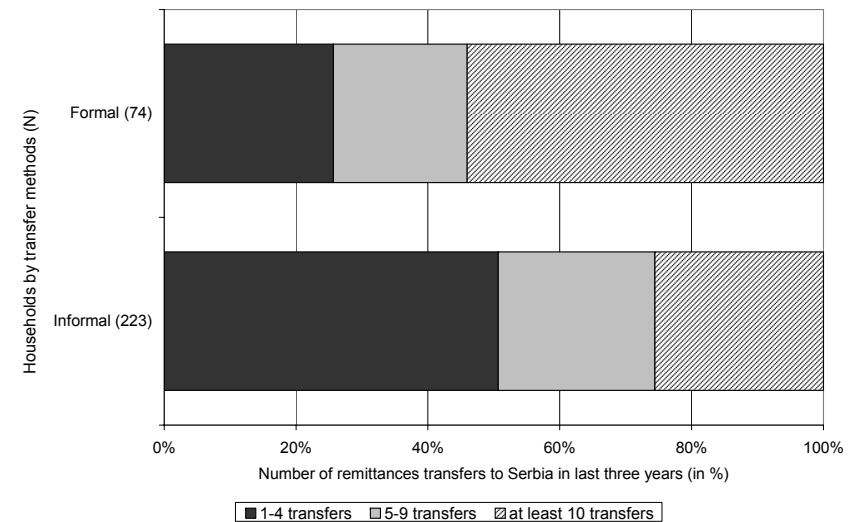
“There is another reason [to send money through informal channels]: everything happens very spontaneously. For instance, we organize this at the table. You know somebody is going to Serbia, so you just give him some money. Or somebody loans me some money so that I can give it to my person in Serbia and I will pay it back later” (First focus group).

Finally, having a bank account in Serbia proves a certain confidence in the Serbian banking system and may enhance remitting through formal channels. Indeed, the numbers of bank account holders are proportionally much higher among the formal channel users (33%) than among the informal ones (18%). These differences are particularly marked among young remitting migrants, suggesting that they are the best-banked ones.

Frequency and Amount of Remittances and Informal and Formal Channel Users

The transfer patterns also have an impact on the household's choice of the channel. The data shows that the more often transfers are sent by a household to Serbia, the more they tend to be sent through formal channels – whatever the age of the respondent migrant. Whereas more than half of the formal channel using households send at least ten transfers a year, this part represents only a quarter among informal channel users (Figure 32).

Figure 32: Number of remittances transfers to Serbia of formal and informal transfer method users in the last 12 months, 2006.



Source: Survey 2006.

Households who send money each month probably make use of a standardized transfer procedure as for example e-banking. Furthermore, if they regularly sustain the living of family members or do business in Serbia they only can deduct these payments from the taxes if they are able to formally document them. Therefore the only way to do this is to send the money through formal

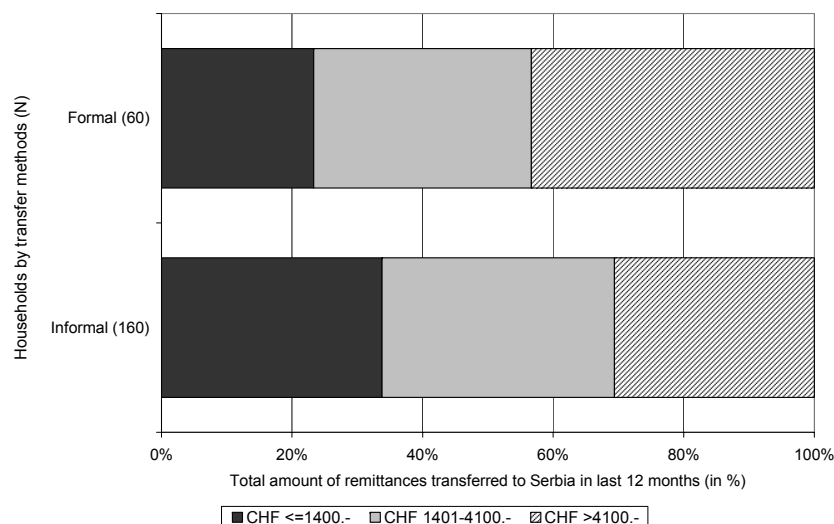
channels. This issue was also raised by a participant of the focus groups who owns a business in Serbia:

"I do everything with the banks. I send the money with banks. In this way I have the receipts for the taxes in my hands." (First focus group)

"Money for washing powder or chocolate I am sending with the bus. But if I have to transfer larger amounts and for instance if I have to support somebody on a regularly basis, I need the receipts. This is the reason I use the bank." (Second focus group)

Aside from the frequency of transfers, the total amount sent by households also influenced the choice of the channel, given that the higher the number of transfers executed by a household, the higher the total amount sent to Serbia⁴⁶ (or the lower is the mean amount sent per transfer⁴⁷). Indeed, households situated in the upper tertile of the household distribution according to the total amount of remittances sent per year (more than CHF 4100.-) are over represented among the formal transfer methods users (43%) compared to the informal ones (31%; Figure 33).

Figure 33: Total amount of remittances transferred to Serbia by formal and informal transfer method users in the last 12 months, 2006.



Source: Survey 2006.

⁴⁶ There is indeed a positive correlation between these two variables: $R^2 = .35^{***}$

⁴⁷ $R^2 = -.22^{**}$

Similar differences between the two remitter groups are also observed if the mean amount sent per transfer is taken as an indicator.

Finally, one can suppose that good local language proficiency would enhance banking literacy and therefore also increase the tendency to send through formal channels. This is an important point, given that the use of formal channels requires the filling out of extensive paperwork mandatory under the Anti-Money-Laundering law in force since 1999. Indeed, users of formal transfer channels were slightly more able than informal methods users to manage the local language at a good or excellent level (respectively 56% versus 50%) – thus this result is statistically not significant.

9.4 Determinants of the use of formal channels

This chapter identifies the profile of formal transfer channels users (banks, post-banks and MTOs) by applying a logistic regression model⁴⁸.

The model is run on 272 remitting households for whom all information included is known. Separate models were also run for households whose respondent were male and for those whose respondent were female – all participating to the remittances decision.

Following factors had been included in the models:

1. **Sex of the respondents.**
2. **Age of the respondents** in three positions: respondents aged between 18 and 34; aged 35 to 44; and 45 and above.
3. **Residence status of the respondents** in three positions: residence permit; settlement permit; and naturalized respondents.
4. **Level of education** of respondents in three positions: primary school diploma; secondary degree; tertiary degree.
5. **Self-declared local language proficiency of the respondents** in three positions: sparse or no proficiency at all; medium level; and good or excellent proficiency.
6. **Place of residence of three best friends:** best friends in Switzerland; three best friends in different countries (in Switzerland and Serbia or other countries); all friends in Serbia.
7. **Number of the respondents' visits to Serbia in the last three years** in three positions (less than 4, between 4 and 6, at least 7 visits).

⁴⁸ For methodological remarks, see chap. 3.1.5, p. 19.

8. **Number of transfers** done in the last 12 months by the household in three positions (lesser than 5 transfers, 5 to 9 transfers, at least 10 transfers).
9. **Kinship affiliation between the principal receivers of the transfers sent by the households and the respondents in five positions:** member of the same nuclear family (partner, children of respondent); siblings and siblings in law; parents and parents in law; grand parents; other member of the family or friends.

The analysis has only been executed on those households, whose respondent participated to the decision to remit. Without the mention of the contrary, only results significant at the .05 level are commented below.

9.4.1 Results

The first model in Table 15 shows that – once the effect of other variables are controlled – **men tend to use formal remittances** channel more often than women. Thus the result is statistically not significant.

The remittance **transfer pattern themselves have a major impact on the use of formal channels**. The model shows clearly, that – if the model controls the effect of other determinant factors – the likelihood of using banks or MTOs increases with the number of transfers a household sent to Serbia (the households sending at least 10 transfers a year are associated to the highest O.R. of 6.23***). The advantage of the payments procedure's standardization certainly makes the formal channel very attractive for regular remitters compared to the informal one. Indeed, if remitters hold a bank account in the bank they use to transfer money, all necessary information on the sender are already known and payments can be made very easily.

However, the familiarity of modern payment systems differs according to age. One observes that **the younger the household respondents are, the higher the probability to send money through formal transfer channels**. Those headed by young adults (aged 18 to 34) face a special high probability to use banks, post-banks or MTOs (O.R. = 2.51^b), whereas households headed by migrants of an older active age have the least likelihood of doing so. It is interesting to note that – once the effect of other variables taken into account – these differences between younger and older migrants are especially high among women (O.R. = 14.12* for young women), but rather inexistent among men.

Furthermore, households headed by **residence permit holders have a higher probability to use formal channels** (O.R. 2.62*) than those whose head has a settlement permit or who has been naturalized. This is one of the main factors explaining the use of formal channels. It may be that the annually renewed right of residence discourage migrants to use illegal transfer practices. On the other hand, these recent migrants are probably not integrated yet in an extensive social network allowing them to regularly hand over money to travelling members to

Serbia. Once more, this difference in the likelihood according to the residence status is particularly high among female migrants (O.R. = 6.96*), as compared to male ones (for whom this result is not significant).

Table 15: Determinant factors of the decision to send remittances through formal channels. Results of a logistic regression.

	TOTAL		MALE		FEMALE	
	Odds ratio	Stat. Sign.	Odds ratio	Stat. Sign.	Odds ratio	Stat. Sign.
Sex of respondent						
Male	1.77					
Female	1.00					
Age of respondent						
18-34 years	2.51	^b	1.33		14.12	*
35-44 years	1.54		1.58		1.29	
45+ years	1.00		1.00		1.00	
Residence status						
Residences permit	2.62	*	1.42		6.96	*
Settlement permit	1.00		1.00		1.00	
Naturalized	0.90		0.45		1.47	
Level of education						
None or primary	1.40		0.53		3.30	^b
Secondary	1.00		1.00		1.00	
Tertiary	1.34		1.43		1.28	
Local language proficiency"						
None or sparse	0.29	^b	0.34		0.60	
Medium	1.00		0.83		0.69	
Good or excellent	0.89		1.00		1.00	
Number of visits to Serbia in last 3 years						
Lesser than 4	3.06	*	6.35	*	1.37	
4 to 6	1.00		1.00		1.00	
At least 7	0.61		0.72		0.41	
Place of residence of three best friends						
Switzerland	1.36		1.17		1.72	
Transnational	1.00		1.00		1.00	
Serbia	0.45		0.25		1.58	
Bank account in Serbia						
Yes	2.60	*	2.52	^b	5.23	*
No	1.00		1.00		1.00	
Number of transfers done in last 12 months						
Lesser than 5 transfers	1.00		1.00		1.00	
5 to 9 transfers	2.09		0.92		10.89	*
at least 10 transfers	5.94	***	7.25	**	17.22	*
Principal receiver of transfers						
Nuclear family	2.17		0.63		9.48	*
Siblings (in law)	1.22		0.80		3.39	
Parents (in law)	1.00		1.00		1.00	
Grandparents	0.49		0.15		0.60	
Other	0.88		0.67		5.40	
	Informal transfer methods users (N): 199		106		93	
	Formal transfer methods users (N): 69		41		28	
	^b p < 0,1; * p < 0,05; ** p < 0,001; *** p < 0,0001					
	*autodeclared					

Interestingly, the level of education does not play an important role in the decision process related to the remittance channel. However, some differences are observed between male and female respondents⁴⁹. Indeed, households whose male respondents are better educated tend more to use formal transfer means than those with low skilled migrants (the result is statistically not significant). On the other hand, households headed by lowest skilled female migrants are much more likely to use formal channels (O.R. = 3.30^b) than their skilled counterpart.

As the important effect of legal integration in Switzerland on the use of formal transfer methods suggests, local language proficiency plays a role once the effects of the other variables controlled: **the higher the local language proficiency, the higher the likelihood of using formal channels**. Even if this result is only significant at the 0.1 level, the separate models by sex show the same trends among both men as well as women respondents. The hypothesis suggesting a higher banking literacy and a subsequent higher likelihood to send remittances through formal channels among migrants fluent in the local language may be confirmed by this result.

On the other hand, the geographic proximity of Serbia and Switzerland may facilitate hand carry transfers done by the migrant him or herself. Indeed, **the likelihood of remitting through formal channels** rather than bringing money to Serbia by other means **is highest for migrants who visit rarely their country of origin** (O.R. = 3.06* for respondents who visited at most 3 times Serbia in the last three years). However, this result is significant among males but statistically not significant among women even if the differences in the odds ratios according to the number of visits to Serbia show the same trends. Women probably travel less often between the two countries than men. At least when they are in Switzerland with the family, they are generally responsible for their children, meaning that their mobility is restricted.

The spatial distribution of the respondent's friendship may also play a role. Even if the results are statistically not significant, the model shows that **those respondents whose social network is primarily based in Switzerland** (estimated by the place of residence of their three best friends) **tend more to send remittances through banks or MTOs**. A higher social integration in Switzerland – in terms of friendships – may indicate a better advisement about the use of formal remittances transfer methods available. However, those who have their best friends in Serbia seem to be the least likely to use formal channels.

⁴⁹ See note 28 on homogamy in Serbian couples.

Furthermore, **having a bank account in Serbia increases the likelihood of using formal channels** (O.R. = 2.60*), given that it may indicate a higher level of confidence in the Serbian financial infrastructure. It could even be that migrants use an account in a Serbian bank to transfer remittances intended for family members who have remained there. Indeed, they may use a bankcard in order to access to the account.

Finally, the information about the kinship relationship of the major receivers (of the transfers done by the households) to the respondent migrants has been introduced in the model. This variable tests generational effects on the use of formal transfer channels pertaining to the receiver's side of the remittances chain. The results are statistically not significant but indicate that households sending primarily to older receivers (parents and grand parents) tend more to use informal channels than those who mainly support their own nuclear family or siblings. However, these observations are particularly valid for women, but not for men.

9.5 Synthesis

The survey data and the focus groups show similar results: remittances from Switzerland to Serbia are predominantly sent by informal means. Most transfers are hand carried by the respondents, family members or friends, whereas another significant part is handed over to bus drivers. Indeed, these informal transfer means are faster than bank or post-bank transfers and are considered as simple as well as reliable. Finally, Serbian remitters use informal means because they do not trust in the Serbian banking infrastructure.

Among the formal transfer methods used by Serbian remitters, however, banks are the preferred service providers. Interestingly, those who use them explain their choice by the same attributes as the informal transfer methods user: they consider bank transfers simple and reliable.

These different opinions about formal and informal transfer means according to the own practice of the respondents may be due the different profiles of these two remitter groups. Indeed, formal transfer remitters are predominantly young, fluent in the local language and hold a residence permit that is renewed annually. They are not linked to their country of origin, except through their bank account in Serbia. Indeed, formal channel users rarely travel to Serbia and have their social life centred in Switzerland. Interestingly it is not necessarily the best educated who use the formal channels, especially not among males.

The most determinant factors influencing the choice of formal channels to transfer money lie in the transfer pattern, however. Indeed, formal channel users almost send money to Serbia each month and transfer important amounts every year. They therefore rely on standardized as well as official transfer means.

