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

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Leibniz Institute of Agricultural Development
in Central and Eastern Europe

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

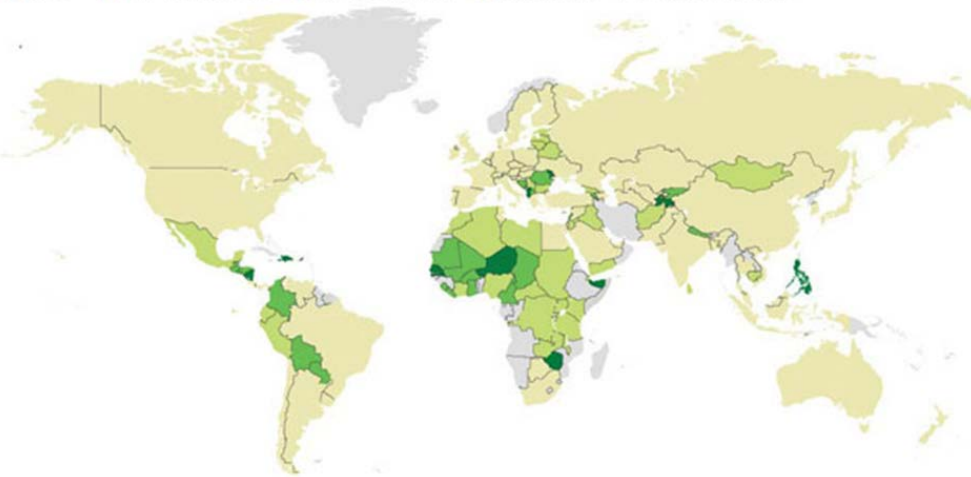
Judith Möllers

Importance of Remittances

International Remittances Worldwide

In the past 12 months, did this household receive help in the form of money or goods from another individual living inside this country, living in another country, both, or neither?

■ 20%+ ■ 10% - less than 20% ■ 5% - less than 10% ■ Less than 5% ■ Question not asked



2009 and 2010: Percentage who received help from an individual in another country

GALLUP

- 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

Introduction

Theory

Data & method

PLS results

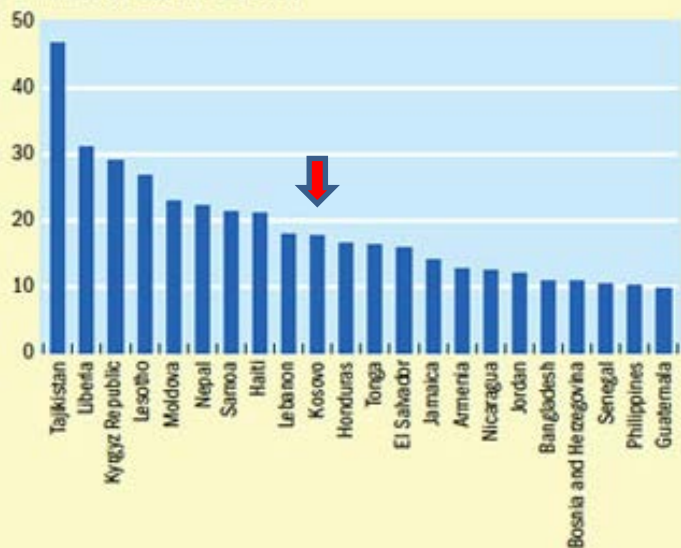
Conclusion

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

Remittance dependent

For a number of countries, remittances account for 10 percent or more of GDP.

(remittances, percent of GDP, 2011)



Source: World Bank, World Development Indicators database, 2013.

