

# LEVERAGING REMITTANCES FOR ECONOMIC DEVELOPMENT IN DEVELOPING COUNTRIES

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## **1. Introduction**

Analyzing immigrant remittances to their countries of origin is necessary in order to understand the effect of these flows on the economy of receiving countries. This study thus critiques remittance literature to evaluate the arguments for and against remittances and propose policy recommendations for effective management of these funds. The mechanism for leveraging remittances, such as managing their flows, lowering transfer costs, improving transmission channels, and utilizing mobile technologies are recommended.

A thorough understanding of remittances is presented in the background information section, followed by remittance trends and scale to indicate the growth of remittance flows between 1991 and 2015. Based on this foundation, the remittance environment is assessed, with a focus on negative and positive impacts.

From the assessment of the remittance environment, policy recommendations are formulated. A key caveat of the policy recommendations is that these funds are private transfers and as such require individual initiatives along with policies to be leveraged.

Finally, in the conclusion, the thesis is summarized and a call is made for awareness creation for adoption of the recommendations, as well as future studies to test the effectiveness of the proposed framework.

## **2. Background Information**

The key research question of this study is: “how can remittances be leveraged to spur economic development in developing countries?” This question was inspired from arguments outlined in various remittance literature about the impact of remittances on the economies of developing countries.

Many arguments (Chami, Fullenkamp, & Jahjah, 2003; Castañeda, 2005; Ratha, 2012; Agbibo, 2012) emerge from research studies about both the positive and negative implications of remittances. Among some of the positive impacts are poverty reduction and improved health and education (Ratha, 2012), increase in investment (Adams and Cuecuecha, 2013), and an increase in a country’s foreign exchange and creditworthiness (Ncube and Brixovia, 2013). Some negative effects include increased commodity consumption as opposed to investment (Castañeda, 2005), growing financial dependency, and a lack of productive activities resulting in the devaluation of a country’s economy (Barajas, Chami, Fullenkamp, Gapen, and Montiel, 2009; Chami, Fullenkamp, and Jahjah, 2003).

### **2.1 What are remittances?**

Remittances are monetary transfers made by migrants to their families in their countries of origin (Ghosh, 2006). According to the World Bank definition, remittances come in three parts: workers’ remittances, (funds remitted by migrants who have resided in a host country for a year or more); compensation of employees (funds sent by migrants who have stayed for less than one year); and migrants’ transfers of their net worth after residing in a host country for one year or more (Hayes, 2012).

Remittances are migrants' private savings sent to families to assist with basic needs of food, housing, education, healthcare, and clothing. Given the fact that these are private funds transferred by an expatriate to family members in the country of origin, it is challenging to devise a plan to leverage them for overall local, provincial, or national development strategies. Being private flows, the bulk of remittances are sent directly to households, with the only intermediary being the agency (formal or informal) transferring the funds. How they are utilized – whether for consumption or investment –determines their macroeconomic development impact (Ghosh, 2006, p. 24).

As such, channeling these funds into a sustained development strategy is a policy challenge, requiring a deeper understanding of various categories of remittances (typologies) and corresponding approaches that could potentially capture and maximize their impacts.

## **2.2 Typology of remittances**

From a microeconomic perspective, remittances are classified based on migrants' motives. These include altruistic or fixed, self-interest or discretionary, and exchange motives (Chami, Fullenkamp, & Jahjah, 2003; Ghosh, 2006).

The altruistic motive for remittances means migrants take on the responsibility to meet the needs of their families through continuous support. This demonstration of altruism helps in lifting recipients in the country of origin out of poverty.

On the other hand, the self-interest or discretionary motive refers to migrants' self-interest for investment in the home country. This includes purchasing land to build a house or starting a business. The self-interest motives serve as means through which migrants maintain personal and economic relationship with their home country.

Remittances based on this motive are variable in nature and are typically affected by conditions such as the risks involved in investing in the home country versus saving in the host country (Ghosh, 2006).

Discretionary or self-interest motives of remittances are largely driven by investment and return on investments of migrants. This means that migrants are more likely to remit these funds based on the return on their investments. When the return on their investments is high, there will be more outlay of the discretionary remittances as compared to when there is a low return on investments.

Another perspective on the motive of remittances is exchange. This simply means that a migrant remits as a reciprocation to family and friends who were supportive during the migrant's migration process to the host country. This essentially is a financial balancing act across a specific time period.

In addition to motivational factors, migrant characteristics are influential in shaping the remittance flow. In the next section, a brief review of the literature on this topic is provided.

