

**EXPERT GROUP MEETING ON INTERNATIONAL
MIGRATION AND DEVELOPMENT IN
LATIN AMERICA AND THE CARIBBEAN**

Population Division

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**THE REMITTANCE SENDING PRACTICES OF
HAITIANS AND JAMAICANS IN CANADA***

Alan Simmons, Dwaine Plaza and Victor Piché

* The views expressed in the paper do not imply the expression of any opinion on the part of the United Nations Secretariat.

Abstract

This paper examines Caribbean immigrant communities in Canada and their contributions to family welfare and development in their counties of origin through remittances of money and transfers of material gifts. Particular attention is given to two of the largest communities, Jamaicans (based primarily in Toronto) and Haitians (based primarily in Montreal). These communities in Canada are shown to have strong transnational connections to the Caribbean. Immigration from the region is relatively recent and continuing. Members travel to the region frequently and also receive visitors from the region. Telephone contact is weekly if not daily for many households. Money remitted by households in Canada to the

Report to CIDA – substantive 05.05.28

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A REPORT TO CIDA

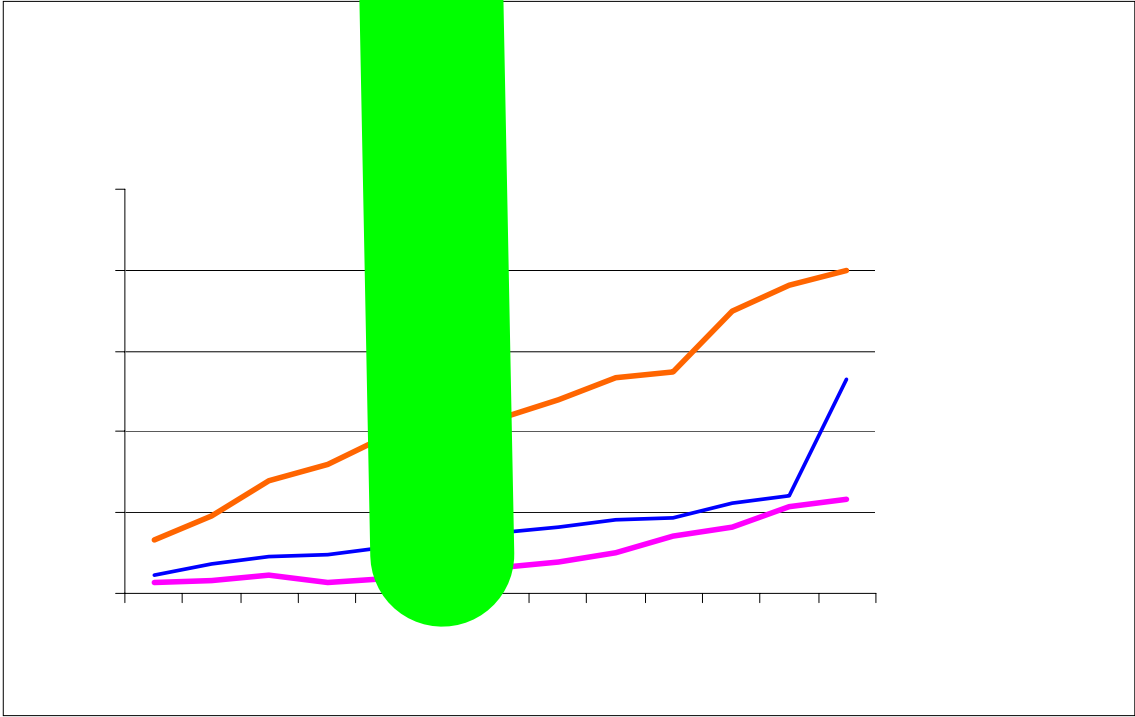


TABLE 1. TRANSFERS OF MONEY

	<i>Haitians</i>	<i>Jamaicans</i>
<i>Remittances sent by the respondent in the past five years</i>		
Per cent of respondents who have remitted money in the past 5 years	87.9	87.8
Mean number of money transfers*	28.0	24.3
Median number of money transfers*	15.0	10.0
Upper outlier for number of money transfers*	200.0	100.0
Per cent of respondents who have remitted money in past year**	84.4	62.3
<i>Amount of money remitted by the respondent in the last transfer</i>		
Mean*	\$269.00	\$395.00
Median*	\$195.00	\$200.00
Upper outlier*	\$1,830.00	\$5,000.00
<i>Total money remitted by the respondent's household in 2004</i>		
Mean*	\$401.00	\$314.00
Median*	\$1,407.00	\$1000.00
Upper outlier*	\$20,679.00	\$19,175.00
Secondary outlier*	\$13,420.00	\$6,000.00

* All means and medians in this table are based on responses from those who sent no remittances as well as those who did send remittances. All figures are in Canadian currency.

** Sent in 2004 and the first three months of 2005 (before March 31).

Interviewers reported that probing into the exceptionally large “outlier” payments revealed that such payments are generally for the purchase of property or the building of homes. The property purchases and home construction was largely to assist aging parents and to help relatives who had lost homes in hurricanes, although some was for land and housing that the senders were purchasing for their own possible future use in the event that they moved back to their country of origin.

