

MIGRATION AND DEVELOPMENT BRIEF 30

DECEMBER 2018

# MIGRATION AND REMITTANCES

Recent Developments  
and Outlook





Migration and Development Brief reports an update on migration and remittance flows as well as salient policy developments in the area of international migration and development.

The Global Knowledge Partnership on Migration and Development (KNOMAD) is a global hub of knowledge and policy expertise on migration and development. It aims to create and synthesize multidisciplinary knowledge and evidence; generate a menu of policy options for migration policy makers; and provide technical assistance and capacity building for pilot projects, evaluation of policies, and data collection.

KNOMAD is supported by a multi-donor trust fund established by the World Bank, Germany's Federal Ministry of Economic Cooperation and Development (BMZ), Sweden's Ministry of Justice, Migration and Asylum Policy, and the Swiss Agency for Development and Cooperation (SDC) are the contributors to the trust fund.

The views expressed in this paper do not represent the views of the World Bank or the sponsoring organizations.

All queries should be addressed to [KNOMAD@worldbank.org](mailto:KNOMAD@worldbank.org). KNOMAD working papers, policy briefs, and a host of other resources on migration are available at [www.KNOMAD.org](http://www.KNOMAD.org).



**WORLD BANK GROUP**

# MIGRATION AND REMITTANCES

Recent Developments  
and Outlook

December 2018



# Contents

Summary .....	xi
1. Trends in Global Remittance Flows.....	1
1.1. Remittances to Accelerate Further in 2018.....	1
1.2. Outlook for Remittances, 2019-20.....	4
1.3. Recent Developments on Migration-related SDGs.....	4
1.3.1 Trends in the Costs of Remittances (SDG Indicator 10.c.1).....	4
1.3.2. Recruitment Costs Indicators (SDG indicator 10.7.1).....	7
2. Migration .....	9
2.1. Migration and Employment Trends in Major Host Countries.....	9
2.2. Refugee Movements and Forced Displacements.....	10
2.3. Return Migration .....	11
3. Global Compact on Migration: A Proposal for Implementation and Review.....	13
4. Regional Trends in Migration and Remittance Flows .....	15
4.1. Remittances to East Asia and the Pacific Held Steady in 2018.....	15
4.2. Remittances to Europe and Central Asia Continued to Grow Rapidly in 2018.....	16
4.3. Remittances to Latin America and the Caribbean Continued to Rise .....	18
4.4. Remittances to the Middle East and North Africa Remained Robust in 2018 .....	20
4.5 Remittances to South Asia Grew in 2018 .....	21
4.6. Remittances to Sub-Saharan Africa Continued to Accelerate in 2018 .....	23
References .....	26
Endnotes.....	28

## List of Figures

<b>Figure 1.1.</b> Remittance Flows to Low- and Middle-Income Countries Are Larger than Official Development Assistance and More Stable than Private Capital Flows, 1990–2019 .....	1
<b>Figure 1.2.</b> Top Remittance Receivers in 2018.....	3
<b>Figure 1.3.</b> Remittance Outflows from Russia and Saudi Arabia, Q4 2006–Q2 2018 .....	3
<b>Figure 1.4.</b> Global Average Cost of Sending \$200, 2010–18 .....	5
<b>Figure 1.5.</b> How Much Does It Cost to Send \$200? A Comparison of Global Regions in 2017 and 2018 .....	5
<b>Figure 2.1.</b> Migrants’ Employment Is More Cyclical than that of Native Born, Selected Countries .....	9
<b>Figure 2.2.</b> Refugee Stock Worldwide and in EU-28, 1951–2017 .....	10
<b>Figure 2.3.</b> First-Time and Pending Asylum Applications in the EU-28, 2014–18 ...	11
<b>Figure 2.4.</b> The European Union and the United States, Potential Returnees, 2009–17.....	12
<b>Figure 4.1.</b> Top Remittance Recipients in the East Asia and Pacific Region, 2018 ...	15
<b>Figure 4.2.</b> Remittance Fees to the Philippines are among the Lowest in the East Asia and Pacific Region.....	16
<b>Figure 4.3.</b> Remittance Inflows to Europe and Central Asia Remained Strong in 2018.....	17
<b>Figure 4.4.</b> Russia Remained the Least Expensive Country from Which to Send Money in Europe and Central Asia .....	17
<b>Figure 4.5.</b> Remittance Inflows to Latin America and the Caribbean Remained Strong in 2018 .....	19
<b>Figure 4.6.</b> Cost of Sending Money to Latin America and the Caribbean Remained Relatively Low .....	19
<b>Figure 4.7.</b> Remittance Inflows to the Middle East and North Africa Grew Rapidly in 2018 .....	20
<b>Figure 4.8.</b> Sending Money within the Middle East and North Africa Is Less Expensive than Sending Money from Outside.....	21
<b>Figure 4.9.</b> Remittance Inflows to South Asia Grew in 2018.....	22
<b>Figure 4.10.</b> The Costs of Sending Remittances to South Asia Varied Widely across Corridors .....	22
<b>Figure 4.11.</b> Remittance Inflows to Sub-Saharan Africa Rose in 2018, Led by Nigeria .....	24
<b>Figure 4.12.</b> Five Most and Least Expensive Remittance Corridors in Sub-Saharan Africa .....	24