- 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

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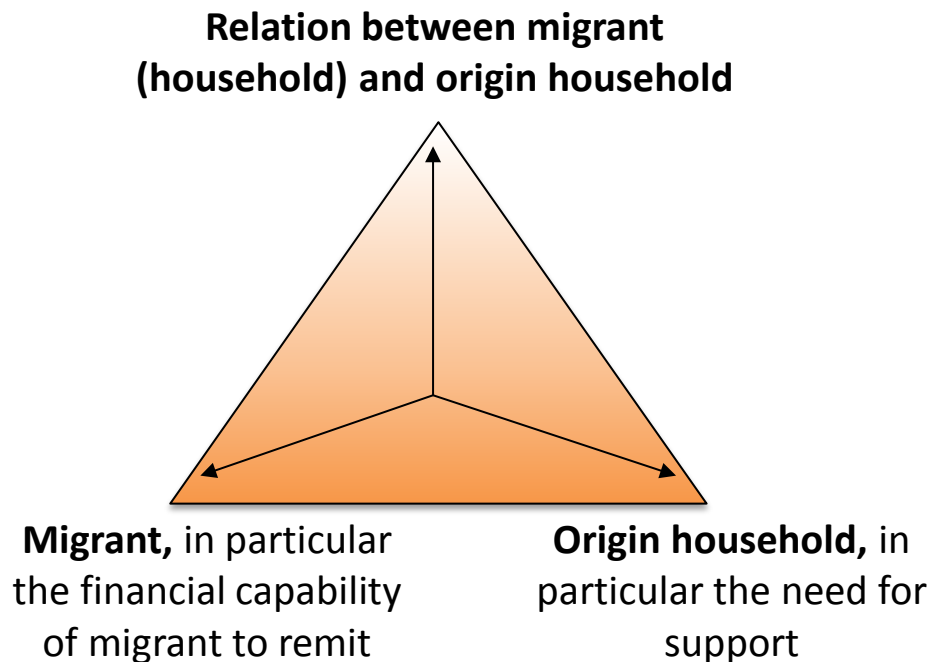


- **Theoretical and empirical roots of remitting:**
 - Motives for remitting (theory and empirical evidence)
 - Cognitive constructs: Theory of planned behaviour (TPB)
- **Survey design and method:**
 - Recognising the 'dyad of remitting'
 - PLS modelling
- **Model results on motives for remitting:**
 - A TPB-PLS model
 - Subjective norms in the focus
- **Conclusions**