10 Executive Summary

Description of the study: Mandate, aim and methodology

Serbia-and-Montenegro has experienced an important growth of remittance flows in the last few years and ranks among the major recipient countries worldwide. The World Bank's estimates assume that in 2004 the total amount of remittances exceeded four times the net foreign direct investments. Given the large amounts of migrant transfers sent every year to Serbia-and-Montenegro, policy attention has turned **to the challenge of improving their development impact.**

In this line of arguments, the Swiss State Secretariat for Economic Affairs (SECO) would like to explore ways to facilitate the growing remittance flows from migrants residing in Switzerland. Recognizing that remittances are, above all, private transfers that can also offer development opportunities for developing countries or countries in transition, SECO is interested in finding ways to enhance their economic development impact in countries of origin and their efficiency.

With this in view, SECO has mandated the Swiss Forum for Migration and Population Studies (SFM), the International Organization for Migration (IOM), the European Bank for Reconstruction and Development (EBRD) to carry out a remittances-for-development research initiative.

Our study deals with **the sender's side of the Swiss-Serbian remittance chain**, whereas the recipient side is investigated by IOM and EBRD. **The aim of the study was to assess the remittance behaviours of Serbian migrants in Switzerland and to estimate the volume of these financial flows. Moreover, the profile of the remittance senders and the methods used for sending money from Switzerland to Serbia have been identified.**

The Serbian population living in Switzerland has been approached using two complementary methodologies. First, **a telephone survey (CATI, Computer Assisted Telephone Interviews) was launched among 600 Serbian migrants:** 500 interviews with citizens of Serbia-and-Montenegro (excluding Kosovars and Montenegrins) living in Switzerland holding a resident or settlement permit and 100 interviews with recent naturalized Serbian migrants were conducted. Second, **4 focus group discussions** with 21 Serbian migrants, "ethnic business" holders and informal remittance service providers were organized. This qualitative approach has been introduced to clarify the underlying reasons for the patterns identified through the quantitative survey and to explore possible ways for further action in this remittances corridor.

Serbs are nowadays among the most important immigrant groups living in Switzerland: In 2004 211,340 citizens from Serbia-and-Montenegro have been living in Switzerland (Swiss Federal Statistical Office 2005)⁵⁰. The Serbian migration to Switzerland has historical roots, but it is only during the 1960s and 1970s that guest workers, mainly men, arrived from this region in Switzerland. However, the major inflow took place in the late 1980s and especially in the 1990s during the civil conflicts in the Balkan area. Sometimes confronted with growing economic hardship and increasing political unrest at home, the 'Yugoslav guest workers' (as they were called until the mid 1990s) slowly abandoned their plans to return. They indeed preferred, if possible, to bring their families to Switzerland. The result was a rapid increase in the population of the Former Republic of Yugoslavia during the 1990s through family reunification, which also provoked a 'feminisation' of the migration. While the citizens of Former Yugoslavia made up only a small part of the foreign population established in Switzerland in 1970, nowadays they are one of the main immigrant groups in the country. Consequently, the Serbian migrant population - the leading group of the Former Yugoslavian migrants - is still quite young, as the quasi absence of retired individuals illustrates. With a major shift in immigration policy since the beginning of the 1990s, immigration into Switzerland from former Yugoslavia was restricted: It is only possible by seeking asylum (a minor part of the Serbian migrants arrived for this reason), through family reunifications or for highly skilled migrants. The collapse of Former Yugoslavia, the civil wars, the economic embargo and the economic transition from a socialist to a capitalist economy are the main determinants of Serbian migration. Moreover, the restriction of the Swiss immigration policy and the structure of the Swiss labour market also had an impact on the Serb migration flows.

On the following pages the main findings of the study will be summarized; "hurried" readers can therefore fully concentrate on these pages where they will find the substance of the research.

The main findings of the study are summarized in the following pages, which also provide some recommendations for future action. The aim is to provide useful indications about potential future projects and policies. The recommendations are highlighted with an arrow →. Based on a Swiss perspective, these recommendations **estimate how the development impacts of**

⁵⁰ The Kosovo-Albanians are included in this figure. It is not possible to distinguish between Serbs, Montenegrins and Kosovo-Albanians among the citizens of Serbia-and-Montenegro because the Swiss statistics do provide information on ethnicity. **It is important to remember, however, that Kosovo-Albanians and Montenegrins have not been included in this study.**

remittances could be enhanced. The migration-development nexus is linked to various policy fields (economic and labour market policies, migration policies, foreign affairs, domestic policies, etc.): migration is not only a potential but also a challenge for policy actions, which are often formulated separately. Only cooperation and coordination between the different ministries in both the sending and the receiving countries guarantee that the potential of the migration-development nexus can be fully capitalized (Report of the Global Commission 2006). For this reason we decided not to limit the recommendations to one specific policy field (i.e. of SECO, the mandating department of this study), but to point out articulations between different policy fields within the Swiss government when wanting to promote the development impact of remittances.

Main results and recommendations

An introducing remark has to be made with regard to remittance data in Switzerland. The study showed that **data on remittances and transfer channels are either unsatisfactory or non-existent in Switzerland.** In order to have an accurate picture of the potential of remittances for development as well as to promote competition on the remittances market, **→ improvement of data on remittances is necessary.** First of all, the methodology of the Swiss National Bank used for the estimation of the aggregate remittances outflow certainly needs an update as the composition (in terms of national origins) and quality of the migrant population changes over time as well as their remittances behaviour. Second, data on separate remittance (bi-national) corridors are needed in order to concentrate actions on countries where migration has a real potential for development. **→ The first step would be to produce more data on the migrants' remittances behaviour,** since accurate aggregate or bi-national estimations of remittance flows are necessarily based on hypothesis about these behaviours. Existing surveys with larger samples of migrants as the one analysed in this study could integrate information about remittances and provide periodical updated information. The Swiss Labour Force Survey (SLFS), per example, counts 16000 foreigners in his sample and already collects information on some determinants of remittances behaviour identified in this study – the introduction of some specific questions on migration and remittances would ideally complete the data.

Furthermore, data on migrant organization in Switzerland representing important “gate keepers” for remittances-development-actions are non systematic and insufficient. **→ An exhaustive inventory of the major migrants' institutions would facilitate contacts with the source of remittances as well as their mobilization for implementations of development actions.**

Other data limitations as the complete absence of comparative information on transfer channel will be discussed in the following presentation of the study's main findings and recommendations.

Finding 1: Interpersonal economic transfers are widespread among Serbian migrants → Development initiatives ideally address also the sender's side

Remittances rarely occur as a single act and *per se*, but are mostly embedded in a set of larger transnational economic transactions of migrants with their country of origin. Both survey and focus group confirm this observation for the Serbs of Switzerland.

Economic relations with the country of origin are widespread among Serbian migrants in Switzerland. Indeed, **during the last 12 months, three quarters of the surveyed Serbian migrants sent pecuniary or in-kind remittances. 31% sent only money, 29% money and goods and 14% only goods.** In-kind remittances mainly include consumption goods as well as household equipment; production goods on the other hand are rare (see also Result 6). **Only a quarter of the surveyed population was not involved in any kind of interpersonal economic transfers.** Furthermore, more than a fourth of the respondents indicated that their household loaned money to family members of friends in Serbia.

60% of the respondents who remit money transferred **a mean amount of CHF 4364.- in the last 12 months. The median amount is CHF 3000.**⁵¹

On the basis of these numbers and compared to the estimated number of Serbian households in Switzerland, the overall amount sent by Serbian migrants in Switzerland to Serbia **during the 12 months preceding the survey** can be estimated **at 60 millions of Swiss Francs.** Such estimates must however be used with caution, as the figures only reflect the experience of surveyed persons – subject to biases of representativity – and is based on an extrapolation. Moreover, the survey excluded undocumented migrants, asylum seekers and short-term migrants, who are supposed to send important amounts of remittances. Therefore, the amount of CHF 60 millions is a low estimate. Second, the survey focused on Serbian migrants, one of the three main groups of citizens from Serbia-and-Montenegro. For this reason, our estimation cannot be compared to official statistics based on citizenship. The estimated amount

⁵¹ In kind remittances are not included in this figure.

represents less than 2% of worldwide remittances to Serbia-and-Montenegro. Indeed, these aggregate data include remittances sent to Montenegro and Kosovo as well.

Next to interpersonal transfers, it is also common for Serbian migrants **to possess economic assets**: Three quarters of the respondent households own a house or an apartment in Serbia, more than half own land in their country of origin. Only 22% of the respondent's households are without real estate or land in Serbia.

→ **General remarks:** *Most of the Serbian migrants in Switzerland send important amounts of money to Serbia and are linked with their country of origin through a wide range of economic relations of various types. Given the widespread economic relations of Serbian migrants with their country of origin, a potential for economic development initiatives is without a doubt latent. These results suggest that actions might be fruitful if carried out both on the sender's side and the recipient's side.*

*The specific pattern of the Serbian migration movements as well as the geographic proximity of the country of destination to the country of origin distinguishes this case study from many others. In the specific case of Serbia it is the post-war situation as well as the economic transition that creates the need for development actions: remittances could play a major role in this situation. The geographic proximity allows a high intensity of transnational relations as the costs for travelling between the two countries are low and communication easy. Both characteristics may have a positive impact on the migration–development nexus. More generally, the proximity of Serbia to Switzerland and the high degree of the migrants' social relations with their country of origin might be capitalized in larger (governmental) developmental initiatives. **Indeed, the Serbian migrants living in Switzerland and their (formal or informal) organizations could act as an intermediation instance for implementing particular projects.***

Finding 2: A significant determinant for remitting is the availability of financial resources → There is a link between immigration policies and remittances behaviour

Households with high monthly equivalent household incomes tend more to send money and higher amounts to Serbia than poorest ones. Indeed, remitters generally are better integrated into the labour market than non-remitters.

On the basis of these conditions two different types of remitting households can ideally be identified among the Serb migrants:

Type 1: Family households headed by a person aged over 40 have the highest probability to send remittances, even if the amounts transferred are relatively small. These households can rely on a cumulative number of income sources, as the children are in working age and contributing to the household income. But also the partners of the respondents are probably also (again) economically active.

Type 2: On the other side, **younger Serbian migrants living in a non-family household** are also highly probable to send money to Serbia. They often send consistent amounts. This is particularly the case if dependent children and/or a partner still live in Serbia. Furthermore, they do not have economic burdens in Switzerland other than their own consumption and can probably easier send a part of their income to Serbia.

The length of stay in Switzerland does only have a limited negative impact on remittance behaviour given that more than 50% of migrants who are established in Switzerland for more than 25 years still are remitting. This result stands in contradiction to international empirical findings: these suggest an inverted U-shaped curve between length of stay and the likelihood of remitting as well as the amount remitted. This Serbian uniqueness could be explained by the recent character of the Serbian migration on the one hand, and the post-war conditions in Serbia on the other.

However, the data show, that the amount sent decreases over the years a household remits. The lack of longitudinal data makes it however difficult to clearly assess the relationship between amount transferred and time of remitting, since the civil wars as well as the post-war condition certainly affected remittance behaviour.

Furthermore, **high amount sending migrants** show a distinctive feature compared to the overall profile of remitters. High amount senders are **in economic terms the best off, the youngest and highest educated among the remitting Serbs**. The amounts are even more important in cases where the migrants' family still remains in Serbia. Interestingly, well-established migrants, especially **the naturalized** ones, are much more likely to send high amounts than short term migrants. They are probably more easily able to capitalize their human capital endowment on the Swiss labour market.

But still, some evidence shows that **very low educated individuals** also tend to send high amounts. This might be explained by the situation of economic hardship experienced by their family in Serbia. According to studies of the World Bank low skilled households are in Serbia the most vulnerable for poverty (World Bank 2003).

→ **Recommendations: Enhancing efforts for better labour market integration of Serbian migrants in Switzerland:** *Given that difficult labour market participation and economic hardship limits the remittance flows from Switzerland to Serbia, employment facilitations and measures aiming at a better labour market integration of Serbian migrants in Switzerland would have a positive impact on the flows. This is especially true for women. The coordination of immigration and economic integration policies has a particular relevance for the volume and stability of the remittances flow. These results show how different policy fields (of both the sending and receiving country) are implicated in migration issues if one wants to capitalize on the opportunities and meet challenges associated with international migration.*

Furthermore facilitating naturalization processes would paradoxically have a positive impact on remittance flows. In other words, there is an additional form of articulation between the politics of naturalization (i.e. integration) and development politics.

Young and highly skilled migrants with families in Serbia – A system of “short term permits”: *At the same time, selective immigration seems to have a positive impact on remittances. A system of “short term permits” – as recommended by the way in the Report of the Global commission – could have a positive impact on remittances flows from Switzerland to Serbia and is one of the possibilities how the opportunities of international migration could be capitalized on. This does not mean to implement the “guest worker” system as it was common in Switzerland until a decade ago, but new forms of short-term permits could be envisaged. Switzerland may evaluate and adapt forms of “recruitment, remittances enhancement and return programmes” (3-R programmes) of different countries of Europe (Niederberger and Wichmann 2004).*

Finding 3: A significant determinant for remitting is the intensity of transnational integration of the Migrants → There is a potential to enhance the remittance flows by promoting and facilitating transnationalism⁵²

⁵² The idea that underlies the transnational perspective is that an emigration is not a break with the country of origin, but that migrants maintain their relations with the countries of origin. Social relations are not bound to fixed places and migration decisions are not separated from processes of adaptation to a new environment. During the migration process there is therefore the possibility that new interdependencies are built up. Remittances can be seen as one element of an economic transnationalism. Transnational businesses – travel agencies, remittances carriers, and telephone companies – are another important element of transnational economic living.

The migrant’s economic, physical, social and family relations with the country of origin have a major impact on the remittances decision. Put more general, the data show that the **respondents with high a degree of economic and social transnational integration have a higher probability to remit and they remit higher amounts.**

Those who still have close families members remaining in Serbia, who benefit from transnational friendship relations in Switzerland as well as in Serbia or in other countries and who hold assets or bank accounts in Serbia are more likely to remit. Remitters also travel often between the two countries, which fuels and renews this transnational integration. These transnational relations may not only facilitate the transfer of money but may also enhance the continuing flow of remittances over time.

Finally, these close transnational relations seem to be an even more important determinant of the decision to send high amounts than of the remittances decision it-self.

→ **Recommendation: Promoting and facilitating transnational integration.** *In order to promote remittance flows, transnationalism should therefore be sustained. This rational is especially important for the stability of the flow in a long time perspective. Immigration policies and nation states should ideally allow the maximum of liberty for the development of transnational practices. Possibilities for double citizenship, “visa de circulation” are examples for measure, which sustain transnational practices.*

Finding 4: Reasons for non-remitting → What about the future of the remittances flows to Serbia?

The reasons why Serbian migrants are not remitting are reflected in the above presented results: they do not send money because **no one they know needs it, either because they came from better off local social strata or because they are not integrated in the Serbian society any more.** 43% of the non-remitters mentioned this reason.

The second most important argument given by the respondents for non-remitting is that **they cannot afford it:** this might be particular true for recently arrived migrants who did not yet find access to the Swiss labour market. This argument has been put forward proportionally most among households with the lowest financial resource.

And finally the study shows that **the second generation**⁵³ are twice as much represented among the non-remitters (23%) than among the remitters (9%). The focus groups discussion highlighted that the second generation of Serbs misses economic and social integration in Serbia, which explains at least partly their non-remitting-behaviour. Knowing that the second and even third generation is a growing part of these migrants, however, we have to seriously question if the amounts sent from Switzerland to Serbia will not decrease constantly during the next two decades.