Remittance Recipients

TABLE 2. RECIPIENTS OF REMITTANCES

		<i>Haitians</i>	<i>Jamaicans</i>
<i>Per cent distribution of main recipients (over past year)</i>			
	Parents	27.5	28.1
	Multiple family members	18.1	18.8
	Siblings	13.4	16.4
	No money sent and no answer	11.4	7.7
	Others	8.7	4.7
	Cousins	8.1	2.3
	Grandparents	5.4	4.7
	Aunts and uncles	4.7	6.3

“I prefer CAM transfer because it’s rapid, accessible, and not too costly. The money is received the same day... I have confidence in CAM. Delivery is made to the home.”

Hand transfers. Many said that transferring funds personally or by hand through a friend or relative travelling to the region ranked very high on their preference list. The advantages were largely that the transfer was more personally meaningful when done this way. It consolidated the social and emotional relationship between sender and receiver. The reason why this mechanism is not used more is purely practical: when there is a need or desire to send funds, no one close to the sender may be travelling. For some Haitians, hand transfers also ensure that funds will reach relatives, especially those in outlying areas.

Agencies. Money transfer agencies were viewed as a mixed blessing. On the positive side, respondents reported that the agencies are convenient to both senders and receivers, fast (transfers within minutes), reliable and the sender was assured that their family member did not have to travel far to pick up the money. There was a sense of satisfaction in being able to phone the recipient shortly after the transfer and to learn that the funds had been gratefully received. On the negative side, respondents complained about transfer fees, which a majority believed to be very or somewhat “expensive.” Complaints were expressed particularly regarding the charges for amounts under \$100, given that the fee for these smaller amounts is a higher proportion of the amount sent. The high cost of agencies was a sentiment heard in many of our interviews. Glenda a thirty-two year old Jamaican-born woman in Toronto made the point that she does not have many choices for sending money back, home particularly in an emergency. She noted:

“...Western Union, that is the one thing I can count on... I use Western Union because I do not have any other choice. I use it because they are everywhere. It is very expensive, but if there is an emergency at home I have no other choice.”

Banks and credit unions. Most respondents were unaware of credit unions as a possible channel for remittances. More were aware of banks as a possible channel, but viewed these as being very slow and in some cases not readily accessible to the recipients.