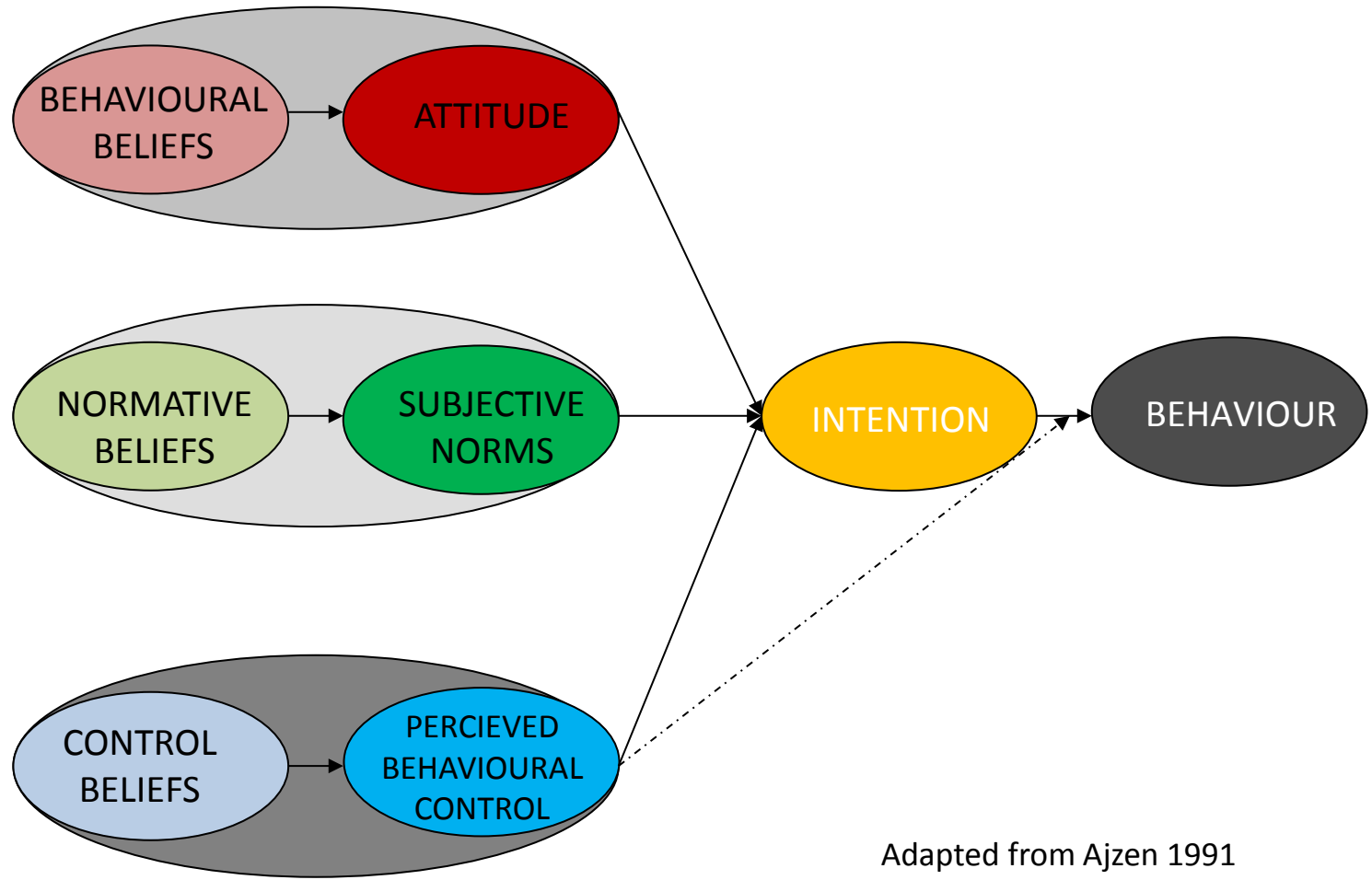
Theoretical motives for remitting (Rapoport and Docquier 2006)

- *Altruism, Exchange, Inheritance* (individualistic motives)
- *Investment, Insurance* (familial arrangements)

Empirical roots of remitting behaviour (simplified from Carling 2008)



Theory of planned behaviour (TPB)



Adapted from Ajzen 1991

Survey design & data

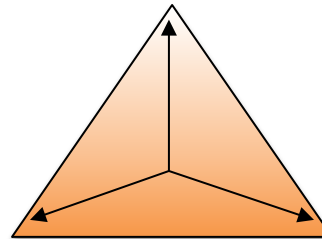
- Survey: 09/2009 and 04/2010, N=225
- Target groups:
Albanian labour migrants + origin farm households
= 'Dyad of potential sender and receiver' (Carling 2008)
- Data: motivation triangle + TPB variables (Likert scales)



Migrant household



- Demography
- Income and capital endowment
- Living conditions at present in D and before migration
- Remittances and remitting behaviour
- Items for application of TPB