## List of Tables

<b>Table 1.1.</b> Estimates and Projections of Remittance Flows to Low- and Middle-Income Regions .....	2
<b>Table 1.2.</b> Summary of Various Regulatory Views on Initial Coin Offerings (ICOs) .....	6







## Acknowledgements

This Brief was prepared by Dilip Ratha, Supriyo De, Ganesh Seshan, and Nadege Desiree Yameogo of the Migration and Remittances Unit of the Jobs Group, Social Protection and Jobs Global Practice; Sonia Plaza of the Finance, Competitiveness and Innovation Global Practice; and Eung Ju Kim of the Development Prospects Group of the World Bank. Thanks to Kebba Jammeh for research assistance. Thanks also to Yusun Lee and Rebecca Ong for communications support. Useful comments and contributions were received from the World Bank's regional chief economists, global practices, country teams, and others, in particular from Chisako Fukuda, Bingjie Hu, Elena Ianchovichina, Mauro Testaverde and Soonhwa Yi. Thanks to Michal J. Rutkowski for helpful comments. Thanks to Fayre Makeig for copyediting.



# Summary

This Migration and Development Brief reports global trends in migration and remittance flows. It highlights developments connected to migration-related Sustainable Development Goal (SDG) indicators for which the World Bank is a custodian: increasing the volume of remittances as a percentage of gross domestic product (GDP) (SDG indicator 17.3.2), reducing remittance costs (SDG indicator 10.c.1), and reducing recruitment costs for migrant workers (SDG indicator 10.7.1). This Brief also presents recent developments on the Global Compact on Migration (GCM) and proposes an implementation and review mechanism.

**Remittance trends.** Remittance flows to low- and middle-income countries (LMICs) are expected to reach \$528 billion in 2018, an increase of 10.8 percent over 2017. Remittance flows rose in all six regions, notably in Europe and Central Asia (20 percent) and South Asia (14 percent). Growth was driven by a stronger economy and employment situation in the United States and a rebound in outward flows from the Gulf Cooperation Council (GCC) countries and the Russian Federation. However, downside risks to economic growth and restrictive immigration policies in many countries may moderate the future growth of remittances. Moreover, no solutions are in sight for the de-risking practices of correspondent banks, which have led to the closing of remittance service providers' bank accounts and driven up remittance costs.

**Remittance costs.** The global average cost of sending remittances has remained nearly stagnant, at 6.9 percent in the third quarter of 2018, more than double the SDG target of 3 percent. Factors contributing to high costs include de-risking measures taken by commercial banks and exclusive partnerships between national post office systems and a single money transfer operator.