Generally speaking, **missing economic resources and missing economic or social transnational integration are the main reasons why Serbian migrants do not remit.**

➔ **Recommendation: Thinking about the future of remittance flows - Investigating the potential among the Second generation Serbs for investment strategies – are they the “ideal” transnational entrepreneurs? Even if the second generation tend to remit less, it has different resources than their parents – the primo-migrants - which might could be capitalized on for development initiatives: They are often perfect bilingual speaking Serb as well as a Swiss national language; they have a human capital acquired in schools in Switzerland; they know two contexts very well and often they have two passports rendering more easy the travelling between the two countries but also reducing barriers for transnational entrepreneurship. In fact they could act as a kind of “ideal” transnational entrepreneurs” with a potential for investments in Serbia which again, could have development impacts. However, given the missing transnational integration of second generation Serbs, and given the general mistrust in the Serb banking system and the Serbian economy and politics (see further down), the willingness of Second Generation Serbs to involve in transnational business has to be seriously questioned. If the overall framework might be enforced (i.e. the credibility in the Serb banking system, process of privatisation, etc.), they might be interested in contribute to the development of Serbia. We recommend therefore launching a study in order to assess possible fields of initiatives for this specific target population and in order to assess the conditions for investments named by them.**

⁵³ Serbs who arrived in Switzerland before their 16th birthday and who were enrolled in Swiss Schools.

Finding 5: Remittances are mainly sent through informal channels ➔ There exists a need to arise the level of information of Serbian migrants about the remittances service market (banking systems)

The banking intermediation plays an important role in the context of remittance transfers: it can attract these flows and make them available for investments or credits. In this regard, the formalisation of the transfer channels is of interest. The survey data and focus groups show however, that most of the money which is sent from Switzerland to Serbia **goes through informal channels**⁵⁴:

The large majority of the Serbs, **75% of the respondents, use exclusively informal remittances channels, 7% use both and 17% use exclusively formal channels.**

Informal transfers are in most cases **hand-carried** by friends or family members who travel to the country of origin (72%). **Bus drivers** also offer informal transfer services, which are widely used (16%).

Among the formal transfer means, traditional **banking services** are the most widely used ones and share almost 20% of the “remittances service market”. This is very low as compared with international standards, especially to the US-Latin American corridor. Even in comparison with Germany, where 50% of the transfers of Serbs are estimated to go through banking channels, the formal transfer means are very rarely used by Serbian migrants in Switzerland.

Different reasons may explain this transfer pattern. First of all, the Serbian migrants – especially the older ones – **lack of confidence and trust in the Serbian financial and banking infrastructure.** This is due to different negative experiences of the Serbian emigrants such as the freezing of foreign deposits in the early 1990s, the collapse of (pyramidal) banking schemes and corruption. It should also be mentioned that without a clear financial or practical advantage that would lead to the use of formal channels, informal channels will remain more attractive since they are faster. While transfers through banks and MTOs last 5 to 6 days on average, the average number of days to send money through friends or the bus driver is only 2. Indeed, the geographical proximity is a third reason for the important use of informal channels as visits to the country of origin are very frequent and one might find almost every week a friend travelling to the country of origin. But, as the survey showed, the time of

⁵⁴ Informal channels are hand-carry transfers, executed either by the migrants themselves or by friends or acquaintances using different means of transports as cars, buses, trains or planes. Bus drivers and registered letters are also informal channels. Formal transfers are – in this study – services of Money transfer organisations (MTO), banks as well as post-banks.

transfer is not the principal reason for the choice of a given channel. On the other hand, the cost of the money transfer might have an impact on the choice of the channel: as compared to the fees of formal remitting sending channels, the informal channels are still the cheapest way to send remittances, especially if one adds the possible additional fees not known in advance by the sender banks. This is true also for the institutionalised “tip” for the bus drivers.

It is interesting to note that **the general knowledge of the remittances service market** seem to be quite low among the Serbian migrants. Indeed, the survey showed that the same reasons are put forward to justify the use of different channels: trust, reliability and simplicity. **This suggests that the knowledge about the advantages and disadvantages seem to be strongly limited to the users own practice and is not evaluated on the basis of reliable information.**

Analysing the profile of the users of the formal channels is of particular interest in a development perspective as it clearly differs from the ones using the informal ones: indeed, **high amount sending as well as regularly sending (monthly) remitters are likely to send their money through formal channels.** Furthermore, the formal channel users are **younger and higher skilled** than informal channel users, what also might be a *plus* in a developmental perspective. Even if they are more recently established in Switzerland, they seem to have as well **local language proficiency**. This might be an indicator of **higher banking literacy**. The fact that they hold more often a **bank account in Serbia** may also indicate a higher level of confidence in the Serbian banking infrastructure. Indeed, the Serbian local banking market has become more consolidated and the recent penetration of foreign banks is associated with a higher level of trust. It is therefore not surprising, that the formal channel users are principally among the recent and young higher skilled migrants.

→ *On the basis of these findings three strong recommendations can be formulated: **There is a need for an information offensive about the remittances service market in Switzerland among Serbian migrants in Switzerland with regard to the remittances service market in the Swiss-Serb corridor in order to act against missing trust and old habits.** The advantage of the formal channels should be pointed out to the Serbian migrants in order to give a broader knowledge of the available services other than the ones currently used by the migrants. This might be done by systematically and periodically updating information on the cost, speed and practical use. Other countries, for instance Great Britain, have already established this kind of project. For implementation, Serb migrant organisations could be partners; they are suited for information diffusion.*

Targeting the regularly and high amount senders using formal channel for development initiatives: *The “development friendly” profile of formal channel*

users as well as their high amounts transferred could be exploited with particular offers as preferential access to credit or investment (see further down).

Enforcement of the credibility of the Serb banking market: *In order to be able to capitalize on development impacts of remittances, an enforcement of the Serb banking market is indispensable. One possibility might be the opening up of branches of Swiss banks in Serbia, as they are in the eyes of the Serb migrants more trustable and reliable. The establishment of branch offices of Serbian banks in Switzerland may also raise its credibility among Serbian migrants.*

Finding 6: On the user side remittances show effects on poverty alleviation but there are almost no investments → There is a need for incentives for investments and to ameliorate the frame conditions for productive investments

The median of CHF 3 000.- sent by a household is important for Serbian living standards. **During the last 12 month, the receivers in Serbia got in median terms CHF 1000.-:** this amount is above the extreme poverty line (equivalent of CHF 768.-) and half of the absolute poverty line (CHF 2,000.-) estimated by the World Bank in 2002 Serbia. **Remittances from Switzerland therefore certainly help to alleviate poverty.** Indeed, remittance recipient often are the most vulnerable population of the country, as the money is primary **sent to elder members of the family**. A big share of the **remittance receivers are women (61%)** - even if the transfers probably are intended to the whole household. The main purposes of the remittances transfers to Serbia are the finance of daily needs (61%), to cover health costs (8%) or both (15%). Respondents almost never mentioned other reasons for sending remittances as **investments (3%) or educational expenses (5%)**. Also some participants of the focus group discussions mentioned the consuming character of remittances.

The focus group participants also highlighted an effect of remittances, which could be an obstacle to development: concretely they brought up the **risk of dependency of the receivers** from the money received from Switzerland.

On the other side, the study shows that **productive economic activities in Serbia are rare** among the respondents as only a small minority of them own a business (4%) or even just do business in Serbia (1%). Put differently, **there are almost no transnational entrepreneurs**.

What are the reasons that productive investments linked to remittances seem to be the exception and not a daily affair? The “blocked transition” is certainly one of the reasons. The military conflicts have indeed had a significant impact on the privatisation process in Serbia-and-Montenegro, as the country now lies far behind all other South-Eastern European countries in this regard. Furthermore,

the economic situation is generally considered by the Serbs in Switzerland as bad and the democratic process as unaccomplished. In this context the participants of the focus groups expressed concern about the risks of losing money when investing because of the unstable democratic and economic environment. The lack of an adequate infrastructure for business has also been put forward. Besides a lack of “business culture”, the missing trust in the government – especially marked among migrants abroad – is also a major determinant for the absence of transnational economic activities and investment behaviour. Economic hardship in Switzerland may also play a role in the hesitation of the realisation of those plans, since Serbian migrants often face difficult conditions on the Swiss labour market along by the growing cost of living.

In the last three decades **investments in the construction of houses** was one of the main uses for the remittances. Often it was – as some members of the focus groups expressed – the only way of using and investing the money earned in Switzerland. Sometimes it was even the reason for emigration. It has however to be questioned if these investments are of productive character.

It seems, however, to be space for new initiatives, **as almost a third of the surveyed Serbs declared that they plan to open a business in Serbia (31%)**. If these ideas will be put in reality is another question, but the study clearly identified a potential for initiatives in this field. Indeed “would-be-investors” show interesting features in a development perspective: they are not only young and economically the best off households among Serbs in Switzerland, but also are well integrated through different kind of economic and social transnational relations (among them remittances) in Serbia.

→ **Four recommendations can be formulated:**

Financial and other incentives for the remittances recipients linked with the use of formal channels could have an impact on investment behaviour. For instance, facilitated access to credits could be promoted when using formal channels. These credits could be linked to certain conditions i.e. opening up a business. Serbian migrants who plan to invest in Serbia might realize their intention if they profit from a start up as well as good conditions. Professional business advisement would have the same impact, counselling about ‘business culture’ as well. There are initiatives of this kind in many other countries that could be evaluated and adapted for the Swiss-Serbian case.

A gender sensibility has to be introduced in this project: As a big share of the remittance receivers are women, gender sensible projects - with regard to micro loans and so on - are indispensable.

Improving the frame conditions for investments: However, it seems that the economic and political situation needs more stabilisation before investments be made without high risks. We therefore recommend economic measures – together with the Serbian state – as well as projects of democratisation and good governance. Enforcement of the civic society and a democratisation of media are further possible domains of action.

Focusing the “would-like-investors” in Switzerland: A third of the respondents in Switzerland plan to invest money in Serbia. There is a potential that these “would-be-investors” become development agents. However, we know nothing about the conditions under which they would realise their plan. It might be useful to launch a study in order to assess the development potential of this group of people and the ideal conditions for investment for them.

In conclusion, some methodological points should be highlighted, in order to weigh the results of this study. The Serbian population in Switzerland cannot be identified accurately, as statistics are based on nationality and not on ethnicity. It is supposed, that an important part of Serb-Montenegrin migrants are Kosovo-Albanians. For this reason, the sample (and consequently also the results) of this survey cannot be considered as representative for the total population of Serbs in Switzerland – even if its socio-economic structure is very similar to the one of the Serbs censused in 2000. The extrapolation of the above-summarized results should therefore be made with caution.

Regardless of this limitation, it can be assessed that the Serbian migrants in Switzerland significantly contribute to the living standards of their families in Serbia and a development potential is latent. The short history of the Serbian migration as well as the geographic proximity of Serbia to Switzerland distinguishes this case study from many others. Both characteristics may have a positive impact on the migration–development nexus, especially if they are exploited by coherent actions using the latent potentials of the migrant population. But remittances behaviour and its economic impact in the country of origin are subject to change over time. Determinant factors of these evolutions might not only be qualitative differences in the migration flows, but also labour market integration and settlement in Switzerland. Finally, the evolution of the Serbian economic context will have a major influence.

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12 List of Figures

Figure 1: Economic transfers to households in Serbia, 2006	33
Figure 2: Real estate, land and economic activities of Serbian migrants in Serbia, 2006	34
Figure 3: Remittances and loan practices of potential investors and non-investors, 2006.....	38
Figure 4: Land, housing ownership and bank accounts of potential investors and non-investors, 2006.	38
Figure 5: Other ways of economic transnational activities of Serbian migrants, 2006.....	39
Figure 6: Remittances (in millions of US\$) for the countries of the Former Republic of Yugoslavia, 2005.	41
Figure 7: Age distribution of remitting and non-remitting Serbs.....	46
Figure 8: Probability to remit, according to the age of respondents, 2006	46
Figure 9: Length of stay of remitting and non-remitting Serbs, 2006.....	48
Figure 10: Reason mentioned for emigration of remitting and non-remitting Serbs (multiple answers possible), 2006.....	49
Figure 11: Monthly equivalent household income of remitting and non-remitting Serbs, 2006.....	52
Figure 12: Closest family member living in Serbia of remitting and non-remitting Serbs, 2006.....	54
Figure 13: Geographical location of three best friends of remitting and non-remitting Serbs, 2006.....	55
Figure 14: Number of visits to Serbia of remitting and non-remitting Serbs, 2006.....	56
Figure 15: Reasons mentioned for not remitting to Serbia, 2006.....	57
Figure 16: Total amount of remittances sent by remitting households, by respondents' level of education, 2006	65
Figure 17: Total amount of remittances sent in last 12 months by remitting households, by monthly equivalent household income, 2006.....	66
Figure 18: Number of years that remitters already send money to Serbia, 2006.....	67
Figure 19: Total number of transfers during the last 12 months by remitting households, 2006.....	68
Figure 20: Mean number of transfers to one recipient by remitting household during the last 12 months, 2006.	69
Figure 21: Family relation of receivers to respondents, 2006	70

Figure 22: Sex of receivers, by family relation with the sender, 2006.....	71
Figure 23: Purpose of the remittances transfers to each receiver, 2006.....	72
Figure 24: Total amount of remittances received in the last 12 months, by types of recipients, 2006	74
Figure 25: Informal and formal remittances transfer practices of Serb remitting households, 2006.....	82
Figure 26: Main formal and informal methods used by Serb remitter households for the transfer of remittances (multiple answers were possible), 2006.	83
Figure 27: Reasons mentioned by the informal remitting Serbs for not using the formal transfer methods (multiple answers were possible), 2006.	86
Figure 28: Mean number of days till the transfer arrives to the receiver in Serbia, by remittances transfer method, 2006.	88
Figure 29: Age distribution of formal and informal Serb remitting households, 2006.....	93
Figure 30: Length of stay of formal and informal remitting Serbs, 2006.	95
Figure 31: Number of visits of Serb formal and informal transfer methods users, 2006.	96
Figure 32 : Number of remittances transfers to Serbia of formal and informal transfer method users in the last 12 months, 2006.....	97
Figure 33: Total amount of remittances transferred to Serbia by formal and informal transfer method users in the last 12 months, 2006.....	98
Figure 34: Age distribution of the Serbs according to the Survey and the Census, 2006 and 2000.	148
Figure 35: Household type of surveyed and Census population, 2006 and 2000.....	149
<i>Figure 36: Permit status of the surveyed and censed population, 2006 and 2000.....</i>	<i>151</i>
Figure 37: Level of education completed of the surveyed and censed population, 2006 and 2000.....	152

13 List of Tables

Table 1: Yugoslavs in Switzerland 1941 - 2004.....	11
Table 2: Yugoslavs as share of the total foreign population	11
Table 3: Asylum-related* population, 2000-2003.....	12
Table 4: Sample of Serb population living in Switzerland aged 18 years and more, holding either a residence or settlement permit, or has been naturalized in 2004-05, 2006	15
Table 5: Patterns of remittances decision process in Serbian remitting households, 2006.....	18
Table 6: Main socio-demographic characteristics of the survey population, 2006.....	21
Table 7: Participants in the focus group discussions	23
Table 8 : Plans to invest in housing or land, 2006.....	36
Table 9: Estimation of the remittances macro-flow from Serbian migrants in Switzerland to Serbia.	44
Table 10: Labour market indicator of remitting and non-remitting Serbs, according to the level of education, 2006	50
Table 11: Determinant factors of the likelihood for Serbian migrants to remit, according to gender. Results of a logistic regression, 2006.....	61
Table 12: Determinants of the amount of remittances sent by household to one receiver. Results of a logistic regression.....	77
Table 13: Reasons mentioned by Serb remitter households for the use of different transfer methods (multiple answers were possible), 2006.....	84
Table 14: Fees for formal remittance transfers (CHF 300.-) at different financial institutions in Switzerland, 2006	91
Table 15: Determinant factors of the decision to send remittances through formal channels. Results of a logistic regression.	101
Table 16 : Sex-ratio according to age classes in the Survey and Census, 2006 and 2000.....	149

Annexes

Annex 1: Questionnaire for the CATI-Survey

Personal details of respondent

Sex, age, date and place of birth as well as residence permit of the respondents are known from the data files delivered by OFM.