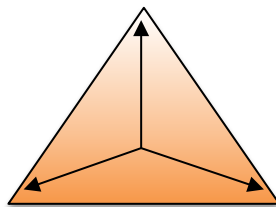


Origin household



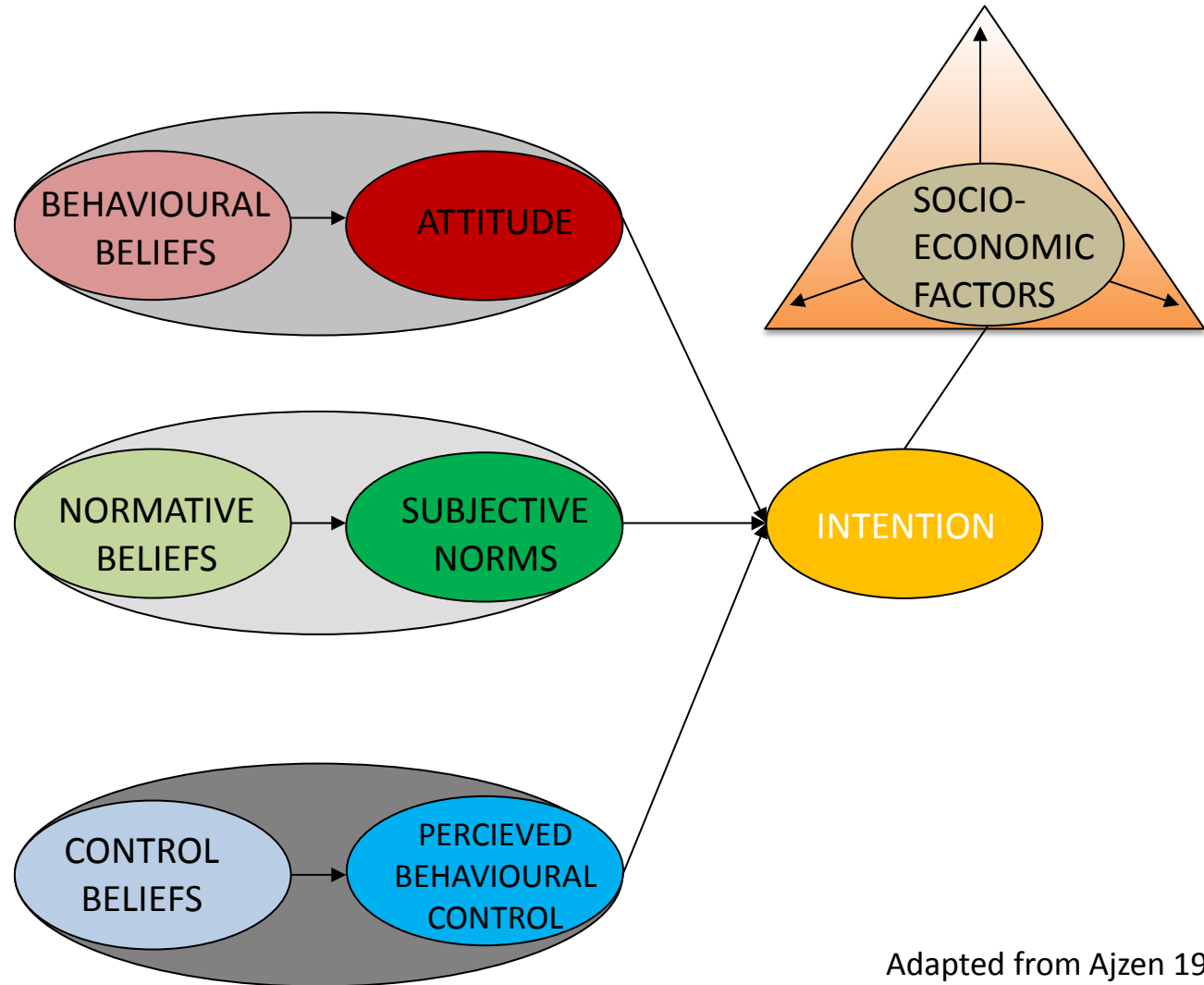
- Demography
- Migration (history)
- Income and living standard
- Farming and farm assets
- Non-farm employment strategies