**Recruitment costs.** Low-skilled migrant workers continue to suffer from recruitment malpractices including high fees charged by unscrupulous labor agents. SDG indicator 10.7.1, focused on reducing the recruitment costs borne by employees, was upgraded to a tier-2 indicator by the Inter-Agency and Expert Group on Sustainable Development Goals (IAEG-SDG), following the submission of guidelines for national statistical offices prepared jointly by the World Bank's Global Knowledge Partnership on Migration and Development (KNOMAD) and the International Labour Organization (ILO).

**Migration.** In the high-income countries belonging to the Organisation for Economic Co-operation and Development (OECD), the employment of foreign-born workers has been more responsive to stronger economic conditions than has the employment of native-born workers. In the GCC countries, which host a significantly larger per capita share of foreign workers, the deployment of workers from South Asia has been declining.

**Refugees.** While the European migration crisis is past its peak, LMICs continue to bear the brunt of forced displacement and return migration. By 2017, the number of refugees worldwide (excluding Palestinian refugees) reached 19.9 million (or about 7.5 percent of international migrants).

About nine out of ten refugees are hosted by LMICs. Since August 2017 nearly 1 million Rohingya refugees have fled to Bangladesh. Large movements of migrants from Venezuela to other countries in South America have placed pressures on institutions and services in receiving areas.

**Return migration.** Reflecting a surge in the number of refugees, asylum seekers, and undocumented migrants entering the European Union (EU), the number of potential returnees—rejected asylum seekers and detected undocumented migrants—rose from 1.4 million in 2011 to around 5.5 million in 2017. In the United States, the stock of detected potential returnees increased from around 1.5 million in 2011 to 3.2 million in 2017. In Saudi Arabia, around 3.9 million migrants were deported between March 2011 and August 2018, an annual average rate of over 500,000.

**Global Compact on Migration (GCM).** On July 13, 2018, a total of 192 United Nations (UN) Member States agreed to a final text of the GCM. But even before its formal adoption at the Intergovernmental Conference in Marrakesh, Morocco, on December 10–11, 2018, several countries, including Austria, Australia, Bulgaria, the Czech Republic, Hungary, Israel, Poland, Slovakia, and the United States, either withdrew support or hesitated to endorse the GCM. A non-legally binding, cooperative framework for international cooperation, the GCM lists 23 objectives to promote safe, orderly, and regular migration. For follow-up and review, the GCM proposes an International Migration Review Forum (IMRF) to take place every four years beginning in 2022, and Regional Migration Review Forums (RMRFs) every four years beginning in 2020. This Brief elaborates upon a proposal for a Systematic Review Framework (SRF) for the GCM along the lines of the Mutual Assessment Process (MAP) that the G-20 implemented shortly after the global financial crisis.





The background of the page features a light teal color with a pattern of thin, white, wavy lines that create a sense of movement. A solid teal horizontal bar is positioned in the upper left quadrant, containing the title text in white.

