

Remittances and Microfinancing in Kyrgyz Labor Migration

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Remittances Trends and Problems:

- ❖ **Migration and remittances:** whether it is acknowledged officially or not, migration is a trend in the sphere of international movement, contributing to the growth of remittances.
- ❖ **Remittances are a significant source of foreign exchange** for many developing countries.
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Labor migrants' flows are increasing, so remittances flows will remain significant

Potential of Remittances:

- ❖ <https://www.wfp.org/publications/2019/04/2019-remittance-trends> (WFP)

The channels for investments that could be used to channel remittances for development are:

- Rural Banks
- *Microfinance institutions*
- Cooperatives
- Social enterprises

Microfinancing Opportunities for Migrants:

- ❖ Still difficult for commercial banks to accept that lending to the poor could be a profitable activity, but microfinancing becomes wide spread
- ❖ Allow migrants overseas to guarantee loans for individuals back home
- ❖ Legal support
- ❖ Technical assistance in many sectors:
 - Credit:
 - Portfolio of credits
 - Risk measurement
 - Etc.
 - Appropriate interest calculation
 - Migrants earnings' management
 - Investments into business development
 - Opportunity for the family to get loan at migrant's home country (Loan agreements are signed in RF)

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Thank you for your attention!

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