INT: Introduction:

« Good morning, M. / Miss my name is..... from the University of Neuchâtel. Can I speak with M/Miss, please?» (Pause !)

We actually make a survey which is mandated by the Swiss Forum for Migration and Population Studies, an independent research institute affiliated to the University of Neuchâtel. The study collects information about the life of Serbian migrants in Switzerland. (Pause) »

INT : If necessary :

“You have been randomly selected for this study. It is essential that all selected people participate to the study, in order to assure the representativity of the results.

All the information you give to us during this interview will be handled confidentially and utilized only with the responses of all other participants. The interview will last about 30 minutes.”

INT: If respondent doesn't want to participate:

“The final aim is to improve the conditions for economic transfers from Switzerland to Serbia and-Montenegro in order to optimize their impact on economic development.”

A1	Is your ethnic origin ...	• Serbian	1	→ B1
		• Kosovo-Albanian.....	2	→ END 1
		• Montenegrin.....	3	→ END 1
		• Roma	4	→ END 1
		• Other.....	5	→ END 1
	INT : READ			

EDV: IF RESPONDENT IS NOT SERBIAN, STOP THE INTERVIEW !

ENDE 1: “Thank you very much, but as we told you before, for this time, we are looking for Serbian interview partners and have therefore to stop the interview now. Please, excuse me for the disturbances.

Migration to Switzerland

Introduction: "First I would like to ask you some general questions about your all day life in Switzerland."

	How many times did you visit Serbia-and-Montenegro during the last three years?		
		• No answer	99

	Are you an active member of an association established in Switzerland: parents association, political association, social association, union, church, and so on?	Yes	1	→ B3
		No	2	→ B4
		No answer	99	→ B4

	How many of the activities of these associations are related to Serbia-and-Montenegro or to the Serbian Diaspora: none, some, all of them?	• None	1
		• Some	2
		• All	3
		• No answer	99

	Do you read Swiss newspaper, magazines or internet-journals?	• Yes	1	→ B5
		• No	2	→ B6
		• No answer	99	→ B6

	How often do you read Swiss newspaper magazines or internet-journals?	• Every day	1
		• Several times a week	2
		• Several times a month	3
		• Less frequently than once a month	4
		• No answer	99
		INT: READ	

	Do you read Serbian journals, magazines, or internet-journals?	• Yes	1	→ B7
		• No	2	→ B8
		• No answer	99	→ B8

	How often do you read Serbian journals, magazines, or internet-journals?	• Every day	1
		• Several times a week	2
		• Several times a month	3
		• Less frequently than once a month	4
		• No answer	99
		INT: READ	

	Do you watch Swiss TV?	• Yes	1	→ B9
		• No	2	→ B10
		• No answer	99	→ B10

	How often do you watch Swiss TV? INT: READ	• Every day	1
		• Several times a week	2
		• Several times a month	3
		• Less frequently than once a month	4
		• No answer	99

	Do you look Serbian TV?	• Yes	1	→ B11
		• No	2	→ B12
		• No answer	99	→ B12

	How often do you look Serbian TV? INT: READ	• Every day	1
		• Several times a week	2
		• Several times a month	3
		• Less frequently than once a month	4
		• No answer	99

Family and friends				
	Where / in which country do your three best friends live? EDV: MORE THAN ONE ANSWER POSSIBLE	• in Switzerland	1	
		• in Serbia-and-Montenegro	2	
		• Other	97	
		• No answer	99	
		INT: READ		
	Does anybody from your (nearest or fare) family still live in Serbia-and-Montenegro?	• Yes	1	→ B12c
		• No	2	→ B13
		• No answer	99	→ B13
	What is the highest degree of relationship between you and the persons you mentioned above?	• Partner / spouse or children	1	
		• Sister / brother	2	
		• Father / mother	3	
		• Sister-in-law / brother-in-law	4	
		• Father-in-law / mother-in-law	5	
		• Grandmother / grandfather	6	
		• Other kinship	97	
		• No answer	99	

Do you share more the values of Serbs, of Swiss, of both or of neither? With values, we mean ways of thinking, attitudes or ideas about the general life.	• Values of Serb people	1
	• Values of Swiss people	2
	• Of both	3
	• Of none	4
	• Don't know	98
	• No answer	99

INT Introduction: "Now I want to ask you some questions about your migration to Switzerland".

What is the level of formal education that you have completed? We mean schools, whose diploma is officially recognized by the Serbian or Swiss government. INT : READ	• None, no compulsory school achieved	1
	• Compulsory school	2
	• Secondary School, vocational training (post-obligatory)	3
	• University graduate or equivalent (graduate schools)	4
	• Post-graduate –degree	5
	• Other :	97
	Specify :	
• No answer	99	

What is your economic status? INT : IF RESPONSENT INDICATES NO ECONOMIC ACTIVITY, ASK ONCE MORE FOR PART TIME OR OCCASIONAL ACTIVITIES (as for example translations, babysitting, cleaning in a private household, and so on) EDV: MORE THAN ONE ANSWER POSSIBLE.	• Active occupied – employee (part or full time)	1	→ B16
	• Active occupied – self-employed (part or full time)	2	→ B16
	• Unemployed	3	→ B17
	• Student, vocational training	4	→ B17
	• Housewife or homemaker	5	→ B17
	• Living from social assistance	6	→ B17
	• Retired or disabled (suffering from a disease) : living from AI / AHV	7	→ B17
	• Other	97	→ B17
	• No answer	99	→ B17

EDV: IF RESPONDENT IS ECONOMICALLY ACTIVE (EVEN FOR ONLY SOME HOURS A WEEK), GO TO B16, OTHERWISE TO B17.

How many hours do you work on average per week?	• Hours per week:	
	• Don't know	98
	• No answer	99

What was your permit status when you first arrived in Switzerland? INT : READ	• Tourist visa	1
	• No permit	2
	• Seasonal permit (A)	3
	• Annual/residence permit (B)	4
	• Cross-border commuter permit (G)	6
	• Short-term residence permit (L)	7
	• Permit for asylum-seekers (N)	8
	• Provisionally admitted foreigner (F)	9
	• People in need of protection (S)	10
	• Special permit for diplomatic staff and international functionary	11
	• Other	97
	• Don't know	98
• No answer	99	

Why did you emigrate from Serbia-and-Montenegro? INT :READ EDV: MULTIPLE ANSWERS POSSIBLE	• Economic hardship	1
	• Political reasons	2
	• Search for new job opportunities	3
	• In order to study	4
	• To follow partner / join family members	5
	• Other	97
	• Don't know	98
	• No answer	99

Household composition and family situation

INT : "Now, we would like to know more about your family situation"

Which one of the following family situation do correspond the best to your personal situation? INT: READ	• I have no partner or spouse and no children	1	→ C6
	• I have a partner or spouse but no children	2	→ C2
	• I have a partner or spouse and at least one child	3	→ C2
	• I have at least one child but no partner or spouse (divorced, separated, ...)	4	→ C3
	• No answer	99	→ C6

Where does your partner / spouse live?	• In the same household in Switzerland	1
	• In another place in Switzerland	2
	• In Serbia-and-Montenegro	3
	• In another country	97
	• Don't know	98
• No answer	99	

INT: IF RESPONDANT HAS AT LEAST ONE CHILD ("3" and "4" in C1), THEN GO TO C3, IF NOT GO TO C5.

How many children do you have?	• Number of children:	
	• No answer	99

Now we would like to know more about your children. In the following two questions, start with your oldest child and finish with the youngest one, please.

INT: ASK FOR EACH CHILDREN (of question C3) THE QUESTIONS C4 and C5

Do you economically support your oldest child/ second...?	• Yes	1
	• No	2
	• No answer	99
Where does your oldest child/ second... live? EDV: MULTIPLE ANSWERS POSSIBLE	• in the same household in Switzerland	1
	• in another place in Switzerland	2
	• in Serbia-Montenegro	3
	• in another country	97
	• Don't know	98
• No answer	99	

Number of persons in the Household		
How many people live in total in your household here in Switzerland, you included? Household members are persons with whom you live in the household, with whom you share your assets and / or consumption. Persons, who live less than 4 days per week in your household are not considered as household members.	• Number of Household members:	
	• No answer	99

INT : IF RESPONDENT LIVES ALONE or no answer, THEN GO TO C8.

How many of your household members are under 15 years old?	• Number of Household members under 15 years old:	
	• No answer	99

Who lives with you? We mean, what are the family relations or kinships linking you to each of the other household members? INT: Relation of person to respondent	• Partner / spouse	1
	• Child	2
	• Sister	3
	• Sister-in-law	4
	• Brother	6
	• Brother-in-law	7
	• Mother	8
	• Mother-in-law	9
	• Father	10
	• Father-in-law	11
	• Grandmother	97
	• Grandfather	98
	• Other kin	
	• Friend (male)	
• Friend (female)		
• Other		
• No answer	99	

Do you or someone else in your household in Switzerland own a house or an apartment, here in Switzerland?	• Yes	1
	• No	2
	• No answer	99

	Do you or someone else in your household in Switzerland own a house or an apartment, in Serbia-and-Montenegro?	• Yes	1
		• No	2
		• No answer	99

	Do you or someone else in your household in Switzerland own land, in Serbia-and-Montenegro?	• Yes	1
		• No	2
		• No answer	99

Remittances

Introduction: "Now, we would like to talk about your economic relations to your country of origin.

	In the past 12 months, did your household send or bring on his own money to someone in Serbia-and-Montenegro?	• Yes	1	→ D3
		• No	2	→ D2
		• No answer	99	→ F1

	Why not ? INT : READ EDV: MULTIPLE ANSWERS POSSIBLE	• Save money for an important expense in Serbia-and-Montenegro	1	→ F1
		• Save money for an important expense in Switzerland	2	→ F1
		• No one needs money	3	→ F1
		• (Almost) all of the family leaved Serbia-and-Montenegro	4	→ F1
		• Set up / helped to set up a family business for family	5	→ F1
		• Are sick of sending remittances	6	→ F1
		• Can not afford it	7	→ F1
		• Don't want to	8	→ F1
		• Other	97	→ F1
• No answer	99	→ F1		

	To how many persons in Serbia-and-Montenegro did you sent money to, in the last 12 months?	• Number of recipients		→ D4
		• No answer	99	→ D4
Give only the number of persons to whom the money-transfer was addressed and not the one of all the persons who benefited from the money, please.				

EDV: FOR EACH RECIPIENT (of question D3), ASK THE QUESTIONS D4-D8

	What is the family relation or friendship between you and the person to whom your household sent money to? INT: If the money you sent was intended for more than one person, chose the one to whom you addressed the (money)-transfer, please. INT : NOT READ	• Spouse, partner	1
		• Children	2
		• Sister	3
		• Sister-in-law	4
		• Brother	5
		• Brother-in-law	6
		• Mother	7
		• Mother-in-law	8
		• Father	9
		• Father-in-law	10
		• Grandmother	11
		• Grandfather	12
		• Other kin	13
		• Friend male	14
		• Friend female	15
• Other	97		
• Don't know	98		
• No answer	99		

	How many times, in the last 12 months, did your household send money to your _____ (Person aus D4 einblenden)	• Number of times in the last 12 months	
		• Don't know	98
		• No answer	99
	How much money in total did your household send to your _____ (Person aus D4 einblenden) during the last 12 months, in CHF?	• Total amount CHF	
		• Don't know	98
		• No answer	99

<p>For what purpose did your household send money to this person in the last 12 month?</p> <p>INT: NOT READ. EDV: MULTIPLE ANSWERS POSSIBLE.</p>	<ul style="list-style-type: none"> Purchase of goods and providing for basic daily needs 	1
	<ul style="list-style-type: none"> Purchase of a durable / equipment good (ex. wash-machine, household equipment) 	2
	<ul style="list-style-type: none"> Investment in construction (build, improve housing, ..) or land 	3
	<ul style="list-style-type: none"> Investment in non-agricultural household enterprise or agricultural household enterprise (animals, machines) 	4
	<ul style="list-style-type: none"> Educational expenses 	5
	<ul style="list-style-type: none"> Health, medical expenses 	6
	<ul style="list-style-type: none"> Child support 	7
	<ul style="list-style-type: none"> Wedding, funerals, or other special events 	8
	<ul style="list-style-type: none"> Charity 	9
	<ul style="list-style-type: none"> Other 	10
	<ul style="list-style-type: none"> No specific purpose 	11
	Don't know	98
	No answer	99
<p>Within your household, who decided to send money to this person?</p>	<ul style="list-style-type: none"> I decided myself 	1
	<ul style="list-style-type: none"> My spouse decided 	2
	<ul style="list-style-type: none"> One of my children decided 	3
	<ul style="list-style-type: none"> Other kin in my household decided 	4
	<ul style="list-style-type: none"> Other persons in my household decided 	5
	<ul style="list-style-type: none"> We decided together 	6
	<ul style="list-style-type: none"> Don't know 	98
	<ul style="list-style-type: none"> No answer 	99

EDV: IF RESPONDENT RESPONDS "HIM/HER SELF" OR "WE DECIDED TOGETHER" AT LEAST ONCE TO SEND MONEY TO ONE OF THE RECEIVERS ("1" and "6" in D8), THEN GO TO D9. OTHERWISE GO TO E.

<p>For how many years have you been sending remittances from Switzerland to Serbia-and-Montenegro?</p>	<ul style="list-style-type: none"> Years (if less than one year, write "0") 	
	<ul style="list-style-type: none"> Don't know 	98
	<ul style="list-style-type: none"> No answer 	99

Main channel used for your personal remittance transfers

EDV: IF HOUSEHOLD DID NOT SEND MONEY TO SERBIA-AND-MONTENEGRO (see question D1), GO TO F1. IF HOUSEHOLD SENT MONEY, GO ON WITH E1.

Introduction: "Now, we would like to talk about the manner how your household send or bring money to persons in Serbia-and-Montenegro..."

<p>Which method has your household mostly used to send money to someone in Serbia-and-Montenegro during the last 12 months?</p> <p>INT : READ EDV: MORE THAN ONE ANSWER POSSIBLE</p>	<ul style="list-style-type: none"> Money Transfer Operator (ex: Western Union) 	1	→ E2	
	<ul style="list-style-type: none"> Bank transfer/ e-banking 	2	→ E2	
	<ul style="list-style-type: none"> Post banking transfer 	3	→ E2	
	<ul style="list-style-type: none"> Informal transfer offices 	4	→ E2	
	<ul style="list-style-type: none"> Handcarried (by friends, family members or on your own) 	5	→ E2	
	<ul style="list-style-type: none"> Mail : Registered letter 	6	→ E2	
	<ul style="list-style-type: none"> Bus driver 	7	→ E2	
	<ul style="list-style-type: none"> Other 	97		
	Specify :	A		→ E2
		B		→ E2
		C		→ E2
	No answer	99	→ F1	

EDV : ASK FOR EACH TRANSFER-CHANNEL MENTIONNED (IN E1), THE QUESTIONS E2-E5.