# Migration and Remittances: Recent Developments and Outlook



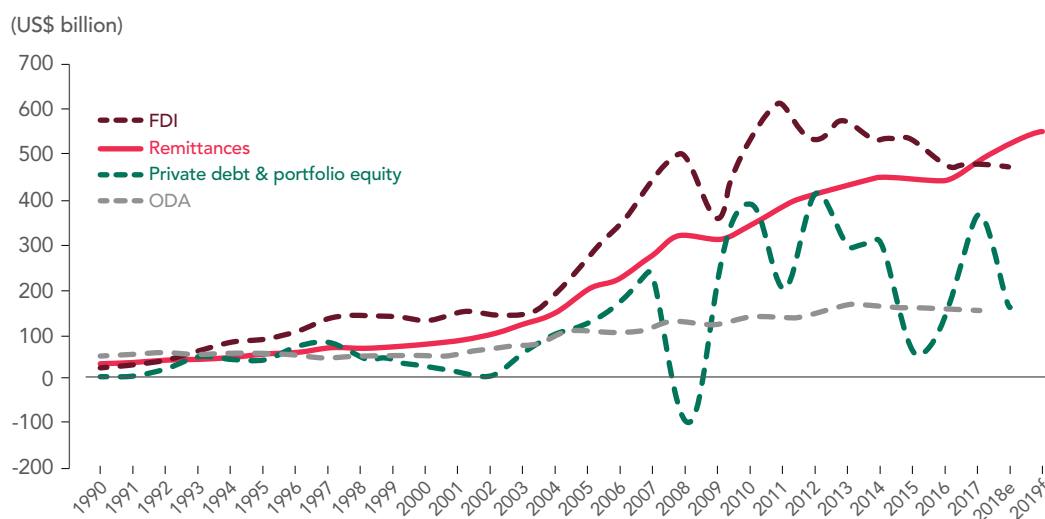


# 1. Trends in Global Remittance Flows

## 1.1. Remittances to Accelerate Further in 2018

Remittance flows to low- and middle-income countries (LMICs) are projected to accelerate by 10.8 percent in 2018, to reach \$528 billion, a new record (Table 1.1). This follows robust growth of 7.8 percent in 2017. Remittances are a major source of foreign exchange earnings in many LMICs, and continue to be more than three times the size of official development assistance (ODA) (Figure 1.1). With new Organisation for Economic Co-operation and Development (OECD) definitions including peace and security expenditures and in-donor refugee costs as ODA, the actual proportion of foreign currency ODA available to LMICs may decrease. Excluding China, remittance flows are also significantly larger than foreign direct investment (FDI) in LMICs. The projected growth of remittance flows in 2018 is stronger than expectations set out seven months earlier in the *Migration and Development Brief 29* (World Bank 2018a). This is driven by recent economic developments: higher growth in the United States and a rebound in remittances outflows from some Gulf Cooperation Council (GCC) countries and the Russian Federation.

**FIGURE 1.1** Remittance Flows to Low- and Middle-Income Countries Are Larger than Official Development Assistance and More Stable than Private Capital Flows, 1990–2019



Sources: World Bank staff estimates; World Development Indicators.

Notes: FDI = foreign direct investment; ODA = official development assistance. See appendix A in World Bank (2017) for data and forecast methods.

**TABLE 1.1.** Estimates and Projections of Remittance Flows to Low- and Middle-Income Regions

	2010	2015	2016	2017	2018e	2019f	2020f
	(\$ billions)						
<b>Low and Middle Income</b>	<b>343</b>	<b>449</b>	<b>442</b>	<b>477</b>	<b>528</b>	<b>549</b>	<b>573</b>
East Asia and Pacific	96	127	127	133	142	148	155
Europe and Central Asia	38	43	43	52	63	65	68
Latin America and Caribbean	57	68	74	79	87	90	93
Middle-East and North Africa	39	51	51	54	59	61	63
South Asia	82	118	110	117	132	138	144
Sub-Saharan Africa	32	41	37	41	45	47	50
<b>World</b>	<b>469</b>	<b>592</b>	<b>586</b>	<b>625</b>	<b>689</b>	<b>715</b>	<b>747</b>
<i>Memo Item:</i>							
Developing countries (FY 2016 income classification) *	337	441	435	468	518	538	561
	(Growth rate, percent)						
<b>Low and Middle Income</b>	<b>11.4</b>	<b>0.2</b>	<b>-1.5</b>	<b>7.8</b>	<b>10.8</b>	<b>4.0</b>	<b>4.3</b>
East Asia and Pacific	19.4	3.7	-0.5	5.1	6.6	4.2	4.7
Europe and Central Asia	4.9	-16.6	-0.6	20.9	20.0	4.0	4.6
Latin America and Caribbean	2.6	6.1	7.4	7.9	9.3	3.8	3.9
Middle-East and North Africa	18.2	-5.3	-0.4	6.0	9.1	2.7	3.5
South Asia	9.5	1.5	-6.1	5.7	13.5	4.3	4.1
Sub-Saharan Africa	11.1	5.8	-8.8	10.3	9.8	4.2	5.6
<b>World</b>	<b>8.5</b>	<b>-1.5</b>	<b>-1.0</b>	<b>6.6</b>	<b>10.3</b>	<b>3.7</b>	<b>4.5</b>

Source: World Bank. See appendix A in World Bank (2017) for data and forecast methods.