### **2.3 Characteristics of migrants sending remittances**

Migrants remit based on a number of factors. Current literature focuses primarily on their socioeconomic and resident status, age and marital status, and skill levels. (Castañeda, 2005; Gosh, 2006).

In terms of status, temporary migrants, with the aim of accumulating wealth to be used in the country of origin (e.g., to buy land, build a house, or start a business), generate higher remittances. On the other hand, when migrants live permanently in the

host country, their level of remittances is low, compared to temporary migrants (Ghosh, 2006).

Also, young married migrants who left their family in the country of origin make relatively higher remittance transfers (Castañeda, 2005). However, migrant's remittances become relatively less when their families join them and their connection to their home country dwindles.

Moreover, the skill levels of migrants have an impact on the amount of remittance flows. Highly skilled migrants with higher educational credentials are more likely to invest in the host country, whereas low-skilled migrants are known to remit higher levels of funds (Castañeda, 2005; Ghosh, 2006).

Regardless of individual level differences, this paper is mainly interested in the aggregate impact of remittances on developing countries, which is detailed in the following section.

### **3 Scale and Trends of Remittances**

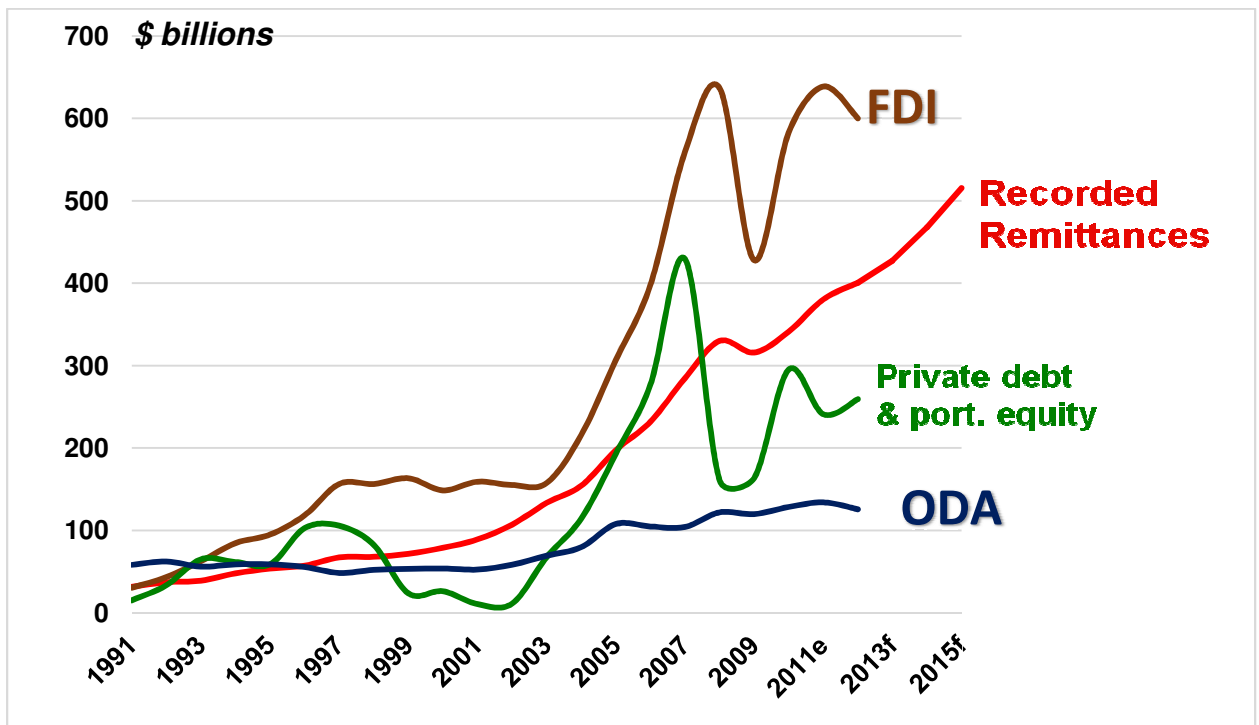
Remittance flows to developing countries have grown tremendously in recent years. As of 2015, global remittances have surged to over \$500 billion (Ratha, D., De, S., Dervisevic, E., Plaza, S., Schuettler, K., Shaw, W., Wyss, H., Yi, S., and Yousefi, S. R., 2015, pp. 3-4).

In 2000, remittances to developing countries as reported by the World Bank were \$102 billion. By 2010, that amount more than tripled to \$334 billion. In 2014, remittances to developing countries were estimated at \$436 billion and are expected to grow by 0.9 percent to \$440 billion in 2015 (Ratha et al., 2015, p. 3).

