Forum: International Organization For Migration (IOM)

Issue: Countering the impact of migrant remittances on Member States' Gross National Income (GNI)

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Position: Deputy President

Personal Introduction

Dear delegates,

My name is Casper Ruilan Li and I am a student from Campion School. This is my 13th Model United Nations since 2022, and it is my utmost honour this year to be able to serve as one of the Deputy Presidents of this year's ACGMUN 2025 in the newest committee, the International Organization for Migration (IOM).

To begin with, in this study guide, I will help you explore one of the three topics in IOM this year, namely the issue of countering the impact of migrant remittances in Member States' Gross National Income (GNI). This study guide is only written to help you get started on your own research which should be done before the conference for you to prepare. You should be conducting further research on your own, based on your country to fully understand their policy regarding this topic.

I hope you find this useful for your research. Once again, it is my utmost honour to chair the International Organization for Migration (IOM) this year, and I look forward to seeing you all at the ACG MUN 2025. I sincerely hope you will have an enjoyable and fruitful debate with us, and please do not hesitate to contact me about any issue or questions you may have regarding your preparation or the topic. See you soon!

Best wishes,

Casper Ruilan Li (casperli@campion.edu.gr)

Topic Introduction

The issue of countering migrant remittances on Member States' GNI is a thorny issue in both the sending and receiving nations' sides. Migrant remittances naturally form part of the world economy and are one of the critical financial lifelines for families in developing countries. The flows are mainly shaped by emerging migration trends, economic conditions, and policy frameworks that go on to influence both sending and receiving states.

GNI includes a wide scope of economic health, hence, it encompasses all incomes of residents of a country, both domestic and abroad, whereas the GDP does not consider the earnings of citizens residing abroad. Therefore, GNI shows that migrant remittances are very important in national economies. Although the contribution remittances doubtless make enormous contributions to reducing poverty and improving living standards in recipient countries, their roles are multifunctional. The multifunctional in character remittances have been playing a critical role in household income enhancements, education, healthcare, and small businesses, more so in the low-income economies. These flows present challenges for both host and recipient nations, including strain on social services and labour markets in host countries. Partly because dependence on remittances makes an economy very vulnerable to global crises and changing migration patterns; it hampers the development of local industry, leading to unbalanced economic growth.

These are challenges that require solutions through cooperation at the international level. In this regard, what is needed is cooperation in bringing down the cost of transferring remittances, enhancing financial inclusion, and harmonization of policies for sustainable development. By encouraging borderless and consistent frameworks, countries will be supported in using remittances to achieve inclusive economic growth for themselves, while addressing potential risks and their dependencies.

Definition of Key Terms

Migrant Remittances

"Migrants' remittance refers to the act of sending money by migrants to their home country, influenced by various factors such as political, environmental, and economic conditions.".[1]

Gross National Income (GNI)

"Gross national income, abbreviated as GNI, is the sum of incomes of residents of an economy in a given period.".[2]

Gross Domestic Product (GDP)

"Gross domestic product (GDP) is the standard measure of the value added created through the production of goods and services in a country during a certain period.".[3]

Financial Inclusion

"Financial inclusion refers to efforts to make financial products and services accessible and affordable to all individuals and businesses, regardless of their personal net worth or company size.".[4]

Diaspora Bonds

"A diaspora bond is a bond issued by a country to its expatriates. These bonds allow developing countries in need of financing to look to expats in wealthy countries for support. Diaspora bonds offer migrants discounts on government debt from their home countries.".[5]

Remittance Corridor

A specific route through white money flows between a host and home country, involving financial systems and intermediaries.