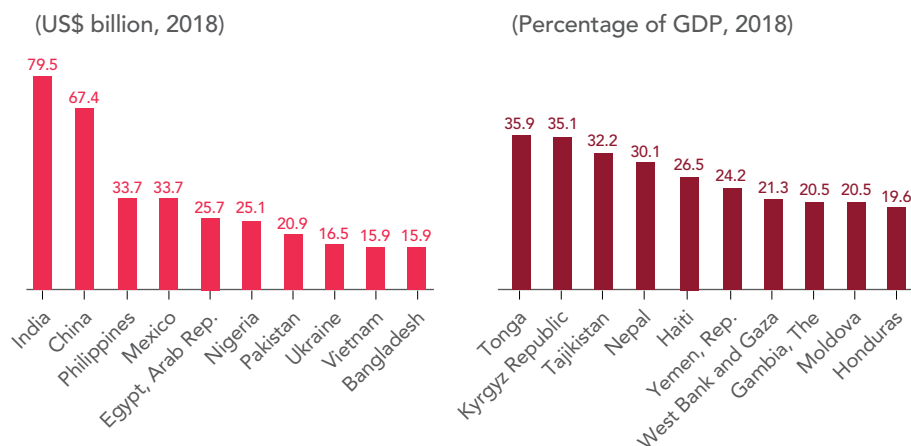
Note: e = estimate; f = forecast.

\* This group excludes Equatorial Guinea, the Russian Federation, República Bolivariana de Venezuela, and Argentina, which were classified as high-income countries earlier. These countries are included in the group of low- and middle-income countries in the Table. See appendix A in World Bank (2017) for data and forecast methods.

Regionally, the Europe and Central Asia region is projected to see a 20 percent increase in remittances in 2018 (Table 1.1), owing to continued recovery in the Russian economy. Remittances to East Asia and the Pacific are projected to increase by 6.6 percent. Latin America and the Caribbean registered an estimated growth of 9.3 percent, led by Mexico and Central American countries. Remittances to South Asia will rise by an estimated 13.5 percent, with remittances to both India and Bangladesh rising by double digits. The growth rate of remittances to the Middle East and North Africa is estimated at 9.1 percent, led by Egypt. Remittances to Sub-Saharan Africa are expected to increase by 9.8 percent (see section 4 for a more detailed discussion of regional trends).

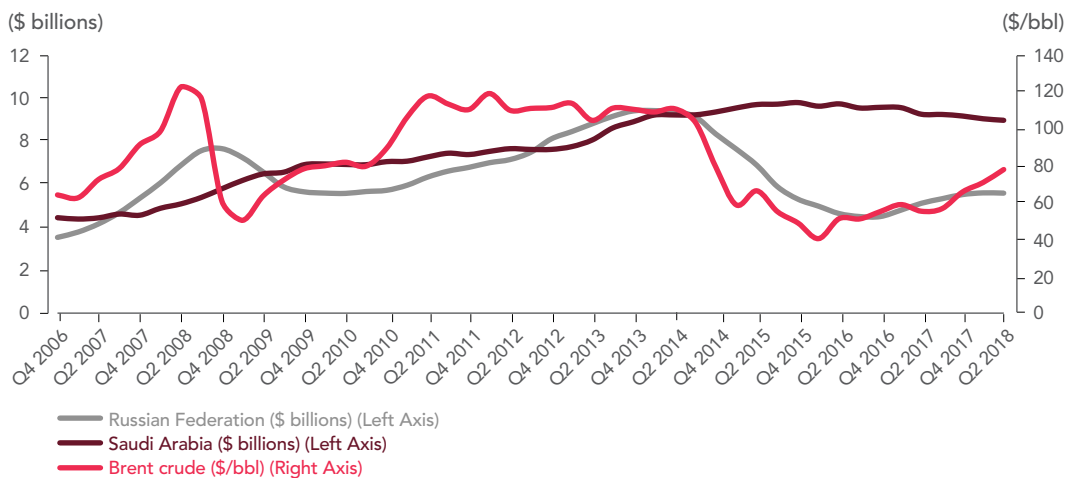
In 2018, the top remittance-receiving countries – in dollar terms – are projected to be India, China, the Philippines, Mexico, Egypt, and Nigeria (Figure 1.2). As a share of gross domestic product (GDP), the top recipients are smaller countries: Tonga, Kyrgyz Republic, Tajikistan, Nepal, and Haiti.