In 2011, remittances to developing countries were three times the size of official development aid (ODA) and remittances sent by migrants to developing countries were about half of foreign direct investment (FDI) (Figure 1). In most developing countries, remittances represent one fifth of the gross domestic product (GDP) (Figure 2) (Ratha, 2012, p. 2).

Based on these statistics, it is obvious that remittances play a crucial role in developing countries. The extent to which such role has a positive or negative impact has been argued in remittance literature. The following section explains some of the key arguments within the literature.

Figure 1. Remittances to Developing Countries (1991-2015)



Source: Ratha, D., Timmer, H. (2013). Outlook for migration and remittances 2013-15.

Note: e = estimate; f = forecast

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Figure 2. Remittances as a share of GDP, 2011

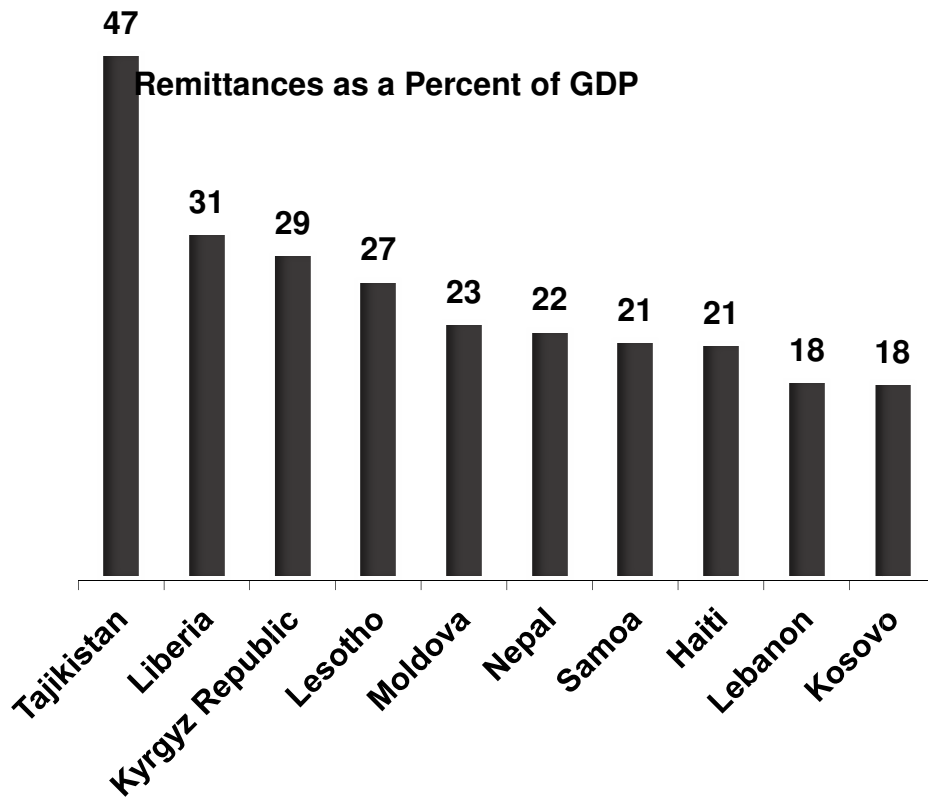
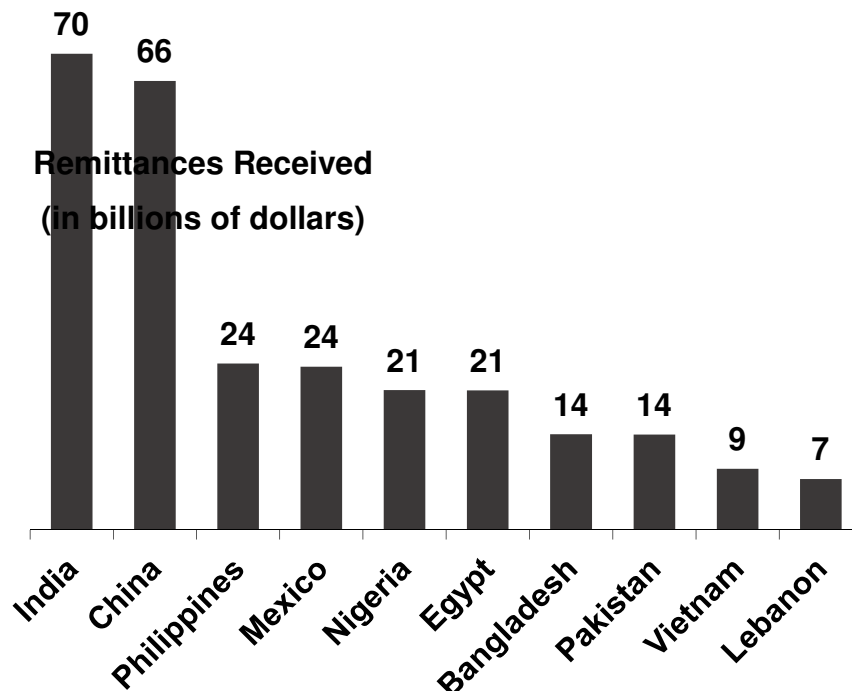