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[1] Page, Ben. "Remittances." *International Encyclopedia of Human Geography*, 2020, pp. 403–409, https://doi.org/10.1016/b978-0-08-102295-5.10310-5.
[2] "Glossary:Gross National Income (GNI)." *Ec.europa.eu*, ec.europa.eu/eurostat/statistics-explained/index.php?title=Glossary:Gross_national_income_(GNI).
[3] OECD. "Nominal Gross Domestic Product (GDP)." *OECD*, 2024, www.oecd.org/en/data/indicators/nominal-gross-domestic-product-gdp.html.
[4] Grant, Mitchell. "Financial Inclusion Definition." *Investopedia*, 12 Mar. 2024, www.investopedia.com/terms/f/financial-inclusion.asp.
[5] Nath, Trevir. "Diaspora Bond." *Investopedia*, www.investopedia.com/articles/investing/012815/how-diaspora-bonds-work.asp.

Background Information

Global Migration Trends

Migration refers to the movement of people from one place to another, commonly across countries. As of 2024, there were an estimated 281 million international migrants worldwide, which is also 3.6% of the global population.[6] Studies show that the rate of migration is increasing due to various reasons, such as globalization, economic disparities, and crises like wars.[7] A significant portion of global migration was driven by economic causes, with mass numbers of people migrating in search of better job opportunities. Forced migration such as international conflicts, persecution and climate/natural disasters forces those who live in certain areas to migrate to a safer area, for instance, countries such as, Syria, Afghanistan and Venezuela have significant numbers of refugees.

Growth of Remittances

Early trends in the growth of remittances have been around for centuries and more to come, with early examples which were connected to labour migration during colonial times, meaning that workers moved to plantations or mines. The Industrial Revolution has changed over time, with the rise of global trade sources increasing for international migration and remittance flows. During the time of post world war II, Migration from developing countries to Europe and North America surged post-WWII, temporary guest workers such as Germany's "Gastarbeiter" system, saw the workers sending a massive amount of their earnings back home.[8]

Role of Remittances in Development

The traditional role of remittances in development was considered private monetary flows, to send support to family members for the basic necessities - meaning, food, clothing, and housing. During the 1970s to 1980s, there was an increase in labour migration to Europe and North America, and the volume of remittances grew substantially. At the same time, governments in countries such as India, the Philippines and Pakistan began to see their economic importance.[9]

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[6] International Organization for Migration. "World Migration Report 2024." *IOM UN Migration*, 2024, worldmigrationreport.iom.int/msite/wmr-2024-interactive/.
[7] IOM. "World Migration Report 2024 Reveals Latest Global Trends and Challenges in Human Mobility." *International Organization for Migration*, 7 May 2024, www.iom.int/news/world-migration-report-2024-reveals-latest-global-trends-and-challenges-human-mobility.
[8] *Migrants' Remittances and Development Myths, Rhetoric and Realities*. https://publications.iom.int/system/files/pdf/migrants_remittances.pdf
[9] "Finance and Development." *Finance and Development | F&D*, www.imf.org/external/pubs/ft/fandd/2009/12/ratha.htm.

Economic Impact on Receiving Countries

The economic impact of remittances on the receiving country is considerable and provides a very important impetus toward poverty reduction, economic growth, and human development. Remittances are many times the lifeline for poor families in low-income economies and represent a steady flow of income that improves their access to basic needs like food, education, health, and shelter. This money directly contributes to an increase in living standards, reduction of poverty, and improvement in education and health, hence an improvement in human development. Moreover, remittances contribute to economic development by increasing households' consumption and supporting small businesses, thereby creating jobs and stimulating local economies in this manner. More often than not, during times of economic crises, remittances have proved to be dampers that provide stability during those moments when sources of income may fail-for example, during political crises or natural disasters. Lastly, sending countries face challenges such as “brain drain,” where skilled workers migrate, leading to labour shortages and reduced tax revenues.

Influence of Migration Policies

Migration policies play an important role in shaping the flow of people migrating across borders, this could very well directly affect remittance levels and economic stability in receiving countries. Hence, the restrictive policies are crucial, this would be restricted visa regulations for deportations, and they reduce the number of migrants which leads to lower remittance inflows.