Agency Transfer Fees. Respondents reported that they send small amounts of money (less than \$100) for emergencies only, as the proportional fee can be high. If a \$14 fee is charged for any transfer less than \$100, then a \$50 transfer would bear a cost of 28 per cent for the transfer service. In consequence, respondents typically send larger amounts, in the range of \$200 per transfer (median amount). This brought the proportional cost of the fee down. For example, if the fee for sending such an

TABLE 4. ILLUSTRATIVE TRANSFER COSTS IN 2004 AS A PER CENT OF THE FUNDS SENT

<i>Illustrative transfer costs*</i>		<i>Haitians Urban</i>	<i>Haitians Rural</i>	<i>Jamaicans</i>
	For \$100	\$10.80	\$12.80	\$14.00
	For \$200	\$21.60	\$23.60	\$18.00
	For \$300	\$32.40	\$34.60	\$20.00

\$1301639 69.2639 69.912

* Infrequent is once or twice a month. ** Moderate is three to six times a month. ***High is more than six times a month.

The number of telephone calls placed by respondents to their family members in the home country is a moderately good predictor of the volume of remittances transferred to those family members (Chart 3). Respondents in Canada reported that they appreciate the extent to which long distance phone charges have fallen in recent years and that phoning was not costly. They also said that recipients in the home countries often do not have access to phones in their homes and must either rely on neighbours, telephone booths or (increasingly) on mobile phones. Mobile phones are expensive to purchase on local incomes, and are also more expensive for long distance calling (due to the fact that users must pay both for the cell-phone minutes and the long-distance minutes). Money transfer agencies and institutions could facilitate contact and the flow of remittances by providing more accessible and less expensive long distance phone services for those who receive remittances.

Strengthen Transnational Community Links. Some participants have links to their home communities through collective community improvement projects, school alumni activities, and church support activities (see Table 7). For example, thirty three per cent of Jamaicans reported that they have contributed to a church-to-church support programme or project.

The important development role that the transnational church can play in Jamaica was evident in our interviews with various Jamaican church leaders in Toronto. Pastor Mavis, a forty-eight year old Jamaican, reports to us on the important work that her Ministry has been doing since 1997. She says:

Since 1997 we have been shipping down barrels, many, many barrels. We sent new stuff, used stuff, perishable items for the less fortunate. At this time, the Jehovah Bless International Ministry has taken on a mega, major project which is also instigated by the Lord. We have now sponsored 75 less fortunate children in Jamaica, five days a week, free lunch and also in three different parishes, namely Hanover, Jericho College school and Westmorland, that's Dalistin-

students, seven from the high school and one from the elementary regarding their transportation fees to school...

She added,

For the first time in history of the Jericho Primary School, we have given them five computers. They will be starting the children from Grade 1 right to Grade 9, teaching them computer lessons. We also want to give educational training in sewing for the girls. That is now in process coming and for the youths that are out on the street at this time, so we want to find something to give them, a sense of direction so that they will have a hope because if a person doesn't have a hope, they will take the guns to their mama's neck and don't even care because this is what life is all about, nothing is there for me, that is it, so here we're trying to do our best so therefore we are asking, we are asking Canadians and everyone in the whole, to really link into this Ministry.

Policies and initiatives that build stronger transnational institutional links and collective projects could play an important role in the future. Such initiatives would promote development activities that benefit entire communities, not just individual remittance receivers. This is the logic of increasing development aid funds to match community collective remittances for hometown improvement projects.

TABLE 7. TRANSNATIONAL PROJECT AND CHURCH LINKS

	<i>Haitians</i>	<i>Jamaicans</i>
Per cent ever contributed to a school improvement project	7.4	13.5
Per cent ever contributed to a community project	7.7	16.0
Per cent ever contributed to church improvement project	10.7	33.1

Tax exceptions. The Canadian government is currently proposing changes to immigration policy that would allow immigrants to more easily sponsor the entry of elderly and dependent parents. The goals of such a policy are broadly humanitarian and appeal to immigrants concerned about the well being of their parents. At the same time, many immigrants may not be in a position to sponsor the entry of their parents into Canada. As well, some parents abroad will prefer to stay in their home communities. This suggests the possibility of providing tax credits to immigrants who support their parents abroad, similar to the tax credits that immigrants with dependent parents in Canada receive. Such a plan would depend on verification that the support was going to dependent parents abroad, and hence may be difficult to implement in all countries. The policy could, however, be implemented in countries in a position to sign agreements to set up procedures for verification.