- 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



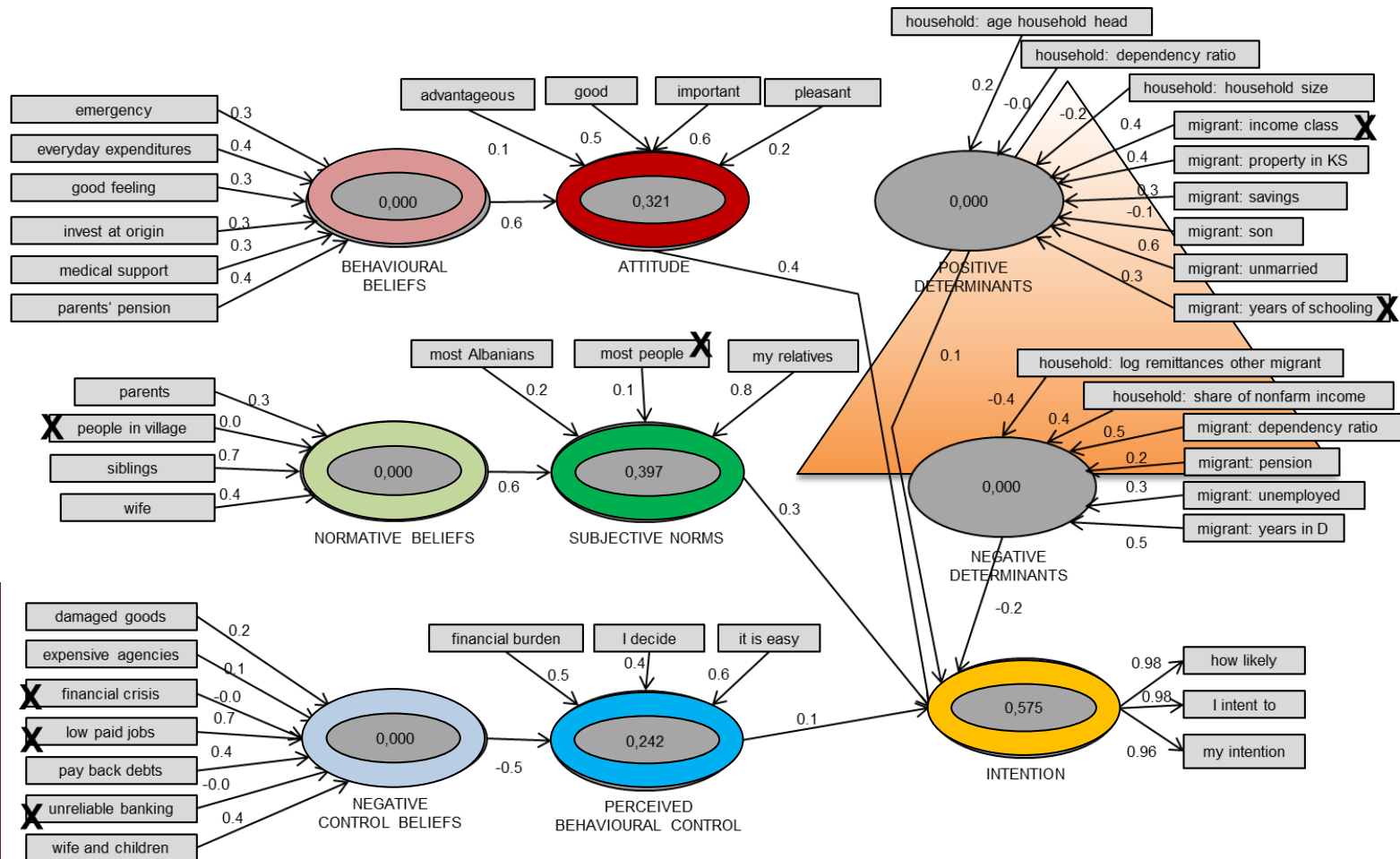
- Financial possibilities of migrant & neediness of origin household matter
- High personal feeling of connectedness to Kosovo