Financial Access and Transfer Costs

Financial access and the cost of transfer are critical elements that drive the impact of remittances. Limited access to formal banking systems in many recipient countries affects the ability of families to receive and manage remittances effectively. High transfer costs, normally due to charges by the remittance service providers, decrease the money that reaches the recipients. Efforts at reducing these costs and enhancing financial access to include mobile banking or online remittance services can make remittances impact more: families are better able to invest in education and healthcare, and in local enterprises, thereby contributing more effectively to economic development.

UN and International Efforts

The United Nations and other international organizations have acknowledged the major potential of remittances in contributing to world development. They do so through activities such as the Global Compact for Migration among other initiatives, with a focus on leveraging remittances for maximum impact on poverty reduction, financial inclusion, and economic stability. The UN calls for reductions in remittance transfer costs below 3% (Target 10.c of the SDGs) and for promoting policies that would make such transfers safer, cheaper, and faster. Organizations such as the World Bank and IFAD support programs to improve access to financial services, leveraging remittances to achieve larger development objectives while ensuring that they become part of sustainable growth in sending and receiving countries.

Challenges of Policy Coordination

Migration and remittance policies cannot be harmonized across countries due to the divergent interests, legal frameworks, and priorities of the countries. Each country has a set of migration laws, financial laws, and remittance policies, which normally leads to fragmentation in the system. Such fragmentation manifests in unlevel playing fields-for example, in remittance fees and taxation, and in various strategies for financial inclusion-which make the flow of remittances inefficient and/or inequitable.

At the international level, harmonization of the national policies to objectives has also presented a challenge. Most countries have their own agenda that is considered first and above the collective international agreements; this sets aside the contradictions that limit proper cooperation. For example, whereas the international frameworks strive to achieve a cut down in transfer costs and improved financial access, the national policies either drag behind or conflict with them.

This lack of coordination also can have implications for migrants and countries of origin in that migrants pay high transaction costs, have limited access to financial services, or face complicated regulatory systems that decrease the overall benefit of the remittance. Receiving countries might also not maximize the developmental impacts of remittances because of inconsistent policies.

These challenges, in turn, must be resolved through increased international cooperation, with countries working together toward harmonized policies that balance national priorities with global development goals. They ensure efficiency, affordability, and benefits in the flow of remittances through streamlining of legal frameworks, reductions in the cost of sending remittances, and enhancements in financial inclusions.

Balance of benefits and drawbacks

Remittances could, therefore, present a very good avenue through which local economies are activated and poverty reduced, particularly in developing countries. Indeed, remittances, in addition to the income of households, increase the chances of access to education, health, and basic needs that improve the quality of life, this can be achieved by guiding remittance recipients to invest in education, healthcare, and essential services to enhance the long-term well-being of the country's economic stability. They can also drive local economic activity through increased consumer spending and supporting small businesses, hence job creation and attainment of economic stability.

However, with these advantages, there are also some major disadvantages presented by remittances. First is economic dependency wherein the recipient countries and families depend on remittances as their source of income. This then makes them vulnerable to external factors such as global economic changes or changes in migration patterns. This will discourage efforts at developing local industries or diversifying the economy.

Therefore, a balance between leveraging remittances to serve the current economic relief and facilitating long-term growth has to be achieved for it to lead to a way out of underdevelopment. A policy that promotes the productive use of remittance and reinvestment in the local industries through financial diversification will bring maximum benefit with minimized risk from the remittance received. It is highly necessary because obtaining that balance creates a stable economic platform.