Another approach would be to provide the tax credits to those immigrants that provide support to community projects for the benefit of all people, including dependent and needy relatives, in the community. Projects of this kind could be set up in collaboration with receiving community authorities and verified through state supervision. Again, such an approach may not be feasible in all countries, but could be pursued in others.

Better coordination of remittances and local development. The survey confirms that most remittances are sent to provide for basic needs (food, housing, clothing, school, and health). Few are sent explicitly

overall coordination between development programmes that contribute to overall poor outcomes. A leader from the Montreal Haitian community noted:

“I was in Haiti, and I encountered some Cuban doctors. They had no transportation, no medicine. OXFAM, on the other hand, had transportation and medicine. The doctors had a clinic with electricity – I asked them what will it take for you to get OXFAM to provide you with what you need to set up your clinic, where you can really help people? The reply: ours is an agricultural project....” No help with transportation was given.

B. CONCLUSIONS

1. The survey examined possibilities for facilitating the flow of remittances and increasing their development impact. This was done by gathering and analyzing survey information and qualitative interviews on the remittance practices, goals and outcomes of members of the Haitian and Jamaican communities in Canada.
2. With respect to remittance practices, the information collected confirms what has been suspected but not examined with empirical data: Canadian residents who were born in less developed countries may have very strong attachments and commitments to members of their families who have not emigrated. Haitian and Jamaican-born residents show particularly strong transnational attachments, evident in frequent telephone contact, visits home on occasion, and particularly by transferring money several times a year to their relatives “at home.” The transfers are typically about \$200 each. Households typically transfer funds about five times a year. The result is that households typically transfer \$1,000 per year or more.
3. The information gathered found that remittance senders are largely motivated by a combination of affective attachment and family obligation to the recipients. The sending of remittances is repeated over time because the senders receive support, appreciation, and a sense that their transfers are important to recipients. These values are remarkably similar for Haitian and Jamaican remitters, suggesting that they cut across cultural values that may be different for these two transnational communities.
4. The survey determined that remitters face various barriers in sending funds. They want the funds to arrive quickly, conveniently, and securely. They also want the costs to be as low as possible, but are willing to pay what they perceive to be relatively high transfer fees in order to have the funds arrive with certainty and soon after they are sent.
5. While the survey does not directly lead to programme and policy recommendations, it provides the basis for informed reflection on actions that might be taken to facilitate the flow of remittances and to increase their development impact. The recommendations examined included: encouraging competition among remittance transfer agencies to bring down transfer fees and to expand related financial services (such as savings and credit for remittance recipients); strengthening telephone communication links by providing remittance receivers more immediate and lower cost access to long distance calling; supporting transnational community projects; and

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APPENDIX 1

Survey Design and Sample Characteristics

The main source of data for the present paper is a household survey directed to individuals who were: born in Jamaica, living in Canada for at least a year, 18 years of age or over, and involved in major decisions in the household in which they lived. The survey covered various measures of the amount, frequency and purpose of remittances sent by household members. It also covered who in the household sent remittances, to whom the remittances were sent, how they were sent, the costs of sending, and rough measures of identity (Haitian/Jamaican or Canadian), perceptions of racism in Canadian society, and household income.

No universe was available to develop a random sample of the participants. The survey design therefore sought to ensure a diversity of background particularly in terms of length of residence in Canada, schooling, gender, and age/generation. T Dea De Samle ofe/ginc8-4(Sam)19No ti()taa s4(e)10.3()TJ 0