<p>Why does your household mostly used _____ (method mentioned in E1)</p> <p>INT : DO NOT READ. EDV: MAX OF THREE ANSWERS POSSIBLE.</p>	<ul style="list-style-type: none"> Lowest cost 	1
	<ul style="list-style-type: none"> Simplest way 	2
	<ul style="list-style-type: none"> Reliable, sure 	3
	<ul style="list-style-type: none"> It is a question of trust 	4
	<ul style="list-style-type: none"> It's legal 	5
	<ul style="list-style-type: none"> Convenient location / easy access for the receiver (even those in remote areas) / is delivered directly to the recipient 	6
	<ul style="list-style-type: none"> Fast 	7
	<ul style="list-style-type: none"> Better exchange rate 	8
	<ul style="list-style-type: none"> It's the only choice 	9
	<ul style="list-style-type: none"> I have always done it like this 	10
	<ul style="list-style-type: none"> Everybody does it like this 	11
	<ul style="list-style-type: none"> No specific reason 	12
	<ul style="list-style-type: none"> Other 	97
<ul style="list-style-type: none"> No response 	99	

How many days does it take for the receiver to receive the money once your household has sent it from Switzerland through this transfer method? INT: IF LESSER THAN ONE DAY, WRITE "0"	<ul style="list-style-type: none"> Number of days Don't know No response 	98 99
What fee, even if it is in the form of a tip, does your household has to pay for this transfer method? Give an example of an amount, f.ex. the one you sent last time, and the correlated fee, in CHF please. INT: IF NO FEE, WRITE "0"	<ul style="list-style-type: none"> Example of amount in CHF Fee CHF Don't know No response 	98 99
What fee, even if it is in the form of a tip, does the receiver have to pay with this transfer method? Give an example of an amount, f.ex. the one you sent last time, and the correlated fee, in CHF please. INT: IF NO FEE, WRITE "0"	<ul style="list-style-type: none"> Example of amount in CHF Fee in CHF Don't know No response 	98 99

EDV: IF RESPONDENT'S HOUSEHOLD DOES NOT SEND THROUGH THE BANK OR POST-BANKING (E1 NOT "2" OR "3") THEN GO TO E6. OTHERWISE, GO TO E8.

Does someone in your household have a post-banking or bank account in Switzerland?	<ul style="list-style-type: none"> Yes No Don't know No answer 	1 2 98 99
--	--	--------------------

Why did your household not mainly send the money through the post-banking or banking channel? INT : DO NOT READ. EDV: MAX OF THREE ANSWERS POSSIBLE	<ul style="list-style-type: none"> Receiver has no bank/post account, does not know how it works Unreliable It is a question of trust To complicated - A lot of formularies in Swiss language to fill in Bank in Serbia-and-Montenegro is too far away from receiver To slow Fees are to high Too many intermediary banks / no Swiss bank is present in Serbia-and-Montenegro loss of money through change in local currency in Serbia-and-Montenegro Receiver has to pay fees to the recipient bank Additional special fees on receivers' side 	1 2 3 4 5 6 7 8 9 10 11
---	--	---

	<ul style="list-style-type: none"> Other Specify : No answer 	97 99
--	---	----------

Would you like to use another method, than those you mostly use?	<ul style="list-style-type: none"> Yes No Don't know No answer 	1 2 98 99	→ E9 → F1 → F1 → F1
--	--	--------------------	------------------------------

Which other method would you like to use? INT: READ.	<ul style="list-style-type: none"> Money Transfer Operator (ex: Western Union) Bank transfer/ e-banking Post-banking transfer Informal transfer offices Carried by hand (by friends, family members or on your own) Mail : Registered letter Bus driver Other Specify : No answer 	1 2 3 4 5 6 7 97 99
---	---	---

Why do you want to use that other method? INT : NOT READ, EDV: MAX OF THREE ANSWERS POSSIBLE	<ul style="list-style-type: none"> Lowest cost Simplest way Reliable, sure It is a question of trust It's legal Convenient location / easy access for the receiver (even those in remote areas) / is delivered directly to the recipient Fast Better exchange rate It's the only choice Everybody does it like this Other No answer 	1 2 3 4 5 6 7 8 9 11 97 99
--	---	---

In-kind remittances

During the past 12 months, has your household sent or brought on his own goods to Serbia-and-Montenegro? INT: GIVE EXAMPLES IF NECESSARY: for household equipment like washing machines, fridge, freezer // for consumption like clothes, mobile phones, // or for production as machines, materials, etc.	• Yes	1	→ F2
	• No	2	→ F3
	• Don't know	98	→ F3
	• No response	99	→ F3

What sort of goods? INT: GIVE EXAMPLES IF NECESSARY: for household equipment like washing machines, fridge, freezer // for consumption like clothes, mobile phones, ... // or for production as machines, materials,	• household equipment (washing machine, fridge, freezer, ...)	1
	• consumption goods (clothes, .mobile phones, TV..)	2
	• non-household machinery, production goods	3
	• Other	97
	• Don't know	98
	• No response	99

Transnational living

Introduction: "Now we would like to talk more in generally about your economic relations with Serbia-and-Montenegro"

Besides sending remittances, what other of the following types of economic activities keep your household connected to Serbia-and-Montenegro? INT: READ EDV: ROTIEREN LASSEN				
	Yes	No	Don't know	No answer
• Does someone in your household have a bank or post-banking account in Serbia-and-Montenegro?	1	2	98	99
• Does someone in your household take up a mortgage loan in Serbia-and-Montenegro, for land, house, for example?	1	2	98	99
• Does someone in your household have to pay for reparations or taxes for house / apartment or land in Serbia-and-Montenegro?	1	2	98	99
• Does someone in your household have take up a micro-loan in Serbia-and-Montenegro, for a business, for example?	1	2	98	99
• Does someone in your household have take up a consumer loan / have debts in Serbia-and-Montenegro?	1	2	98	99
• Does someone in your household own a small business in Serbia-and-Montenegro which is managed there by family members?	1	2	98	99

• Does someone in your household do buisness in Serbia-and-Montenegro and travel often between the two countries?	1	2	98	99
• Does someone in your household loan money to family/friends in Serbia-and-Montenegro?	1	2	98	99
• Does someone in your household invest in collective infrastructure (projects) in Serbia-and-Montenegro?	1	2	98	99
• Does someone in your household give other ways of general economic support in Serbia-and-Montenegro?	1	2	98	99
• Does someone in your household have other economic activites that keep you connected to Serbia-and-Montenegro?	1	2	98	99

Thinking about the future, does someone in your household hope or plan to invest money for buying land, a house or an appartement?	• Yes	1	→ G13
	• Probably, perhaps.....	2	→ G13
	• No	3	→ G14
	• Don't know	98	→ G14
	• No answer	99	→ G14

In which country does this person want to do this?	• In Serbia	1
	• In Switzerland	2
	• Other.....	3
	• Dont' know.....	98
	• No answer	99

Thinking about the future, does someone in your household hope to open a business?	• Yes	1	→ G15
	• Probably, perhaps.....	2	→ G15
	• No	3	→ G16
	• Don't know	98	→ G16
	• No answer	99	→ G16

In which country does this person want to open a business?	• In Serbia	1
	• In Switzerland	2
	• Other.....	3
	• Don't' know	98
	• No answer	99

What are your abilities in the local language of the region you live in Switzerland? INT: READ	• None	1
	• Sparse	2
	• Medium	3
	• Good	4
	• Excellent	5
	• Don't know	98
	• No answer	99

INT : « Finally, we would like to ask you to give us some information about the financial resources of the household...»

How much is your monthly income? We mean, the money you get at the end of the month, whatever the source of income: including economic activity, AHV, unemployment or social benefit, scholarships, occasional or part-time work.... If it is easier for you, you can also give the annual income.	• Income		→ END Falls Single-HH, sonst zu F G20
	• Don't know	98	
	• No answer	99	
Is the indicated amount the netto = after social security deductions or brutto = before social security deductions income?	• Netto, after social security deductions	1	→ END Falls Single-HH, sonst zu F G20
	• Brutto, before social security deductions	2	
	• Don't know	98	
	• No answer	99	
Is this amount the monthly income or the income for one year?	• Income of one month	1	
	• Income of one year	2	
	• No answer	99	

INT : IF RESPONDENT LIVES WITH OTHER PERSONS, GO TO G20.

IF RESPONDENT LIVES ALONE (question C6), FINISH THE INTERVIEW : ENDE 1:
"Thank you for your patience and participation at this survey. We wish you a pleasant day / evening."

What is the total household income, that is, the income of all members of your household? We mean the money you all get at the end of the month, whatever the source of income: think also to include AHV, unemployment or social benefit, scholarships, occasional or part-time work, clandestine employment and so on....			
How much is the total monthly income of your household? If it is easier for you, you can also give the annual income.	• Income		→ G22
	• Don't know	98	→ G21
	• No answer	99	→ G21
If you don't know / don't want to give this information, can you approximately say if the total monthly household income is between... and?	• Lesser than CHF 2 000.-	1	→ END
	• CHF 2 001 – 3 000.-	2	→ END
	• CHF 3 001 – 4 000.-	3	→ END
	• CHF 4 001 – 5 000.-	4	→ END
	• CHF 5 001 – 6 000.-	5	→ END
	• CHF 6 001 – 7 000.-	6	→ END
	• CHF 7 001 – 8 000.-	7	→ END
	• CHF 8 001 – 9 000.-	8	→ END
	• CHF 9 001 – 10 000.-	9	→ END
	• CHF 10 001 – 11 000.-	10	→ END
	• CHF 11 001 – 12 000.-	11	→ END
	• CHF 12 001 – 13 000.-	12	→ END
	• CHF 13 001 – 14 000.-	13	→ END
	• CHF 14 001 – 15 000.-	14	→ END
	• CHF 15 001 – 16 000.-	15	→ END
	• CHF 16 001 – 17 000.-	16	→ END
	• CHF 17 001 – 18 000.-	17	→ END
	• CHF 18 001 – 19 000.-	18	→ END
	• CHF 19 001 – 20 000.-	19	→ END
	• More than CHF 20 000.-	20	→ END
• Don't know	98	→ END	
• No answer	99	→ END	
Is the indicated amount the netto = after social security deductions or brutto = before social security deductions income?	• Netto, after social security deduction	1	
	• Brutto, before social security deductions	2	
	• Don't know	98	
	• No answer	99	
Is this amount the monthly income or the income for one year?	• Income of one month	1	→ END
	• Income of one year	2	→ END
	• No answer	99	→ END

ENDE 2: Thank you for your patience and participation at this survey. We wish you a pleasant day / evening.

Annex 2: Input paper for focus group participants (German version)

Gruppengespräch:

Die wirtschaftlichen Verbindungen der Serben und Serbinnen in der Schweiz mit ihrem Herkunftsland

Kurzinformation des Schweizerischen Forums für Migrations- und Bevölkerungsstudien (SFM) zur Studie „Geldüberweisungen von MigrantInnen und Entwicklung“

1 Einführung

Sie wurden vom SFM zu einem Gruppengespräch eingeladen: Im Zentrum der Diskussionen stehen die wirtschaftlichen Verbindungen der serbischen MigrantInnen in der Schweiz mit ihrem Herkunftsland. Dieses Gruppengespräch ist Teil einer Studie über Geldüberweisungen und andere wirtschaftliche Tätigkeiten von SerbInnen in der Schweiz (siehe unten). Ihre Teilnahme an diesem Gespräch ist für uns aus zwei Gründen wichtig: Da Sie direkt von diesem Thema betroffen sind und selber Erfahrungen auf diesem Gebiet gemacht haben, möchte das SFM von Ihrem Wissen profitieren um zu verstehen, wie diese wirtschaftliche Verbindungen zu stande kommen und erhalten werden. Das Gespräch zielt aber auch auf ein konkretes Resultat ab: Die Formulierung von Vorschlägen, welche die Verbesserung der Rahmenbedingungen für zukünftige Geldüberweisungen nach Serbien zum Ziel haben. Wir sind deshalb auf ihre Erfahrung und ihren Ideen angewiesen und danken Ihnen bereits jetzt für Ihre Bereitschaft an der Studie teilzunehmen.

2 Inhalt der Studie

Das Schweizerische Forum für Migrations- und Bevölkerungsstudien (SFM) wurde vom Staatssekretariat für Wirtschaft (Seco) mandatiert, eine Studie über die Geldüberweisungen von serbischen MigrantInnen in der Schweiz durchzuführen. Das SFM ist ein unabhängiges Forschungsinstitut, das der Universität Neuchâtel angegliedert ist (vgl. www.migration-population.ch).

Parallel zur weltweit steigenden Anzahl MigrantInnen wird die Summe deren Geldüberweisungen in ihre Herkunftsländer immer grösser und stellt heute eine wichtige Deviseneinnahme für Entwicklungs- und Transitionsländer dar, weit mehr als die Gelder aus der Entwicklungszusammenarbeit.

Diese Geldtransfers tragen zur wirtschaftlichen Stabilität und Entwicklung sowie zur Bekämpfung der Armut in den Herkunftsländern bei. Internationale Organisationen versuchen deshalb, möglichst angepasste Rahmenbedingungen für diesen Geldfluss anzubieten, so dass ein bestmöglicher Beitrag an eine Entwicklung gewährleistet werden kann. Aus diesen

Gründen interessiert sich auch das Schweizer Staatssekretariat für Wirtschaft (Seco) für die Geldüberweisungen von MigrantInnen aus dem Balkan – spezifisch aus Serbien.

Die Geldüberweisungen von MigrantInnen nach Serbien-Montenegro haben gemäss einer neusten Studie der Weltbank im weltweiten Vergleich in den letzten Jahren stark zugenommen. In der Tat, die jährlich überwiesene Summe verdoppelte sich seit dem Jahr 2001 und stellte im Jahr 2004 17% des Bruttonationaleinkommens (BNI) Serbien-Montenegros dar. Das Land rückte dementsprechend auf den 8. Platz der weltweit wichtigsten Empfängerländer vor (in % des BNI). Die Weltbankstudie zeigt ebenfalls, dass die Schweiz zu den Ländern gehört, aus denen – proportional zum Bruttoinlandprodukt (BIP) – am meisten Geld überwiesen wird. Da unter den in der Schweiz ansässigen StaatsbürgerInnen Serbien-Montenegros die serbische Bevölkerung zahlreich vertreten ist, liegt es nahe, diesen Geldüberweisungen genauer zu betrachten.

Die Resultate dieser Studie sollen es erlauben, konkrete und realistische Massnahmen vorzuschlagen, die die Geldüberweisungen in den Balkan erleichtern (Transferkosten, finanzielle Vermittlung) und auf diese Weise die Auswirkungen auf die Entwicklung und Armutsbekämpfung optimieren können.

Diese Studie wird von drei Organisationen ausgeführt. Das SFM führt die Analyse unter den in der Schweiz ansässigen SerbInnen durch, während die Internationale Organisation für Migration (IOM) und die Europäische Bank für Wiederaufbau und Entwicklung (EBRD) die Situation auf der Empfängerseite studieren.