Major Countries and Organizations Involved

China

China is both a major source and recipient of remittances, with millions of its citizens working abroad, especially in East Asia and the United States. These remittances contribute to rural economies and alleviate poverty. The Chinese government has facilitated the flow of remittances by fostering financial inclusion and digital services. In addition, China participates actively in international efforts to enhance the remittance system and lower transaction costs, ensuring that such financial flows support sustainable development. Remittance inflows to GDP (%) in China were reported at 0.12852 % in 2020, according to the World Bank collection of development indicators, compiled from officially recognized sources. China - Remittance inflows to GDP - actual values, historical data, forecasts and projections were sourced from the World Bank in December of 2024.[10] [11]

Philippines

The Philippines are one of the most preferred recipients of remittances, largely from overseas workers. These have been highly instrumental in reducing poverty, sustaining families, and stimulating economic activities. The government encourages efficient and affordable transfer services for value addition. Cash remittances coursed through banks in the Philippines advanced by 3.3% year-on-year to reach USD 3.01 billion in September 2024 from USD 2.91 billion in the corresponding month of the previous year. The rise was mainly attributed to higher receipts from both land-based (3.8%) and sea-based (1.5%) workers. In the January to September period, cash remittances rose 3% to USD 25.23 billion, driven by increased remittances from the United States, Saudi Arabia, Singapore, and the United Arab Emirates. In terms of country sources, the US posted the highest share of overall remittances, accounting for 41.3%, followed by Singapore (7%), and Saudi Arabia (6.2%).[12]

Nigeria

Nigeria is among the top recipients of remittances, especially from the U.S., UK, and other countries. It helps households improve their standards of living and contributes to economic growth. The works to reduce transfer costs and enhance financial access for the recipients of remittances. Remittances from the Nigerians living abroad reached $20bn in 2023, according to the World Bank, slightly lower than the $21bn a year earlier, and still about a third of the entire flows to sub-Saharan Africa for the year. The flow is projected to reach $26bn in the next two years, making it a hard-to-ignore source of foreign income, and one the monetary authorities want to be reflected in the value of the naira, the currency used in Nigeria (₦).[13]

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[10] "China - Remittance Inflows to GDP - 2024 Data 2025 Forecast 1982-2020 Historical." *Tradingeconomics.com*, 2024, tradingeconomics.com/china/remittance-inflows-to-gdp-percent-wb-data.html. Accessed 15 Dec. 2024.

[11] "China: The Largest Migration in Human History | Department of Geography | University of Washington." *Geography.washington.edu*, geography.washington.edu/news/2012/02/28/china-largest-migration-human-history.

[12] "Philippines Remittances - November 2022 Data - 1989-2021 Historical." *Tradingeconomics.com*, tradingeconomics.com/philippines/remittances.

[13] West, Stuart. "Nigeria Relies on Diaspora Remittances for Economic Recovery." *African Business*, 3 Aug. 2024, african.business/2024/08/african-banker/nigeria-relies-on-diaspora-remittances-for-economic-recovery.

United States of America (USA)

The USA is a major source and receiver of remittances with millions of immigrants sending money home. It therefore has an important role to play in shaping remittance policy and services, hence driving the global effort toward bringing down the cost of transferring money and increasing financial access.[14] Remittance inflows to GDP (%) in the United States were reported at 0.0311 % in 2020, according to the World Bank collection of development indicators, compiled from officially recognized sources. United States - Remittance inflows to GDP - actual values, historical data, forecasts and projections were sourced from the World Bank in December of 2024. The Remittance Transfer Rule, implemented by the Consumer Financial Protection Bureau (CFPB), ensures transparency and protects consumers across border money transfers.[15] [16]

United Arab Emirates

It is also a big remittance-sending country because of the high value of transfers contributed for home consumption in South Asia, Africa, and the Philippines. In its case, the utilization of low-cost remittances and improved access to finances by migrant communities have been supported by the government. These initiatives include improving digital channels of payment and partnering with international financial institutions in the fight to ensure that money transfers are cheaper and faster. Besides, the government focuses on labour rights and financial literacy programs aimed at making workers' earnings play a positive role in contributing to achieving sustainable development within their respective homelands.[17]

Russia

In the context of remittances sent to and from Central Asian and Eastern European countries, Russia is anything but a non-player. Therefore, the remittances are of invaluable worth for economic stability in recipient nations, and Russia does have policies on ways to provide for efficient and cost-effective transfers. Remittances in Russia increased to 610 USD Million in the fourth quarter of 2021 from 600