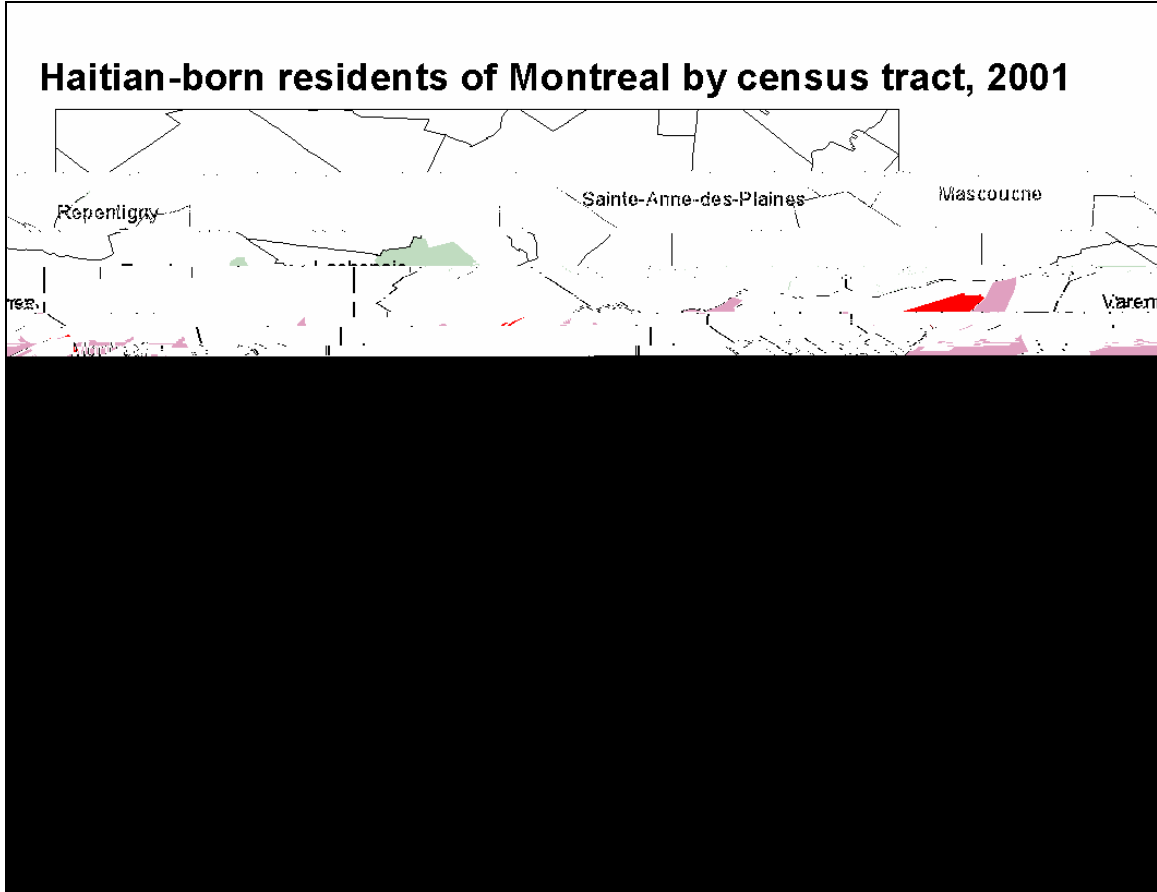
did not answer the household income question. The interviewers reported that the answers given to this question in particular often seemed subjectively unreliable. These data limitations are not assessed in detail in this preliminary analysis.

Characteristics of the Respondents and Their Households

APPENDIX 2

Maps

While it was not possible to sample randomly within residential areas, interviewers were instructed to seek respondents who lived in diverse areas of Toronto and Montreal. Haitians in Montreal and Jamaicans in Toronto tend to live in relatively concentrated clusters within each city, a fact that facilitated contacts and interviews spread across the two cities. These concentrations are evident in the maps below.



According to the 2001 Canadian Census, 3.5 per cent of the population of the city of Toronto is Jamaican-born. While Jamaicans live throughout the Greater Toronto area, the largest concentration of Jamaican families can be found in Etobicoke North, Scarborough and in the Jane-Finch corridor. The area around St. Clair Avenue and Bathurst Street also has a significant pocket of Jamaican immigrants and the Lawrence and Bathurst area also shows a significant presence of Jamaicans.

Jamaican-born residents of Toronto by census tract, 2001