Figure 3. Top 10 Remittance Recipients in 2012



#### **4. Policy Environment and Current Literature for Remittances**

A review of related literature uncovers the prevailing arguments for and against remittances. This is due to the fact that empirical and theoretical investigations of the impact of remittances have produced ambivalent results (Catrinescu, N., Leon-Ledesma, M., Piracha, M., Quillin, B., 2006, p. 5).

There are two differing schools of thought on this matter (Castañeda, 2012, p. 5). The dependency school argues that remittances only contribute to poverty reduction but not to economic development (Chami, Fullenkamp, and Jahjah, 2003; Bettin and Zazzaro, 2009; Barajas, Chami, Fullenkamp, Gapen, and Montiel, 2009) and as such

perpetuate “dependency syndrome” leading to unintended and negative consequences on the receiving economy.

Such consequences include increased commodity consumption as opposed to investment, perpetual dependency on benefactors, and reduced labor supply as remittance recipients exit the labor market, thereby devaluing origin countries’ economies.

On the other hand, experts in the developmentalist school (Ratha, 2012; Agbiboa, 2012; Adams and Cuecuecha, 2013) argue that remittances have positive benefits and do lead to economic growth in countries of origin. Some of these benefits include poverty reduction, improved education and health, investments, stable source of foreign exchange, increased creditworthiness of a country, leading to a positive economic impact on a country’s economy. The following sections will further expand on these arguments.

### **Negative Impact of Remittances**

There are several arguments against remittances. Some of the most prominent ones are that remittances only lead to continuous consumption as opposed to investment, perpetuation of dependency, and devaluation of a country’s economy.

The consumption argument can be attributed to the fact that remittances sent to families are subsistent in nature and as such lack any investment possibility. Most remittances are small amounts targeted to addressing the basic needs of food, housing, and clothing (Bettini and Zazzaro, 2008; Castañeda, 2005). As a result, remittances are used for the sole purpose of meeting these household needs, thereby making any

possibility of investment unfeasible. Without the ability to invest remittance funds for self-sustainability, a culture of dependency emerges (*i.e.*, the dependency syndrome).

Scholars of the dependency school argue that the issue of dependency is perpetuated when migrants remit on a continual basis to address the needs of their families, who then become dependent on these funds and neither engage in productive activities nor participate in the labor market (Catrinescu et al., 2006). This creates a “moral hazard” problem (Chami, Fullenkamp, and Jahjah, 2003), in which recipients have less incentive to work and engage in productive activities.

From a macroeconomic perspective, researchers argue that remittances are thought to cause devaluation in a country’s economy or what is referred to as the “Dutch disease” (Acosta, Lartey, and Mandelman, 2009). An increase in remittances results in decrease in labor supply in receiving countries. This is due to the fact that a country receiving large inflows of remittances will not have productive citizens. First, the flow of remittances will create a motivation for a larger scale movement of the labor out of the country. Second, recipients of remittances tend to depend on foreign goods and import on a large scale. These have the effect of reallocating labor away from the tradable sector – the Dutch disease phenomenon – lowering production in remittance receiving countries, while impacting the economy.

Given these negative effects, scholars from the dependency school of thought posit that there is not a relationship between economic growth and remittances. However, neoclassical developmentalist scholars counter this argument, by suggesting that a positive relationship (even if not substantial) exists between economic growth and remittances. These are outlined in the following sections.



## **Positive Impact of Remittances**

The arguments on the positive effects of remittances support my thesis; i.e., the positive effects can be leveraged for economic development. This includes improving an economy, financing health care and education, decreasing poverty, and increasing local investment (Agbibo, 2012; Ratha, 2012; Adam and Cuecuecha, 2013).

In terms of macroeconomic impact, remittances represent a significant portion of most developing countries' gross domestic product (please see Section 3). An example is Liberia, which in 2012 had 26% of its GDP attributed to remittances. With such share of GDP traced to remittances, a growth rate of 7.9% would not be achievable without remittances (Agbibo, 2012, p. 1678). Also, remittances are a stable source of foreign exchange, as compared to foreign direct investment (FDI), making remittances vital for long-term development purposes (Ncube and Brixiova 2013).