From TPB to PLS-SEM

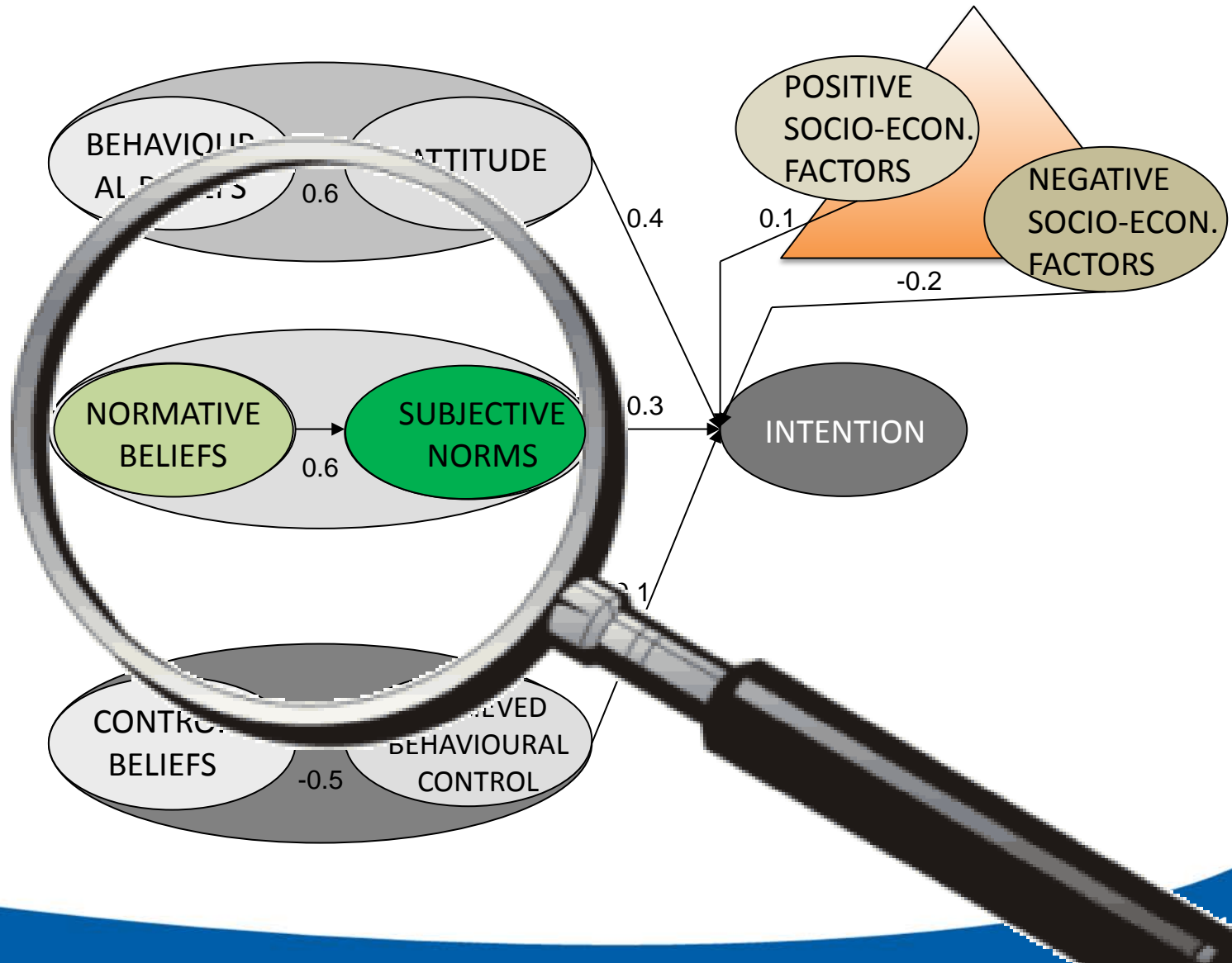


Adapted from Ajzen 1991

PLS-SEM Model



SEM results: norms construct



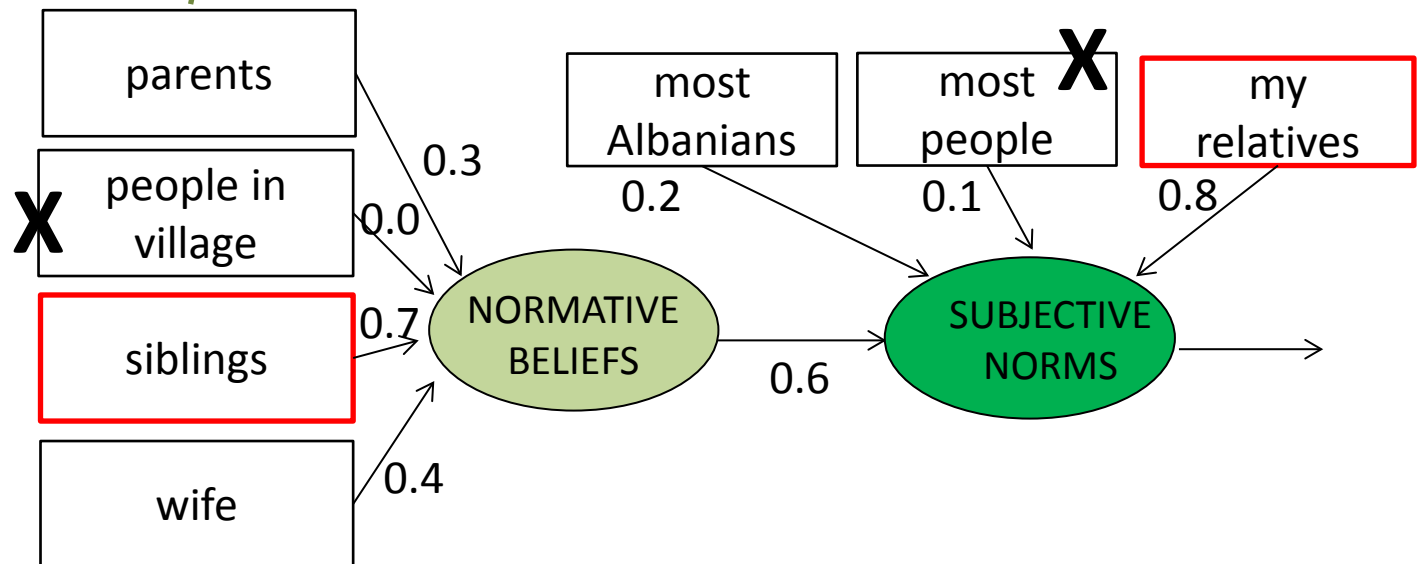
SEM results: norms constructs

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

