Cognitive Constructs and the Intent to Remit: Are Norms the Key to Explaining Remitting Behaviour of Kosovar Migrants in Germany

Wiebke Meyer and Judith Möllers
(Leibniz Institute of Agricultural Development in Central and Eastern Europe) and
Gertrud Buchenrieder (Martin-Luther Univ, Halle, Wittenberg)

Presentation delivered at the 2013 Annual Meeting of the International Agricultural Trade Research Consortium (IATRC)
Clearwater Beach, FL, December 15-17, 2013
Cognitive constructs and the intention to remit
Are norms the key to explaining remitting behaviour of Kosovar migrants in Germany?

W. Meyer, J. Möllers, and G. Buchenrieder

Judith Möllers

IACTR conference 2013 | 14 – 17 December
Importance of Remittances

- 150 million migrants worldwide sent more than US$300 billion to developing countries
- Remittances reach approximately 10% of the world’s population
- Remitting is important on the micro & macro level

What are the determinants of the remitting decision? - Individual decision making as the level where migration is explained
Remittances & Kosovo

- Long migration history & large diaspora
- Among top 10 emigration countries
- >20% of households engage in migration, 90% of migrants remit
- Strong dependency on remittances: 705 million €, 18% of GDP; = > 8x ODA
- Strong links to home country maintained, even after about half of the diaspora has naturalised with the destination countries
Outline

• Theoretical and empirical roots of remitting:
  – Motives for remitting (theory and empirical evidence)
  – Cognitive constructs: Theory of planned behaviour (TPB)

• Survey design and method:
  – Recognising the ‘dyad of remitting’
  – PLS modelling

• Model results on motives for remitting:
  – A TPB-PLS model
  – Subjective norms in the focus

• Conclusions
Roots of remitting behaviour

Theoretical motives for remitting (Rapoport and Docquier 2006)
– *Altruism, Exchange, Inheritance* (individualistic motives)
– *Investment, Insurance* (familial arrangements)

Empirical roots of remitting behaviour (simplified from Carling 2008)

Relation between migrant (household) and origin household

- **Migrant**, in particular the financial capability of migrant to remit
- **Origin household**, in particular the need for support
Theory of planned behaviour (TPB)

Adapted from Ajzen 1991

- Behavioural Beliefs
- Attitude
- Normative Beliefs
- Subjective Norms
- Intention
- Control Beliefs
- Perceived Behavioural Control
- Behaviour

Introduction
Theory
Data & method
PLS results
Conclusion
Survey design & data

• Survey: 09/2009 and 04/2010, N=225

• Target groups:
  Albanian labour migrants + origin farm households
  = ‘Dyad of potential sender and receiver’ (Carling 2008)

• Data: motivation triangle + TPB variables (Likert scales)
Descriptives

• Typical migrants: male, young, unmarried, unemployed or worked on the family farm before migration

• Initial cost of migration: median 350 € (avg. 640€)
• Networks matter, but finding work is no easy task

• Almost all migrants remit (often transfer is in cash)
• Annual remittances: 4000€ (median)
  ≈ 2 monthly incomes of migrant or
  ≈ a full median annual income of recipient household

• Financial possibilities of migrant & neediness of origin household matter

• High personal feeling of connectedness to Kosovo
From TPB to PLS-SEM

**Introduction**

**Theory**

**Data & method**

**PLS results**

**Conclusion**

---

Adapted from Ajzen 1991
SEM results: norms construct
SEM results: norms constructs

50. My parents at home would find it good if I send money-in kind remittances in the coming three months.

55. How important is it for you in general to do what your parents expect from you?

NORMATIVE BELIEFS

SUBJECTIVE NORMS

parents
people in village
siblings
wife

most Albanians
most people
my relatives

0.3
0.2
0.1
0.8

0.0
0.7
0.4
0.6

Introduction
Theory
Data & method
PLS results
Conclusion
Conclusions

The behavioural perspective is relevant:

• Cognitive constructs increase the dimensionality of remittances analysis

• Attitudes, norms and perceived control contribute to explaining the intention to remit

• Strong family ties and high perceived expectations increase the intention to remit

• Remittances are motivated by intrafamilial arrangements that are enforced by strong norms