Feeny, Iamsiraroj, and McGillivray (2014, p. 1055) touched on various remittance arguments, stating that while some authors claim there is no connection between growth and remittances (Barajas, et al., 2009; Chami, et al., 2003), others recognize a positive association between remittances and the economic well-being of a developing nation (Catrinescu, et al., 2006; Pradhan, Upadhyay, and Upadhyaya, 2008).

These studies suggest that the impact of remittances varies according to the quality of a country's institutional structures, educational attainment, and financial market depth. A developing country's institutional structures and financial systems are important if it is to leverage remittances. With strong institutional structures and financial systems, remittances can be managed effectively through innovative programs.

Furthermore, human development in the areas of health and education can be highlighted as positive impacts of remittances (Ratha, 2012). Remittance recipients are able to access healthcare services and also to invest in their education. This results in an improved lifestyle and the enhanced human capital of the recipients. Consequently, this enables recipients to become productive members of society, given that their basic needs are met.

Moreover, several studies (Ratha, 2012; Agbibo, 2012; Adams and Cuecuecha, 2013; Joseph and Hamilton, 2014) consider remittances to be means for poverty reduction and social insurance. Joseph and Hamilton (2014), for example, focused on the development and dependence arguments of remittances, using the New York-Haiti Remittance Corridor as a case study. The authors asserted that although most studies refrain from crediting economic growth to remittances, there is no doubt about the role remittances play in poverty reduction and serving as a safety net during major crises. Through their study, they found that remittances contribute to taking poor households out of poverty by increasing consumption and leading to human capital development through education and health care.

The positive effect of lifting recipients out of poverty translates to higher level of innovation and entrepreneurial activities as well (Adams and Cuecuecha, 2013). Once the basic needs of recipients are met, they can now focus on productive activities through investment. The idea of investing remittance funds for economic growth is important because it is meant for long-term sustainability in the absence of remittances. These investments serve as insurance against any shock such as economic downturn which can affect the level of remittances by immigrants.

Among many concerns regarding the use of remittances by recipients is the worry that such funds will be applied to consumptive behaviors instead of being invested in productive sectors of the economy (Castañeda, 2005). However, Adams and Cuecuecha (2013) examined the role of remittances in increasing investment and reducing poverty in Ghana and discovered that households receiving remittances spend more at the margin on investment goods like housing, education and health.

In comparing households receiving internal remittances to those receiving international remittances, Adams and Cuecuecha (2013, p.38) discovered that the latter group spent 2.4% less at the margin on food (compared with 1% less for the former), 3.6% more at the margin on investment goods related to education (1.9% for internal recipients), 5.7% more on housing (compared to 3.3% internal recipients), and 3% on health (0.8% for internal recipients).

In other words, it is clear that “remittance-inspired household-level investments in education, housing, and health can make a positive contribution to economic development from the “bottom- up” (Adams & Cuecuecha, 2013, p.38). From a policy standpoint, these findings are important in that they support the argument that remittances play an important role in economic development.

At the national level, remittances are thought to make positive economic impact as opposed to devaluing a country’s economy. One key macroeconomic benefit of remittances is that they represent a stable source of foreign exchange as compared to foreign direct investment (FDI), making remittances vital to long-term development, including financial sector development, securitization of future flows, and impact on

public debt sustainability. These benefits influence the credit rating of countries (Ncube and Brixiova 2013).

With these findings about the positive impact of remittances on a country's economy, it is possible that harnessing these positive benefits can lead to economic development for developing countries through implementation of the right policies. I will deal with this issue in the next section.

## **5. Policy Recommendations**

Based on the presented summary of various debates, the need for effective policies in shaping the outcome of remittances is crucial. Long-term positive impact of remittances is achievable with sound economic policies and strong institutional structures (Catrinescu, et al., 2006). This includes tracking of remittances, reducing high transaction costs, enhancing transmission channels, and improving legal and technological support. Addressing these challenges through the right policies will ensure that remittances have greater economic outcomes for individuals and receiving countries' economy.

### **Tracking Remittances**

One of the challenges highlighted in the remittance literature is that remittances are under-reported due to migrants' use of informal channels, which are not included in official reports (Ghosh, 2006; Ratha, 2012). This is attributed to high transmission costs and legal impediments to transmitting large sums of money when utilizing formal channels. These factors lead migrants to resort to informal channels.

Worldwide, remittance tracking has seen improvement in Latin America and the Caribbean (LAC) due mainly to significant efforts made in research and analysis of the

remittance market by policymakers and central banks (Orozco, 2006; IFAD, 2007). However, there are significant changes that need to be made in Africa, Asia, and Middle East to fully track remittances (IFAD, 2007).