**FIGURE 1.2.** Top Remittance Receivers in 2018



Sources: International Monetary Fund; World Development Indicators; World Bank staff estimates.  
 Note: The top recipient countries include several high-income countries such as France and Germany (not shown in the figure), but as a share of GDP, remittance flows to these countries are negligible. GDP = gross domestic product.

**FIGURE 1.3.** Remittance Outflows from Russia and Saudi Arabia, Q4 2006–Q2 2018



Sources: International Monetary Fund, Balance of Payments Statistics; World Bank: Commodity Markets Outlook; World Bank staff estimates.  
 Note: Remittance outflows are four-quarter moving averages. \$/bbl = U.S. dollars per barrel; Q4 = fourth quarter; Q2 = second quarter.

Remittance outflows from Russia are more correlated with oil prices than are those from Saudi Arabia. In the case of Saudi Arabia, while remittance outflows show a downward trend, surging oil prices up to October 2018 are likely to have moderated the pace of decline. Furthermore, overall outflows from the GCC would remain buoyant since the United Arab Emirates, the other major regional remittance source, reported a 13 percent growth in remittance outflows for the first half of 2018.<sup>1</sup>

## 1.2. Outlook for Remittances, 2019–20

Global growth is moderating as manufacturing activity and trade decelerate. Growth in high-income economies has been diverging: economic activity in the United States remains solid, but growth in the euro area has been weaker (IMF 2018; World Bank 2018b). Several low- and middle-income countries have experienced substantial financial stress amid a strengthening U.S. dollar. This has included sharp capital outflows and currency depreciations, notably in Argentina and Turkey. While oil prices peaked in October 2018, they have since declined. Amid this two-speed global growth pattern, remittances to LMICs are expected to grow at about 4 percent in 2019, to \$549 billion (Table 1.1).<sup>2</sup> Downside risks dominate: risks of oil price declines, policy uncertainty and geopolitical risks, increased restrictions on trade, and a slowdown in global growth may retard remittances. Moreover, no solutions are yet in sight for the difficulties posed by the de-risking practices of correspondent banks (see subsection 1.3.1).<sup>3</sup>

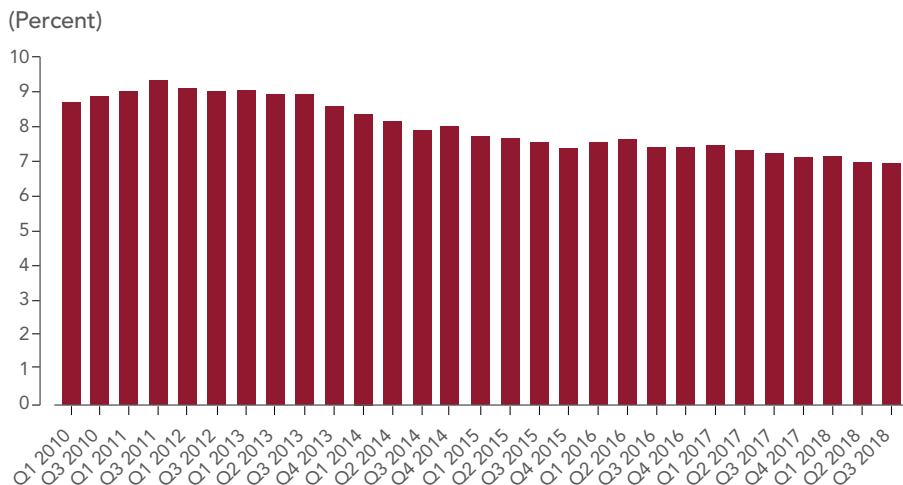
## 1.3. Recent Developments on Migration-related SDGs