Anhand von individuellen telefonischen Befragungen sowie Gruppengesprächen mit serbischen Einwanderern in der Schweiz untersucht das SFM die Rahmenbedingungen der Geldüberweisungen von der Schweiz nach Serbien. Das Ausmass und die Nutzung dieser Transfers werden ebenfalls studiert. Schliesslich interessieren wir uns auch für die ökonomischen Aktivitäten im Herkunftsland von serbischen UnternehmerInnen in der Schweiz, da diese ebenfalls einen Einfluss auf die wirtschaftliche Entwicklung des Herkunftsstaates ausüben können.

Bevor wir im **5. Kapitel** näher auf den **Inhalt und den Ablauf des Gruppengesprächs**, zu welchem wir Sie einladen, eingehen werden, stellen wir in den zwei folgenden Abschnitten die demographische Struktur sowie die Geldtransfereigenschaften der serbischen Bevölkerung in der Schweiz vor. Diese Informationen stammen aus Analysen der Daten der Volkszählung und aus Interviews.

3 Die serbische Bevölkerung in der Schweiz: Kurzer Überblick

Die serbische Einwanderung in die Schweiz hat bereits zu Beginn des 20. Jahrhundert seinen Anfang gefunden. Sie hat durch die Rekrutierung von Saisoniers in den 60er Jahren einen ersten wichtigen Aufschwung und durch die Familienzusammenführungen sowie der Asylummigration der 90er Jahre seinen Höhepunkt erlebt. Eine genaue Bestimmung der Anzahl SerbInnen in der Schweiz ist jedoch nicht möglich. Die Schweizer Statistiken beruhen auf dem Kriterium der Nationalität und die Informationen über den Geburtsort oder der Gruppenzugehörigkeit innerhalb eines Staates sind nicht systematisch verfügbar. Den Daten des Zentralen Ausländerregisters (ZAR) zu Folge, lebten im Jahre 2003 213'896 StaatsbürgerInnen Serbien-Montenegros in der Schweiz. Die Zahlen aus der Volkszählung 2000 belaufen sich ebenfalls auf 213'524. Schätzungen gehen davon aus, dass 40% dieser Staatsbürger SerbInnen und MontenegreinerInnen sind.

Die serbische Bevölkerung scheint in der Schweiz etabliert zu sein. Drei Viertel der SerbInnen und MontenegrinerInnen besitzen eine Niederlassungsbewilligung und die Einbürgerungsrate ist in den letzten Jahren gestiegen (bis zu 3% im Jahre 2003). Diese Migration ist jedoch relativ jung: mehr als drei Viertel der im Jahre 2003 in der Schweiz wohnhaften Serben sind nach 1988 eingereist.

Die serbische Migration in die Schweiz zeichnet sich unter anderem durch einen familialen Charakter aus: 70% der von SerbInnen oder MontenegrinerInnen geführten Haushalte sind Familienhaushalte. Gemäss der Volkszählung 2000 haben 28% der in der Schweiz lebenden SerbInnen eine post-obligatorische Ausbildung und 7% eine tertiäre Ausbildung absolviert. Die später eingewanderten Personen (ab 1995) bringen einen leicht höheren Ausbildungsstand mit. Es sind jedoch erhebliche Unterschiede zwischen Männern und Frauen zu beobachten: die Letzteren weisen einen weit tieferen Bildungsstand auf (70% haben nur einen obligatorischen Schulabschluss im Vergleich zu 60% bei den Männern).

Ähnliche Geschlechterunterschiede sind auch auf dem Arbeitsmarkt zu finden. Während nur 63% der Serbinnen ökonomisch aktiv sind, befinden sich mehr als drei Viertel der Serben auf dem Arbeitsmarkt. Die ökonomisch aktiven Serben und Serbinnen scheinen jedoch Probleme bei der Arbeitsuche zu haben, wie vergleichsweise die hohe Arbeitslosenrate von 8% zeigt. Eine Erklärung dafür ist unter anderem der tiefe sozioökonomische Status der von SerbInnen ausgeführten Arbeiten (50% führen eine Tätigkeit aus, die keine Qualifikation benötigt). Trotz der höheren Ausbildung der später zugezogenen MigrantInnen, ist deren Situation auf dem Arbeitsmarkt paradoxerweise noch schwieriger. Weitere Erklärungen sind die mangelnden sprachlichen Kenntnisse sowie Diskriminierungen auf dem Arbeitsmarkt.

An dieser Stelle sind einige Beobachtungen zu den serbischen Jugendlichen (der zweiten Generation, d.h. der in der Schweiz aufgewachsenen SerbInnen) anzubringen. Analysen der Volkszählung 2000 haben gezeigt, dass deren schulische Leistungen nicht nur verglichen mit denen ihren Eltern sondern auch verglichen mit denen ihrer (schweizerischen sowie ausländischen) Mitschüler sehr hoch sind. Die jungen Eingebürgerten sind speziell gut in den tertiären Schulstufen vertreten. Die Arbeitslosenquote bleibt jedoch trotzdem überdurchschnittlich hoch.

4 Wirtschaftliche Verbindungen der SerbInnen in der Schweiz mit ihrem Herkunftsland: Erste Ergebnisse

In der Vorbereitungsphase dieser Studie wurden Interviews mit Schlüsselpersonen (VertreterInnen von MigrantInnenvereinen, formellen und informellen Transferagenturen) durchgeführt, welche einen Überblick über die wirtschaftlichen Verbindungen zum Herkunftsland der in der Schweiz ansässigen SerbInnen lieferten. Diesen Informationen zufolge, schickt die Mehrheit der hier lebenden SerbInnen ihren Familien in der Heimat Geld zu. Während des Krieges wurden zudem zuweilen Kollekte für humanitäre Aktionen organisiert.

Die Gelder werden meistens durch informelle Kanäle nach Serbien geschickt. Konkret werden sie oft einem Freund oder Familienangehörigen mitgegeben, die per Bus, mit dem Auto oder dem Flugzeug nach Serbien reisen.

Warum nutzen die SerbInnen nicht die formellen Kanäle für die Geldüberweisungen (wie zum Beispiel Banken oder Transferagenturen)? Die InterviewpartnerInnen geben folgende Erläuterungen für die eher seltene Nutzung der formellen Kanäle:

Der wichtigste Grund sei bei weitem das fehlende Vertrauen in die serbischen Banken. Die hohen Kosten der Transferagenturen und die lange Transferdauer der Banken sind gemäss den

Interviewaussagen weitere Hindernisse für die Nutzung der formellen Kanäle. Zusätzlich scheinen Geldtransfers durch die Banken für viele MigrantInnen sehr unübersichtlich und undurchschaubar zu sein. Da die Schweizer Banken in Serbien nicht vertreten sind, fliesst das Geld durch mehrere europäische Vermittlungsbanken. Die Transferdauer sowie die totalen Transferkosten können aus diesem Grund nicht im Voraus bestimmt werden.

Neben den Geldüberweisungen sind jedoch unter den serbischen Migranten und Migrantinnen noch weitere wirtschaftliche Verbindungen mit dem Herkunftsland zu beobachten. Investitionen in Immobilien oder Familienunternehmen werden ebenfalls häufig getätigt. Solche Investitionen tragen laut unseren InterviewpartnerInnen oft als zusätzliche Einnahmequelle zur Unterstützung der Familie im Herkunftsland bei. Der Umfang der wirtschaftlichen Tätigkeiten der SerbInnen in ihrem Herkunftsland kann jedoch nicht adäquat geschätzt werden. Ebenfalls wurde in den Interviews angeführt, dass die lokalen bürokratischen und legalen Rahmenbedingungen in Serbien die Gewinnausfuhr zu hindern scheinen. Dies kann einen negativen Einfluss auf die Investitionsbereitschaft der SerbInnen in der Schweiz haben.

5 Inhalt und Ablauf des Gruppengesprächs

Dieser grobe Überblick über die serbische Bevölkerung in der Schweiz sowie deren Geldtransfereigenschaften ist auf keinen Fall umfassend. Er dient vielmehr als Diskussionsgrundlage.

Dank dieser Gruppendiskussion möchten wir verstehen, wie die SerbInnen ihre wirtschaftlichen Verbindungen mit dem Herkunftsland aufrecht erhalten und somit zur wirtschaftlichen Entwicklung und Armutsbekämpfung beitragen. Zusätzlich möchten wir Sie einladen, uns Ihre Ideen zu kommunizieren, welche die Rahmenbedingungen der Geldüberweisungen nach Serbien verbessern können.

5.1 Geldüberweisungen

Die Geldüberweisungen stellen in dieser Hinsicht ein erstes Element dar. Zahlreiche Beobachtungen in anderen Ländern haben gezeigt, dass die Motivationen Geld ins Herkunftsland zu überweisen, sehr unterschiedlich sein kann. Wir möchten Sie deshalb einladen, über die diesbezüglich wichtigsten Gründe und Prioritäten im Verlaufe Ihres Aufenthaltes in der Schweiz zu diskutieren. In dieser Hinsicht sind kollektive Überweisungen ebenfalls von Interesse.

- **Aus welchen Gründen schicken die SerbInnen Gelder in ihr Herkunftsland und was sind die wichtigsten Prioritäten?**
- **An wen schicken die SerbInnen Gelder?**
- **Gibt es kollektive Überweisungen und falls ja, welchen Charakter haben diese?**
- **Welches sind die Hauptschwierigkeiten (falls überhaupt) für solche Geldüberweisungen?**

Weiter möchten wir uns nicht nur auf die Art und Weise, wie das Geld nach Serbien geschickt wird, konzentrieren, sondern auch auf die Gründe, die hinter der Wahl der verschiedenen Kanäle stehen. Es geht unter anderem darum, zu wissen, welche die Vor- und Nachteile der formellen und informellen Kanäle sind. Wie müssten, Ihres Erachtens nach, die optimalen Bedingungen für einfache und kundenfreundliche Geldüberweisungen sein?

- **Wie wird das Geld nach Serbien geschickt?**
- **Welches sind Ihrer Ansicht nach die Vor- und Nachteile der verschiedenen Kanäle?**
- **Welches wären die optimalen Bedingungen für eine einfache und kundenfreundliche Geldüberweisung?**

Schlussendlich interessiert uns ebenfalls, wie – Ihren Kenntnissen nach – das Geld vor Ort genutzt wird. In diesem Zusammenhang möchten wir Sie ebenfalls um Vorschläge bitten, die den produktiven Einsatz dieser Gelder zum Ziel haben.

- **Wie wird das Geld von der Empfängerseite eingesetzt?**
- **Was müsste sich ändern, damit die SerbInnen das erhaltene Geld vermehrt in Geschäfte, in Maschinen, oder allgemein in produktive Unternehmen investieren?**
- **Welches sind die wichtigsten Barrieren hierzu?**

5.2 Andere wirtschaftliche Verbindungen mit dem Herkunftsland

Der zweite Aspekt der Problematik umfasst jegliche wirtschaftliche Verbindung mit Serbien, sei es durch den Erwerb eines Grundstücks, den Erwerb von Immobilien, einer Investition in ein lokales Unternehmen oder wirtschaftliche Aktivitäten von der Schweiz aus. Kollektive Aktionen im Rahmen der Entwicklungszusammenarbeit sind ebenfalls von Interesse.

- **Wie bleiben die Serben in der Schweiz mit ihrem Herkunftsland wirtschaftlich verbunden? Welche Formen dieser Verbindungen existieren?**
- **Welche sind die wichtigsten Gründe dafür?**
- **Inwiefern investieren Sie in Serbien und zu welchem Zweck?**
- **Was müsste Ihrer Meinung nach getan werden um Investitionen von SerbInnen aus der Schweiz in Serbien zu fördern?**

Dies sind Beispiele von Fragen die wir in unserer Gruppendiskussion ansprechen möchten.

Annex 3: Representativity of the Surveyed Population

Given that the Census (as the CAR) identifies individuals according to their nationality and not to their ethnic origin, an indirect procedure has been applied in order to estimate the population of Serbian origin aged at least 18 and holding a residence or settlement permit or the Swiss nationality (naturalized). On the basis of the first and Second nationality, the naturalization status, the place of birth, the main language (or the religion) of the individuals, the following Serbian population has been identified:

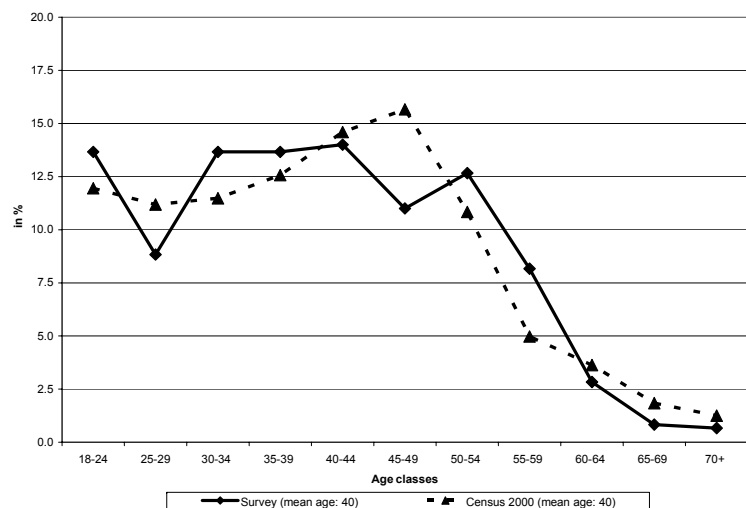
- Resident population of Serb-Montenegrin citizenship, who indicated “Serbo-Croatian” as main language or – if this was not the case – “orthodox” as religion;
- Naturalized Swiss, whose Second nationality is the Serb-Montenegrin one and whose main language is “Serbo-Croatian” or – if this was not the case – whose religion is “orthodox”;
- Naturalized Swiss, who were born in Serbia-and-Montenegro and whose main language is “Serbo-Croatian” or – if this was not the case – whose religion is “orthodox”.

According to the adopted procedure 54 530 persons of Serbian origin had been identified in the Census 2000. This population will be systematically compared to the surveyed population.

Demographic Characteristics of the Surveyed Compared to the Censed Population

The surveyed Serbs are rather young with an average (and median) age of 40 years. Figure 34 shows that most respondents are concentrated in the median family live cycle, as the modal ages lie between 30 and 44 years. Retired migrants are almost absent (less than 2%). In this regard, the survey population represents a relatively similar age structure to the one identified in the Census 2000. One possible explanation of the slightly overrepresentation of young adults in the survey population might be the recent immigration of the last 6 years: indeed, almost three third of the respondents immigrated since 2000 are younger than 35 years. On the other side, the over sampling of the recently naturalized population (see chap. 3.1.1) also has a slight impact on the age structure as they are slightly younger than the other respondents. The overrepresentation of individuals aged over 50 is due to the aging of the older adults censused in 2000.

Figure 34: Age distribution of the Serbs according to the Survey and the Census, 2006 and 2000.



Males and females are not equitably distributed along the age classes, which represents the different characteristics of historical migration flows from Serbia-and-Montenegro. While the older migration flows were mainly composed of temporary male migrants, the recent immigration is characterised by an increasing part of women. The sex ratio⁵⁵ is therefore 67 in the younger age classes (between 18 and 39 years) against 114 in the older ones (Table 16). This polarisation of the sexes is more pronounced in the survey population compared to censused one, which goes along with an increasing female presence (64%) in the migration flows in the last 6 years⁵⁶.