Policymakers can emulate the LAC model to resolve remittance tracking challenges. This will involve creation of policies that enable the use of the formal sector, given that the informal channels are heavily utilized in developing countries. Also, central banks must increase their understanding of remittance markets to adjust their data collection methods and improve the quality and accuracy of data gathered about remittance flows.

Further improvement in tracking remittances will provide more knowledge about these flows and policymakers would be informed on ways to enhance the remittance environment for migrants. This will also serve as a way to attract more remittance service providers and spur competition, resulting in lower costs of transmission.

### **Lowering transmission cost**

Globally, as of the fourth quarter of 2014, the average cost of sending money was eight percent of the amount that migrants remit (Ratha et al., 2015, p. 9). While this percentage seems low, it should be even lower given that we live in an electronic age wherein mobile technology can facilitate the process. With the adoption of mobile technology, migrants transmitting money would be charged considerably less, or they would pay a small flat rate (IFAD, 2007). Importantly, lowering transmission costs can incentivize migrants to utilize the formal financial systems, leading to an improved tracking and reporting of remittance data.

The challenge, however, is reconciling such developments with the fight against money laundering, which keeps compliance costs high for banks and money transfer operators and stifles competition and the use of mobile technology (Ratha et al., 2015).

In leveraging remittances, policy makers could implement policies that lower compliance costs, and set a reasonable limit on the amount migrants can remit per transaction to control for money laundering. With the lowering of transmission costs, infrastructural improvements to facilitate these changes would also be important.

### **Improving transmission channels and financial services**

An improved financial infrastructure in both sending and receiving countries is important to the transmission of remittances. This will also enable adoption of formal channels. Providing recipients with financial services, such as micro insurance and financial education, as well as incentivizing migrants and their families to invest remittance funds in capital-accumulation projects (both human and physical capital) is sustainable (Ratha, 2012).

Regulations in most countries have given banks the responsibility to handle remittance transfers, with a small portion of the responsibility given to private service providers. However, banks have not capitalized on this advantage to provide remittance services. Since remittances are by nature cash transactions, banks could offer account-to-account transmission services in which senders remit funds to recipients' bank accounts (IFAD, 2007).

When banks expand access, they formalize the flow of remittances, reducing costs and impacting local investment. The lack of bank access can be felt mostly in rural areas. This gap is served by private financial service providers who provide critical

services to the rural populace but at high fees. Policymakers in developing countries can encourage banks to provide these vital financial services in order to expand access.

With infrastructural changes come legal implications of utilizing formal systems. Effective policies that address these implications would further strengthen remittance flows.

### **Legal aspects of transmitting large sums via formal channels**

Governments in every country (both host and origin) face the conundrum of impeding the flow of money that is a lifeline for many impoverished communities due to their efforts to crack down on money laundering and funding of terrorist activities, which lead many migrants to use informal channels to transmit remittances. (UNDP, 2010; IFAD, 2007).

An example of this is the case with Somali immigrants (ADESO, Global Center on Cooperative Security, and OXFAM, 2015). Somalia, one of the most remittance-dependent countries in the world, receives approximately \$1.3 billion in yearly remittances. However, due to international governments' crackdown on terrorist and money laundering activities in that country, Somali immigrants in the diaspora, including the United States, United Kingdom, Canada, and Australia, cannot (at least officially) to send money to their families.

Given this challenge, it is important that governments not only focus on preventing illegal money transfer to the detriment of needed remittances for poor communities but also to empower banks to invest in a transparent remittance process. UNDP (2010, p. 133) reports that Malaysian policymakers implemented a policy for legalizing transfers from the country by opening up the banking system to immigrants

and implementing legislation that protects both consumers and banks. This step prevented money laundering.

Also, Indonesia has legislation in place that enables banks to process remittances and discourage use of informal channels. This direct involvement of the government is important to encourage the use of the formal systems by migrants and other service providers. Moreover, adoption of the formal system and adequate reporting of remittances are achievable when the technology exists to facilitate the process.

### **Improving necessary technology to accelerate the transmission process**

One obvious way to facilitate easier transmission of remittances is to improve remittance technologies. The formal sector of remittances has mainly occurred through service providers such as Western Union and Money Gram, which charge high fees for their services. The need for mobile remittance options is becoming ever greater, given the growing use of mobile technologies around the world. Payment platforms, including card-based, and mobile/cell phone-based, would greatly enhance the transmission of remittances. (UNDP, 2011).