[14] "U.S.: Remittances Outward/Inward, by Country." *Statista*, www.statista.com/statistics/1367332/bilateral-remittances-usa/.
[15] "United States - Remittance Inflows to GDP - 2024 Data 2025 Forecast 1977-2020 Historical." *Tradingeconomics.com*, tradingeconomics.com/united-states/remittance-inflows-to-gdp-percent-wb-data.html.
[16] Bureau, US Census. "New Data Reveal Continued Outmigration from Some Larger Combined Statistical Areas and Counties." *Census.gov*, 24 Mar. 2022, www.census.gov/library/stories/2022/03/net-domestic-migration-increased-in-united-states-counties-2021.html.
[17] "UAE: Remittances Outward/Inward, by Country." *Statista*, www.statista.com/statistics/1382757/bilateral-remittances-uae/.

USD Million in the third quarter of 2021.[18] Remittances in Russia averaged 293.52 USD Million from 2001 until 2021, reaching an all-time high of 740.00 USD Million in the second quarter of 2021 and a record low of 44.00 USD Million in the first quarter of 2002.[19]

African Union (AU)

The AU is a union of African nations working to improve economic integration, while also focusing on reducing remittance costs and enhancing overall financial access. The African Union, therefore, devises policies that encourage intra-Africa remittances through cost reduction and increasing access to finance for migrants. It focuses on taking the lead in the economic development of the continent through remittances. Addis Ababa, Ethiopia, 11 October 2019- Recent estimates showed that remittances sent by the over 30 million African migrant workers reached more than US$ 85 billion in 2018, supporting over 200 million family members living back home. Estimates including unregistered flows double this figure.[20]

Association of Southeast Asian Nations (ASEAN)

The Association of Southeast Asian Nations is a regional body promoting economic cooperation, this includes improving remittance systems for member states. The ASEAN economies are also significant recipients of remittances coming from migrant workers in the Middle East and developed countries. ASEAN cooperates in the promotion of efficient transferring of remittances, it further endorses policy for optimisation of the economic benefits from this endeavour.

Blocs Expected

Alliance 1:

The countries in this alliance advocate for policies to maximize their benefits for remittances while also addressing dependency. Via means countries such as but not limited to: India, the Philippines, Bangladesh, Nepal, Vietnam, Pakistan, Nigeria, Egypt, Kenya, Morocco, Ghana, Mexico, Guatemala, Jamaica, Ukraine, and Tajikistan. These countries have their policies mainly focused on lowering the remittance transfer costs, financial inclusion, encouraging productive investments and developing

[18] "Russia: Remittances Outward/Inward, by Country | Statista." *Statista*, 2024, www.statista.com/statistics/1382664/bilateral-remittances-russia/. Accessed 15 Dec. 2024.
[19] "Russia Workers' Remittances." *Tradingeconomics.com*, 2021, tradingeconomics.com/russia/remittances. Accessed 15 Dec. 2024.
[20] "AU Commission Hosts a Forum on the Impact of Remittances on Rural Transformation in Africa | African Union." *Au.int*, 2024, au.int/en/pressreleases/20191011/au-commission-hosts-forum-impact-remittances-rural-transformation-africa. Accessed 15 Dec. 2024.

infrastructure.

Alliance 2:

This alliance will consist of countries which emphasize transparency, security and managing the impact of remittance outflows on their economic status. Key members of this alliance include: the United States of America, Canada, United Kingdom, Germany, France, Spain, Italy, Saudi Arabia, Qatar, Oman, Japan, South Korea, Australia, and Singapore. The countries in this alliance mainly focus on reducing remittance transfer costs, using Anti-Money Laundering (AML) to enhance transparency, supporting financial inclusion globally and encouraging multilateral agreements to regulate migration and remittance flow.