⁵⁵ i.e. the number of males for 100 females in a given population.

⁵⁶ Beside this fact, they are probably also overrepresented because they are easier to contact by phone than men, because they are more frequently present in the household in cases where they are not (or only part-time) working.

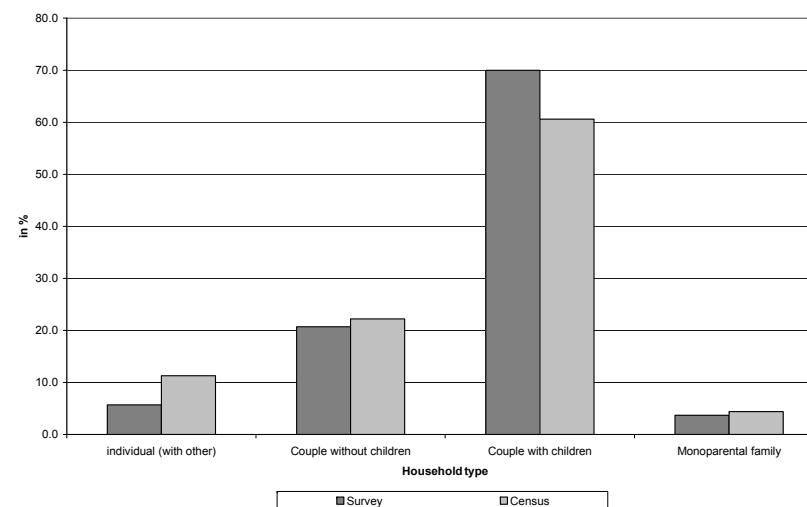
Table 16: Sex-ratio according to age classes in the Survey and Census, 2006 and 2000.

Age groups	Sex-ratio	
	Survey	Census
18-29	66.7	88.0
30-39	64.0	83.4
40-49	114.3	106.3
50+	112.7	117.8
All	86.3	98.3

Source: Survey and Census 2000

The Figure 35 shows the distribution of the respondents according to their household type. Consequently to the modal age distribution of the survey population, 70% live in a family household – either as parents or as children –, 20% share their living with a partner and 6% live in a single household. This means in terms of economic resources, that the majority of Serbs has important family obligations in Switzerland, which could have an impact on their remittance behaviour.

Figure 35: Household type of surveyed and Census population, 2006 and 2000.



Even if the distribution according to the household type of the censused population shows a similar feature, it is slightly different: the proportion of individuals living in family households is underrepresented and the non-family households (single and couples) slightly over represented compared to the survey population. One explanation of this bias might be the greater difficulty to reach

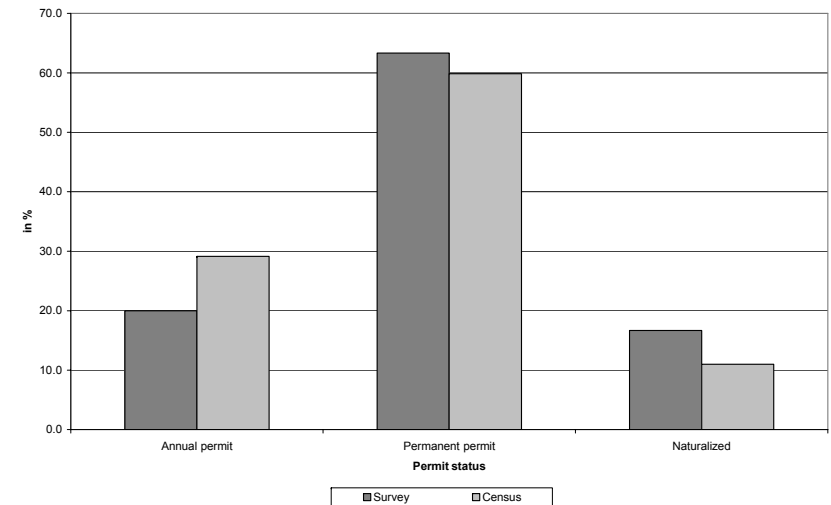
by phone respondents living in single households than those living in family household, as in the later case an appointment can more easily be taken.

Finally, the surveyed population shows a quasi-identical geographical distribution in Switzerland as the censed one. Both live primarily in cities: 40% live in the cities' central communes and more than a third in suburban communes, indicating their relatively low social status. Half of the respondents are living in the agglomerations of Zurich, St. Gallen, Basel and Lucerne. While the part of Serbs established in the agglomeration of the French or Italian-speaking part of the country is quite small, they remaining part is quite well distributed on the other main agglomeration of Switzerland.

Migration Characteristics of the Surveyed Compared to the Censed Population

As the age distribution and family situation of the Serbs already indicated, a major part of them is already living for a long time in Switzerland. More than 60% of all respondents of the survey hold a settlement permit while only a fifth has a residence permit. The proportion of annual permit holders is higher in the Census (29%). This bias related to the sampling of the survey population might be defended with the argument that Serbian migration is becoming more stabile than during the 1990s where the inflows were much more important –these former residence permit holders meanwhile might have been granted with a settlement permit. The slight overrepresentation of naturalized in the survey population as compared to the Census is a consequence of the over sampling of naturalized individuals, for whom special conditions for transnational practices are assumed.

Figure 36: Permit status of the surveyed and censed population, 2006 and 2000.

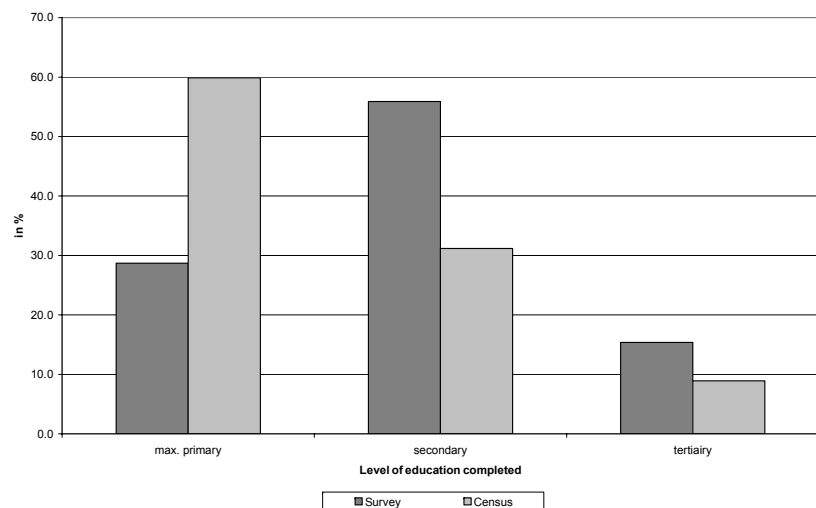


It is worth mentioning that the overrepresentation of women among the individuals with an annual residence permit is even higher in the survey population than in the census population (the survey counts 56 men for 100 women against 80 in the Census), indicating the increasing feminisation of recent Serbian migration flows also visible in Figure 36.

Human Capital and Labour Market Characteristics of the Surveyed Compared to the Censed Population

As human capital is concerned, important disparities between the survey population and the census population are observed (Figure 37). The survey population is quite well educated, as more than half of them hold a Secondary post-obligatory degree and 15% a tertiary degree. The census gives another picture with 60% of the Serbian population having at best completed the compulsory level. However, age and sex disparities are similar in both populations: the level of education is higher among the younger migrants (aged 18-44 years) as well among males and especially low among the older ones and (less pronounced) among females.

Figure 37: Level of education completed of the surveyed and censused population, 2006 and 2000.



Several factors may explain partly these differences between the survey and the census population. First, the over sampling of the naturalized Serbs in the survey is certainly a reason for the important proportion of secondary and especially tertiary educated individuals, as they are higher skilled – especially among the younger naturalized (Fibbi and all. 2005)⁵⁷. Secondly, the recent migrants grow additionally the part of highly educated persons, as 30% of them hold a university degree. This observation is a direct consequence of the shift in the Swiss migration policy, towards a selection of high-skilled migrants among those coming from outside the European Union. Finally, there may be a self-selection of respondents to the survey, too. Indeed, even among the migrants holding a permanent residence permit, the overrepresentation of Secondary level educated individuals in the survey population still persists (but not of the tertiary one). Highly educated persons are probably more sensible to the intention or benefit a scientific study can afford for their country of origin. The possibility,

⁵⁷ However it should be mentioned that the naturalized Serbs are undervalued in the Census (probably the most integrated one), as for several Swiss citizenship holder it is not possible anymore to identify their origine (no second nationality known, indication of a Swiss language as main language, etc.).

that the respondents were confused with the Swiss and Serbian school standards for this question⁵⁸, can however not be completely excluded, too.

Even if the human capital differs between the two populations, their overall integration in the labour market is very similar: three quarters of them are employed, while 7% are unemployed. It is interesting to note, that men and women are equally integrated in the labour market among the survey population. The surveyed women, however, are much more frequently economically active than the censused ones (16% against 22% of the censused ones are inactive). This better labour market integration is also observed among the over sampled naturalized ones, because they generally have better local language proficiency and a better education level and are less subject to discrimination practices (Fibbi et al. 2005). But again, this bias is probably also due to a self-selection among the female respondents, as the inactive women probably did not feel aware or less concerned of the remittances behaviour if they were not in job and therefore did not participated to the survey.

Synthesis

On the basis of the observations mentioned above, it can be assessed that the population of 600 Serbs surveyed in 2006 shows a very similar structure as the one censused in 2000. The principal distinctions might be imputed to the time lag of 6 years between the two data-gatherings, reflecting the change of the nature of migration flows (feminisation and skill-intensiveness of migration).

Furthermore, the over sampling of the naturalized population in the survey sample has also consequences on the overall socio-economic profile of the surveyed population, as the naturalized tend to be better educated and better integrated (linguistically and therefore probably also on the labour market). Finally, some indices point to a self-selection of the respondent of the survey: the better-educated and bred-winning individuals (especially among women) tended to participate more frequently to the survey. Given that these characteristics are essential with regard to economic transnational relations, the application of the results of the survey to the entire Serbian population of Switzerland has to be made carefully. Finally, the described difficulties to identify the Serbian population in the Swiss statistics as a point of reference has without doubt its consequences with regard to the representativity of the survey.

⁵⁸ The answer possibilities for this question were “none”, “compulsory”, “secondary school, vocational training (post-obligatory)” and “university graduate or equivalent”.

Annex 4: Socio-economic characteristics of Remittances sending and non-sending migrant households

		Remitters	Non-remitters	Total
Sex of respondents				
Total	Male	52.6	36.2	45.6
	Female	47.4	63.8	54.4
	N	329	243	572
Age of respondents				
Total	18-29 years	16.1	28.8	21.5
	30-39 years	25.2	30.9	27.6
	40-49 years	31.9	18.1	26.0
	50+ years	26.7	22.2	24.8
	N	329	243	572
Household type				
Total	Single	5.2	5.8	5.4
	Couple without children	19.8	21.8	20.6
	Nuclear family	72.0	67.5	70.1
	Monoparental family	3.0	4.9	3.8
	N	329	243	572
18-34 years	Single	3.2	3.8	3.5
	Couple with children	18.9	14.2	16.4
	Family HH	*77.9	82.0	80.1
	N	95	106	201
35-44 years	Single	2.9	3.3	3.0
	Couple with children	9.7	6.6	8.5
	Family HH	87.3	90.1	88.4
	N	103	61	164
45+	Single	8.4	10.5	9.2
	Couple with children	28.2	44.7	34.3
	Family HH	*63.4	44.8	56.5
	N	131	76	207
Residence status of respondents				
Total	Residence permit	17.6	23.5	20.1
	Settlement permit	65.7	59.3	62.9
	Naturalized	16.7	17.3	17.0
	N	329	243	572
Length of stay of respondents				
Total	0 to 10 years	26.1	28.4	27.1
	11 to 16 years	40.7	33.3	37.6
	More than 16 years	33.1	38.3	35.3
	N	329	243	572
Male	0 to 10 years	*26.0	17.0	23.0
	11 to 16 years	41.6	37.5	40.2
	More than 16 years	*32.4	45.5	36.8
	N	173	88	261

		Remitters	Non-remitters	Total
Length of stay of respondents				
Female	0 to 10 years	*26.3	34.8	30.5
	11 to 16 years	39.7	31.0	35.4
	More than 16 years	34.0	34.2	34.1
	N	156	155	311
18-34 years	0 to 10 years	*55.8	40.6	47.8
	11 to 16 years	37.9	40.6	39.3
	More than 16 years	*6.3	18.9	12.9
	N	95	106	201
35-44 years	0 to 10 years	*20.4	31.1	24.4
	11 to 16 years	49.5	36.1	44.5
	More than 16 years	30.1	32.8	31.1
	N	103	61	164
45+ years	0 to 10 years	9.2	9.2	9.2
	11 to 16 years	35.9	21.1	30.4
	More than 16 years	*55.0	69.7	60.4
	N	131	76	207
Educational level of respondents				
Total	None or primary	26.3	30.0	27.9
	Secondary	57.6	55.7	56.8
	Tertiary	16.1	14.3	15.4
	N	323	237	560
Male	None or primary	*18.3	30.2	22.4
	Secondary	65.1	58.1	62.7
	Tertiary	16.6	11.6	14.9
	N	169	86	255
Female	None or primary	35.1	29.8	32.5
	Secondary	49.4	54.3	51.8
	Tertiary	15.6	15.9	15.7
	N	154	151	305
18-34 years	None or primary	23.3	19.8	21.5
	Secondary	62.2	65.3	63.9
	Tertiary	14.4	14.9	14.7
	N	90	101	191
35-44 years	None or primary	19.6	25.0	21.6
	Secondary	61.8	56.7	59.9
	Tertiary	18.6	18.3	18.5
	N	102	60	162
45+ years	None or primary	*33.6	47.4	38.6
	Secondary	51.1	42.1	47.8
	Tertiary	15.3	10.5	13.5
	N	131	76	207

		Remitters	Non-remitters	Total
Economic status of respondents				
Total	Active occupied	80.9	71.1	76.7
	Unemployed	6.4	9.1	7.5
	Retired / IV	8.2	9.5	8.8
	Other inactive	4.6	10.3	7.0
	N	329	242	571
Male	Active occupied	79.2	77.3	78.5
	Unemployed	6.9	4.5	6.1
	Retired / IV	11.0	13.6	11.9
	Other inactive	2.9	4.5	3.4
	N	173	88	261
Female	Active occupied	82.7	67.5	75.2
	Unemployed	*5.8	11.7	8.7
	Retired / IV	5.1	7.1	6.1
	Other inactive	*6.4	13.6	10.0
	N	156	154	310
18-34 years	Active occupied	82.1	75.2	78.5
	Unemployed	8.4	10.5	9.5
	Retired / IV	-	-	-
	Other inactive	9.5	14.3	12.0
	N	95	105	200
35-44 years	Active occupied	*90.3	78.7	86.0
	Unemployed	4.9	9.8	6.7
	Retired / IV	2.9	1.6	2.4
	Other inactive	1.9	9.8	4.9
	N	103	61	164
45+ years	Active occupied	*72.5	59.2	67.6
	Unemployed	6.1	6.6	6.3
	Retired / IV	*18.3	28.9	22.2
	Other inactive	3.1	5.3	3.9
	N	131	76	207
Number of hours of respondents' work per week				
Total	Part time (<40h)	*16.5	26.2	20.3
	Full time (40-42h)	56.0	44.0	51.4
	More than 42h	27.4	29.8	28.3
	N	266	168	434
Male	Part time (<40h)	5.8	2.9	4.9
	Full time (40-42h)	59.9	54.4	58.0
	More than 42h	34.3	42.6	37.1
	N	137	68	205
Female	Part time (<40h)	*27.9	42.0	34.1
	Full time (40-42h)	51.9	37.0	45.4
	More than 42h	20.2	21.0	20.5
	N	129	100	229