These technologies have been implemented in some parts of Africa and Asia. Africa has been at the forefront of mobile money transfer technologies. A success story is Kenya's M-Pesa, which has over 9 million subscribers. Although it is domestically operated, a pilot project focused on the UK-Kenya remittance corridor, was expanded to 15 African countries with over 42 million subscribers (UNDP, 2011, p. 134). Such a system could be modeled in various countries to ease transmission challenges faced by migrants. Policymakers can drive the initiative by implementing policies that utilize these new mobile technologies.

One important aspect of these new technologies is that telecommunication companies offering these products are able to collaborate with the banking industry to integrate these services to provide access to banking services for customers (UNDP, 2011). This aspect is important for regulatory reasons, as well as providing access to rural areas where these services are non-existent. The development of secure, fast, and reliable mobile technologies greatly enhances the integration of rural and urban subscribers (UNDP, 2011). For example, Banglalink, a Bangladeshi mobile operator partnered with banks to provide remittance services to Bangladeshi immigrants in Europe, the United States, Gulf states, and Australia. Using the mobile technology known as e-wallet developed by the company, recipients are able to withdraw cash sent by their families abroad or use the money for online payments (UNDP, 2011, p. 135).

These success stories can be emulated to provide a global technology system for migrants to use formal remittance channels. Again, policymakers have the leverage to implement policies that drive the adoption of mobile technologies. This is important given that use of informal channels will be eliminated as low cost and easier access offered by mobile technologies in the formal sector will incentivize migrants. Also, the fear of money laundering and illicit money exchange activities through informal channels would be minimized.

Adoption of the aforementioned recommendations is achievable within an economic development framework that incorporates these recommendations for full implementation.

### **Adopting an Economic Development Framework**

Given the positive impact of remittances, creative management of these funds would contribute to economic development. An economic development framework that is

implemented at both the microeconomic and macroeconomic levels can drive this goal (See figure 4).

As depicted in the figure 4 below, the current state of the remittance environment is unstable at both the macroeconomic and microeconomic levels. Stability is achieved at each end of the spectrum by government policies (macroeconomic) and personal initiatives (microeconomic).

On the macroeconomic level, policies should be developed that drive the use of mobile technologies in facilitating remittance flows, improving institutional structures, and creating investment opportunities in receiving countries, thus creating a stable macroeconomic environment. On a microeconomic level, individuals (migrants and families) can leverage policies, migrants can leverage host country resources (*i.e.*, obtaining loans for investment), or find better remittance management strategies and thus create a stable microeconomic environment. The result of a stable environment at both levels can lead to overall economic development.

When the right policies are developed, they will require the willingness of migrants and recipients to leverage these policies. However, in the absence of such policies, migrants still need to find ways to use their funds sustainably, given the fact that they bear the burden of supporting their families. Migrants can implement innovative strategies of addressing the dependency problem in order to empower recipients and take pressure off of themselves. This will involve leveraging the many benefits of working in the host country (Castañeda, 2012, p. 13) to help families and relatives in the country of origin.