Very unlikely ☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 ☐ 6 ☐ 7 ☐ Very likely ☐

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

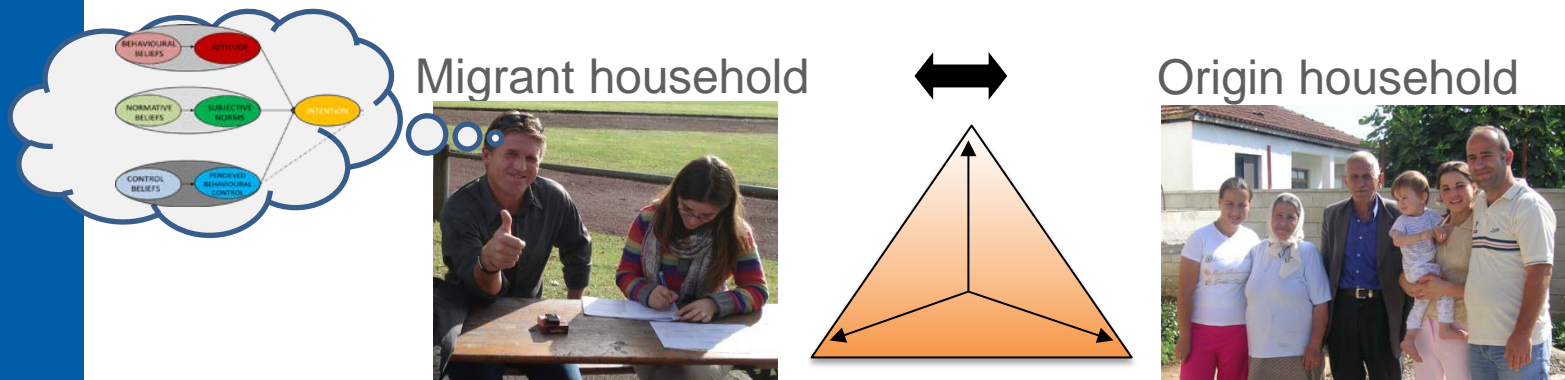
Very unimportant ☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 ☐ 6 ☐ 7 ☐ Very important ☐



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