		Remitters	Non-remitters	Total
Monthly equivalent household income				
Total	Less than CHF 2'600.-	*24.8	38.6	30.8
	CHF 2'600 to 3'599.-	36.5	33.9	35.4
	CHF 3'600.- and more	*38.7	27.5	33.8
	N	222	171	393
Single household and couples without children	Less than CHF 2'600.-	*21.1	37.0	28.2
	CHF 2'600 to 3'599.-	31.6	32.6	32.0
	CHF 3'600.- and more	*47.4	30.4	39.8
	N	57	46	103
Family household	Less than CHF 2'600.-	*26.1	39.2	31.7
	CHF 2'600 to 3'599.-	38.2	34.4	36.6
	CHF 3'600.- and more	*35.8	26.4	31.7
	N	165	125	290
0 to 10 years	Less than CHF 2'600.-	*20.4	45.5	32.3
	CHF 2'600 to 3'599.-	34.7	31.8	33.3
	CHF 3'600.- and more	*44.9	22.7	34.4
	N	49	44	93
11 to 16 years	Less than CHF 2'600.-	*21.3	30.5	24.8
	CHF 2'600 to 3'599.-	41.5	42.4	41.8
	CHF 3'600.- and more	*37.2	27.1	33.3
	N	94	59	153
More than 16 years	Less than CHF 2'600.-	31.6	41.2	36.1
	CHF 2'600 to 3'599.-	31.6	27.9	29.9
	CHF 3'600.- and more	36.7	30.9	34.0
	N	79	68	147
House ownership in Serbia				
Total	Yes	77.7	70.0	74.4
	No	22.3	30.0	25.6
	N	327	243	570
18-34 years	Yes	72.3	73.6	73.0
	No	27.7	26.4	27.0
	N	94	106	200
35-44 years	Yes	*75.5	62.3	70.6
	No	24.5	37.7	29.4
	N	102	61	163
45+ years	Yes	*83.2	71.1	78.7
	No	16.8	28.9	21.3
	N	131	76	207
Bank accounts in Serbia				
Total	Yes	22.0	11.3	17.4
	No	78.0	88.7	82.6
	N	314	231	545

		Remitters	Non-remitters	Total
Bank accounts in Serbia				
18-34 years	Yes	*24.4	12.4	18.2
	No	75.6	87.6	81.8
	N	90	97	187
35-44 years	Yes	*22.2	8.3	17.0
	No	77.8	91.7	83.0
	N	99	60	159
45+ years	Yes	*20.0	12.2	17.1
	No	80.0	87.8	82.9
	N	125	74	199

Place of living of respondents' three best friends

		Remitters	Non-remitters	Total
Total	SM	26.1	32.8	29.0
	Transnational	54.5	37.9	47.3
	CH	19.4	29.4	23.7
	N	314	235	549
18-34 years	SM	29.3	34.0	31.8
	Transnational	*52.2	28.2	39.5
	CH	*18.5	37.9	28.7
	N	92	103	195
35-44 years	SM	31.3	28.8	30.4
	Transnational	47.5	45.8	46.8
	CH	*21.2	25.4	22.8
	N	99	59	158
45+ years	SM	19.5	34.2	25.0
	Transnational	*61.8	45.2	55.6
	CH	*18.7	20.5	19.4
	N	123	73	196

Number of respondents' visits to Serbia in the last 12 years

		Remitters	Non-remitters	Total
Total	0-3 times	22.9	33.3	27.3
	4-6 times	40.2	35.4	38.2
	more than 6 times	36.9	31.3	34.5
	N	328	240	568
18-34 years	0-3 times	30.5	35.2	33.0
	4-6 times	34.7	37.1	36.0
	More than 6 times	34.7	27.6	31.0
	N	95	105	200
35-44 years	0-3 times	*22.3	31.7	25.8
	4-6 times	43.7	38.3	41.7
	More than 6 times	34.0	30.0	32.5
	N	103	60	163
45+ years	0-3 times	*17.7	32.0	22.9
	4-6 times	41.5	30.7	37.6
	More than 6 times	40.8	37.3	39.5
	N	130	75	205

		Remitters	Non-remitters	Total
Kinship affinity with closest remaining family in Serbia to the respondents				
Total	No family	2.5	5.0	3.5
	Family in law & other	12.6	29.3	19.8
	Parents, siblings, grandparents	69.0	55.8	63.3
	Partner / children	16.0	9.9	13.4
	N	325	242	567
Male	No biologically near family	*14.8	33.3	21.0
	Parents, siblings, grandparents	69.5	56.3	65.0
	Partner / children	*15.9	10.3	14.0
	N	170	87	257
Female	No biologically near family	*15.5	34.8	25.1
	Parents, siblings, grandparents	68.4	55.5	62.0
	Partner / children	*16.1	9.7	12.9
	N	155	155	310
18-34 years	No biologically near family	*32.6	54.3	44.2
	Parents, siblings, grandparents	61.9	43.8	52.3
	Partner / children	5.4	1.9	3.6
	N	92	105	197
35-44 years	No biologically near family	*6.8	19.6	11.6
	Parents, siblings, grandparents	86.4	75.4	82.3
	Partner / children	6.8	4.9	6.1
	N	103	61	164
45+ years	No biologically near family	*9.2	18.4	12.6
	Parents, siblings, grandparents	60.0	56.5	58.7
	Partner / children	30.8	25.0	28.6
	N	130	76	206

Respondents' economic status according to length of stay

		Active occupied	Unemployed	Inactive
Length of stay	0 to 4 years	54.2	*27.1	18.6
	5 to 9 years	80.5	*11.7	7.8
	10 to 14 years	84.5	3.7	11.8
	15 to 19 years	84.4	5.0	10.6
	20 to 24 years	75.0	2.8	22.2
	25+ years	58.6	4.3	37.2
		N	130	76

* statistically significant (for proportions representing less than 30 respondents)

Annex 5: Amount, stability and frequency of remittances according to socioeconomic characteristics of the senders.

Quintile distributions of total remittances amount sent and received				
	<i>Quintile ranges of remittances sending households, according to the total amount sent</i>		<i>Quintile ranges of remittances recipients, according to the total amount received</i>	
1 st quintile group (first 20%)	CHF 100 - 1'000.-		CHF 50 - 400.-	
2 nd quintile group	CHF 1'001 - 2'000.-		CHF 401 - 1'000.-	
3 rd quintile group	CHF 2'001 - 3'500.-		CHF 1'001 - 1800.-	
4 th quintile group	CHF 3'501 - 6'600.-		CHF 1'801 - 4'000.-	
5 th quintile group (last 20%)	CHF 6'601 - 48'000.-		CHF 4'001 - 20'000.-	

Total amount sent per household				
Education level of respondent	<i>at most CHF 1'400.-</i>	<i>CHF 1'401- 4'100.-</i>	<i>more than CHF 4'100.-</i>	<i>N</i>
None or primary	36.5	31.7	31.7	63
Secondary	29.6	40.0	30.4	125
Tertiary	29.0	19.4	*51.6	31
All	31.5	34.7	33.8	219

Monthly equivalent household income				
	<i>at most CHF 1'400.-</i>	<i>CHF 1'401- 4'100.-</i>	<i>more than CHF 4'100.-</i>	<i>N</i>
Less than CHF 2'600.-	*48.8	31.7	19.5	41
CHF 2'600 to 3'599.-	26.6	40.6	*32.8	64
CHF 3'600.- and more	20.8	36.1	*43.1	72
All	29.4	36.7	33.9	177

Number of years of remitting	Total number of transfers sent by remitting household		
0-4	14.1	1-3	32.6
0-9	17.3	4-6	26.9
10-14	19.8	7-9	8.1
15-19	24.0	10-12	17.1
20-24	12.8	13-24	10.7
25+	12.1	More than 24	4.7
N	313	N	298

Monthly equivalent household income				
Total number of transfers sent	<i>less than CHF 2'600</i>	<i>CHF 2'600 to 3'599</i>	<i>CHF 3'600 and more</i>	<i>All</i>
1-3 transfers	37.3	31	25.6	30.4
4-8 transfers	35.3	31	35.4	33.8
at least 9	27.5	38	*39.0	35.8
N	51	71	82	204

Total amount sent				
Total number of transfers sent	<i>at most CHF 1'400.-</i>	<i>CHF 1'401- 4'100.-</i>	<i>more than CHF 4'100.-</i>	<i>Total</i>
1-3 transfers	47.8	21.6	14.9	27.4
4-8 transfers	29.9	40.5	29.7	33.5
at least 9	22.4	37.8	55.4	39.1
N	67	74	74	215

Sex of remitter			
Sex of receiver	<i>Male</i>	<i>Female</i>	<i>Total</i>
Male	41.7	35.5	38.7
Female	58.3	*64.5	61.3
N	264	245	509

Type of receivers						
Purpose of transfers	<i>nuclear family</i>	<i>parents & grand-parents</i>	<i>family in law</i>	<i>siblings</i>	<i>other</i>	<i>Total</i>
Daily needs	63.4	56.8	57.0	68.9	66.7	61.0
Health (& daily needs)	2.8	*31.9	*36.1	8.4	10.2	22.4
Other (& daily needs)	*33.8	11.2	7.0	22.7	23.2	16.7
N	71	285	86	119	69	630

Total amount of transfers received						
	<i>at most CHF 600.-</i>	<i>CHF 601-2'500.-</i>	<i>More than CHF 2'500.-</i>			
At most CHF 600.-	26.8	29.7	28.1	49.4	35.6	34.0
CHF 601-2'500.-	36.6	30.9	35.9	33.3	51.1	35.0
More than CHF 2'500.-	*36.6	*39.4	*35.9	17.2	13.3	31.1
N	41	175	64	87	45	412

* statistically significant (for proportions representing less than 30 respondents)

Annex 6: Socioeconomic characteristics of formal and informal channel using remitters

		No Formal	Formal	Total
Age of respondents				
Total	18-34 years	25.5	*39.5	29.0
	35-44 years	32.0	29.6	31.4
	45+ years	42.5	*30.9	39.6
	N	247	81	328
Sex of respondents				
Total	Male	51.4	56.8	52.7
	Female	48.6	43.2	47.3
	N	247	81	328
Length of stay of respondents				
Total	0 to 10 years	21.1	*40.7	25.9
	11 to 16 years	40.9	40.7	40.9
	More than 16 years	38.1	*18.5	33.2
	N	247	81	328
Residence status of respondents				
Total	Residence permit	13.4	*29.6	17.4
	Settlement permit	68.4	58.0	65.9
	Naturalized	18.2	12.3	16.8
	N	247	81	328
Male	Residence permit	13.4	*28.3	17.3
	Settlement permit	68.5	63.0	67.1
	Naturalized	18.1	*8.7	15.6
	N	127	46	173
Female	Residence permit	13.3	*31.4	17.4
	Settlement permit	68.3	*51.4	64.5
	Naturalized	18.3	17.1	18.1
	N	120	35	155
18-34 years	Residence permit	27.0	*37.5	30.5
	Settlement permit	55.6	50.0	53.7
	Naturalized	17.5	12.5	15.8
	N	63	32	95
35-44 years	Residence permit	13.9	25.0	16.5
	Settlement permit	64.6	54.2	62.1
	Naturalized	21.5	20.8	21.4
	N	79	24	103
45+ years	Residence permit	4.8	*24.0	8.5
	Settlement permit	79.0	72.0	77.7
	Naturalized	16.2	*4.0	13.8
	N	105	25	130

		No Formal	Formal	Total
Educational level of respondents				
Total	None or primary	27.7	22.5	26.4
	Secondary	57.4	58.8	57.8
	Tertiary	14.9	18.8	15.8
	N	242	80	322
18-34	None or primary	22.0	25.8	23.3
	Secondary	57.6	71.0	62.2
	Tertiary	20.3	*3.2	14.4
	N	59	31	90
45+	None or primary	36.2	24.0	33.8
	Secondary	53.3	44.0	51.5
	Tertiary	10.5	*32.0	14.6
	N	105	25	130
Number of respondents' visits to Serbia in the last 12 years				
Total	0-3 times	18.2	*37.5	22.9
	4-6 times	42.1	35.0	40.4
	More than 6 times	39.7	*27.5	36.7
	N	247	80	327
18-34 years	0-3 times	25.4	*40.6	30.5
	4-6 times	36.5	31.3	34.7
	More than 6 times	38.1	28.1	34.7
	N	63	32	95
35-44 years	0-3 times	16.5	*41.7	22.3
	4-6 times	48.1	*29.2	43.7
	More than 6 times	35.4	29.2	34.0
	N	79	24	103
45+ years	0-3 times	15.2	*29.2	17.8
	4-6 times	41.0	45.8	41.9
	More than 6 times	43.8	*25.0	40.3
	N	105	24	129
Bank account in Serbia				
Total	Yes	18.3	*33.3	22.0
	No	81.7	66.7	78.0
	N	235	78	313
18-34 years	Yes	13.3	*46.7	24.4
	No	86.7	53.3	75.6
	N	60	30	90
Total number of transfers in the last 12 months				
Total	1-4 transfers	50.7	*25.7	44.4
	5-9 transfers	23.8	20.3	22.9
	>9 transfers	25.6	*54.1	32.7
	N	223	74	297

		No Formal	Formal	Total
Total number of transfers in the last 12 months				
18-34 years	1-4 transfers	73.2	*26.9	58.5
	5-9 transfers	12.5	23.1	15.9
	>9 transfers	14.3	*50.0	25.6
	N	56	26	82
35-44 years	1-4 transfers	44.6	*21.7	39.2
	5-9 transfers	28.4	26.1	27.8
	>9 transfers	27.0	*52.2	33.0
	N	74	23	97
45+ years	1-4 transfers	41.9	28.0	39.0
	5-9 transfers	26.9	*12.0	23.7
	>9 transfers	31.2	*60.0	37.3
	N	93	25	118
Total amount transferred during the last 12 months				
Total	At most CHF 1400.-	33.8	23.3	30.9
	CHF 1401 to 4100.-	35.6	33.3	35.0
	More than CHF 4100.-	30.6	*43.3	34.1
	N	160	60	220
18-34 years	At most CHF 1400.-	38.5	37.5	38.0
	CHF 1401 to 4100.-	23.1	45.8	34.0
	More than CHF 4100.-	38.5	*16.7	28.0
	N	26	24	50
35-44 years	At most CHF 1400.-	26.8	*5.0	21.1
	CHF 1401 to 4100.-	37.5	30.0	35.5
	More than CHF 4100.-	35.7	*65.0	43.4
	N	56	20	76
45+ years	At most CHF 1400.-	37.2	25.0	35.1
	CHF 1401 to 4100.-	38.5	*18.8	35.1
	More than CHF 4100.-	24.4	*56.3	29.8
	N	78	16	94
Local language proficiency of respondents				
Total	None or sparse	10.6	7.4	9.8
	Medium	39.4	37	38.8
	Good or excellent	50	55.6	51.4
	N	246	81	327

* statistically significant difference (for proportions representing less than 30 respondents)

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