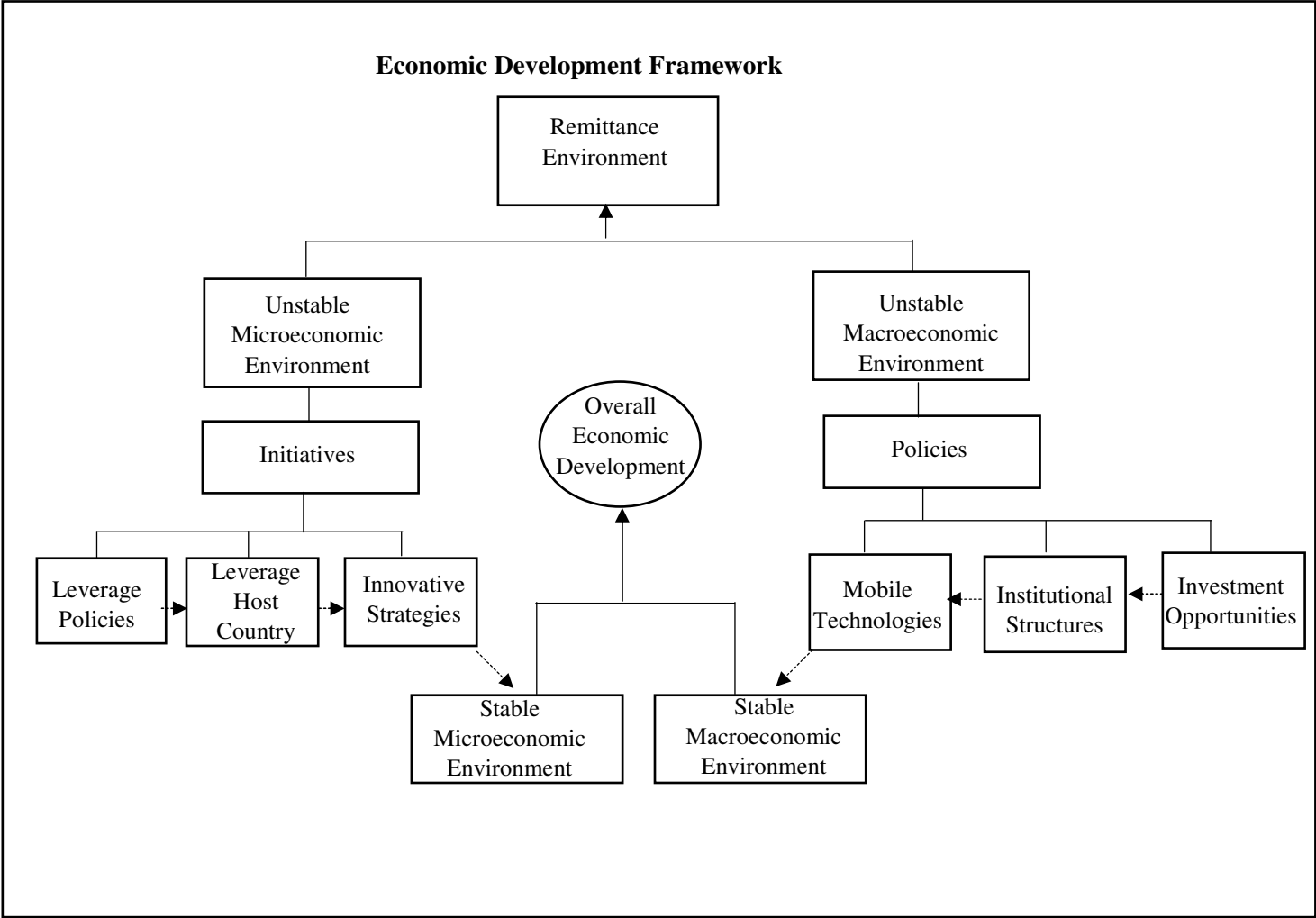
When migrants live and work in the host country, they establish credit histories that can enable them to take loans of significant amounts. These large sums of money could be used by migrants to help families invest in areas such as real estate, transport, technology, and other viable investment sectors.

This can significantly reduce (if not eliminate) the dependency syndrome associated with low sums of remittances. This strategy is clearly illustrated in a case documented by Castañeda (2012, pp. 12-13). In an interview with a young Peruvian migrant in Spain, the migrant noted that he used his credit in Spain, which was obtained from working at a restaurant, to take out a loan of \$20,000. He then used a portion of the loan to acquire a vehicle for his parents back in Peru. This vehicle helped his father run a taxi cab business and generate income to support the household back home. This resulted in the elimination of dependency on the migrant, who used to send \$300 a month to his parents.

This creative and proactive way of handling remittances at the individual level is what is needed to promote a sustained, long-term benefit for recipients, even in the absence of macroeconomic policies. This can serve as an answer to theorists and some recipients who think that governments should not meddle with these private funds.

However, a combination of macroeconomic policies and microeconomic initiatives can lead to full utilization of remittance funds to achieve the best desirable results, reduce or eliminate negative effects of these funds, and thus lead to an overall economic development of receiving countries. The figure below illustrates this framework.

Figure 4. Economic Development Framework for managing remittances





## **6. Conclusion and Future studies**

This study sought to portray remittances as income that could be utilized by developing countries to improve their economies. This is, however, only achievable through policies and shared efforts of stakeholders. An economic development framework is thus proposed that would drive the process. Use of the suggested framework will reduce the negative effects of remittances.

At the individual level, investing remittance funds in productive activities would reduce dependency and lack of productivity. Immigrants can encourage their families who receive remittances to invest in education, businesses, and local production. This is sustainable as it helps become self-reliant.

Finally, governments of both host and developing countries can implement macroeconomic policies to improve financial infrastructures and incentivize migrants to fully utilize formal channels. Governments of developing countries can also provide financial services and training for recipients to invest in the country.

It is clear from the content of this report that with the right policies, as well as proactive actions by migrants and recipients, economic development is possible. This will make recipients self-reliant and help accelerate overall development of recipient countries through improved infrastructure and higher human capital.

In terms of what could be studied in the future, awareness creation for adoption of the economic framework by governments, policy makers, migrants, and recipients would need to be established and case studies at the microeconomic and macroeconomic levels need to be performed to test the effectiveness and adoption of the proposed framework.



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