Timeline of Events

Date	**Description of Event**
1994	IOM increases focus on the economic impacts of remittances.
2000	MDGs recognize the role of migration and remittances in poverty reduction.[21]
2009 February	The World Bank establishes the "Global Remittances Working Group" to study remittance flows.
2013 October	The UN GA hosted "High-level dialogue on international migration and development"
12th of December 2015	The Paris Agreement (COP21), realises the technology developments and transfer for both improving resilience to climate change and reducing greenhouse gas emissions.[22]

[21] "Migration and the Millennium Development Goals (MDGs)." *International Organization for Migration*, 2021, www.iom.int/speeches/migration-and-millennium-development-goals-mdgs. Accessed 16 Dec. 2024.

[22] UNFCCC. "The Paris Agreement." *United Nations Climate Change*, United Nations, 2020, unfccc.int/process-and-meetings/the-paris-agreement.

2016 September 19th	The New York Declaration for Refugees and Migrants was adopted.[23]
2018 December 10-11th	The Global Compact for Migration was formally adopted in Marrakech, Morocco.[24]
2020 March - December	COVID-19 pandemic disrupts remittance flows.[25]
2023	The UN and G20 continue to balance remittance benefits on receiving countries' GNI.

Relevant UN Resolutions, Treaties & Events

UN SDGs -Goal 10, 2015

Monterrey Consensus (2002)

General Assembly Resolution 68/222 (2013)

World Bank and G20 Remittance Initiatives

High-Level Dialogues on Migration and Development during UN conferences 2006,2013

Previous Attempts to Solve the Issue

Reducing Remittance Cost: World Bank, G8, G20

The partnerships involving the World Bank, G8, and G20 have raised the priority of reducing the cost of global remittances to a sustainable and affordable target of 3% called for in the SDGs.[26] Initiatives by these groupings support policies that ensure competitive market behavior, better technology, and superior regulations so that transfers of remittances are lower in cost and accessible, particularly to low-income families in developing countries.

Inclusive Initiative: World Bank, IMF, Central Bank.

[23] "New York Declaration for Refugees and Migrants." *UNHCR*, www.unhcr.org/what-we-do/protect-human-rights/asylum-and-migration/new-york-declaration-refugees-and-migrants.
[24] "Intergovernmental Conference on the Global Compact for Migration." *Un.org*, 2018, www.un.org/en/conf/migration/.
[25] "Migrant Remittances in the Times of Covid-19: Insights from Remittance Service Providers." *World Bank Blogs*, 2020, blogs.worldbank.org/en/peoplemove/migrant-remittances-times-covid-19-insights-remittance-service-providers. Accessed 16 Dec. 2024.
[26] "Remittances: A Lifeline for Many Economies." *The Atlas of Sustainable Development Goals 2020*, 2020, datatopics.worldbank.org/sdgatlas/archive/2020/goal-17-partnerships-for-the-goals/.

Financial Inclusion Initiative: World Bank, IMF, Central Bank

Various initiatives for financial inclusion have been quite vocal regarding increasing access to banking and other financial services to the unserved segments of the population. The recipients of remittances would have access to savings accounts, credit, and investment through the World Bank, IMF, and national central banks. This will, in turn, eventually enable the isolated communities to better organize the flow of their remittances, reinvesting their money in small-scale enterprises and generating long-term economic growth rather than subsisting on cash consumption.

Anti-Money Laundering (AML) and Counter-Terrorism Financing (CTF) Regulations: Global Financial Institutions

AML and CTF regulations protect the remittance systems against money laundering into criminal activities and financing terrorism, thus ensuring remittances are secure. In giving this trade-off between frustrating and facilitating legitimate transactions, international financial institutions engage in aggressive monitoring practices.[27] The set of regulations is gaining confidence in the remittance systems and avoiding interference with the financial lifeline that families depend on.[28]

Digital and Mobile Remittance Solutions: Western Union

Aside from mobile banking, the use of digital technologies in enhancing the process of remittances has also been attempted by a few companies such as Western Union and MoneyGram. They have, in their own diversified ways, succeeded in rendering money transfer faster, cheaper, and more convenient for people, most especially those who reside in the most isolated and far-flung parts of the world. Thus, digital solutions address the physical barriers to increasing financial inclusions toward frictionless cross-border transactions.

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[27] "Anti-Money Laundering and Countering the Financing of Terrorism at EU Level - European Commission." *Finance.ec.europa.eu*, finance.ec.europa.eu/financial-crime/anti-money-laundering-and-countering-financing-terrorism-eu-level_en.

[28] "What Is Counter-Terrorist Financing (CTF)?" *Dow Jones Professional*, www.dowjones.com/professional/risk/glossary/financial-crime/counter-terrorist-financing/.

Possible Solutions

Reducing Remittance Transfer Cost: Expand Partnership between Countries

International cooperation among countries, their financial institutions, and other private stakeholders will go a long way in bringing down remittance transaction fees so that the money migrants send reaches more effectively to their families. While addressing various components, the standardization of transfer systems introduced, together with competitive pricing, can bring down remittances to costs below the SDG target of 3%, reduce migrants' financial burdens, and ensure that economic benefits trickle to recipients at maximum levels.[29] Additionally, partnerships could also be targeted for better access through digital solutions or partnerships between local financial networks, including improved accessibility in rural areas, which could be achieved by expanding mobile banking, internet infrastructure, and local financial service points to under-reached populations. Difficulties they may face would be from the large variety of national policies, regulatory barriers, as well as resistance from profit-driven financial institutions.

Encouraging Productive Investments with Remittances: Guiding Remittance Recipients

This will also be supported through financial literacy and the creation of incentives to families for investing remittances into productive sectors such as education, small businesses, agriculture, and infrastructure. Entrepreneurship training on saving and investment strategy courses by governments and NGOs would ensure that the remittances result in long-term economic development. In this way, productive use of these funds reduces dependence on remittances as a source of sustenance and gives them self-sustenance. Some challenges of this possible solution include the lack of financial literacy among recipients and limited access to reliable investment opportunities.

Formulation of Strategies for Diversification of Economies: Dependence reduction on remittances.

This will entail diversification into other manufacturing industries of technology, and renewable energy which will create jobs and reduce reliance on remittance incomes. To this end, governments should stimulate investment-friendly policies, foster local entrepreneurship, and encourage

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[29] "Remittance Costs as a Proportion of the Amount Remitted - Sustainable Development Goals - United Nations Economic Commission for Europe." *W3.Unece.org*, w3.unece.org/SDG/en/Indicator?id=126.

innovation. A diversified economy is more resilient to external shocks, thus providing sustainable economic growth with reduced dependence on remittance inflows as a key driver of the economy. A possible difficulty of this would be the diversifying economies may face obstacles such as inadequate funding or even weak industrial foundations.

Data Collection: Improved Tracking of Remittance Flows

Improved systems for tracking remittances would, therefore, give greater insight into analyzing trends and understanding their economic impacts by governments and organizations. Indeed, with adequate data, evidence-based decision-making will help in the management of remittances optimally; for example, in recognizing the need to lower their cost or improve financial inclusiveness. Improved monitoring can prevent illicit flows while maximizing the value of legitimate economic benefits. Difficulties of this include the lack of cooperation among countries, limited technological infrastructure and data privacy concerns.

Invest in infrastructure, health, and education to strengthen the local economic infrastructure.

Investment from local NGOs and organizations in infrastructure, such as transport networks, health systems, and educational facilities, empowers the local economies and reduces dependence on remittances for survival. In addition, improved infrastructure leads to business enterprise growth, the creation of jobs, and improved opportunities for citizens; therefore, the economy thrives. Long-term investment in health and education builds human capital, making the population better equipped to achieve economic independence and participate in national development. However, implementing these investments requires substantial investment and financial resources as well as long-term commitment, which could be a difficulty faced by some countries.

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