### 1.3.1. Trends in the Costs of Remittances (SDG Indicator 10.c.1)

According to the World Bank's Remittance Prices Worldwide Database, the cost of sending money to LMICs remained almost stagnant at 6.9 percent in the third quarter of 2018 (Figure 1.4). This is more than double the Sustainable Development Goal (SDG) target of 3 percent by 2030 (SDG target 10.c). The cost for South Asia was the lowest, at 5.4 percent, while Sub-Saharan Africa continued to have the highest average cost, at 9 percent (Figure 1.5; see World Bank [2018c] for details). Remittance costs across many African corridors and small islands in the Pacific remain above 10 percent, due to the low volumes of formal flows, inadequate penetration of innovative technologies, and lack of a competitive market environment.

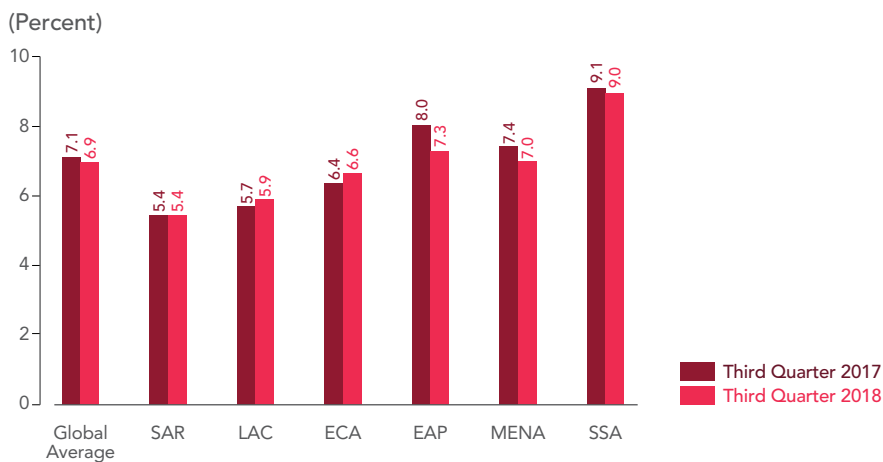
De-risking pressures continue, and fines for lack of compliance with anti-money laundering/combating the financing of terrorism (AML/CFT) regulations have increased since the global financial crisis. Regulators across the world have issued about \$26 billion in AML and know your customer (KYC) sanctions and related fees.<sup>4</sup> In response, several countries are strengthening their regulations: the United Arab Emirates recently approved an AML/CFT law and the European Union is requesting Malta and Luxembourg to fully comply with AML rules.<sup>5</sup> In a recent report, the U.S. Government Accountability Office (GAO) found that money-laundering-related risks were likely drivers of branch closures in the U.S. southwest region.<sup>6</sup> In another report, the GAO found that

**FIGURE 1.4.** Global Average Cost of Sending \$200, 2010–18



Source: World Bank staff estimates using Remittance Prices Worldwide Database

**FIGURE 1.5.** How Much Does It Cost to Send \$200? A Comparison of Global Regions in 2017 and 2018



Source: World Bank staff estimates using Remittance Prices Worldwide Database.

Note: EAP = East Asia and Pacific; ECA = Europe and Central Asia; LAC = Latin America and the Caribbean; MENA = Middle East and North Africa; SAR = South Asia; SSA = Sub-Saharan Africa.

**TABLE 1.2.** Summary of various regulatory views on initial coin offerings (ICOs)

Country	Regulatory views regarding ICOs
Australia	Australia's regulatory framework has established clear guidelines, specific to the structure and nature of the tokens issued. Australian corporate and consumer laws apply to an overseas ICO.
Canada	ICOs fall under national securities laws, and organizers are required to run ICOs past the Canadian Securities Administrator before advancing.
China	The central bank along with other Chinese regulators banned ICOs in 2017.
France	Autorité des marchés financiers launched a public consultation on ICOs; regulations are expected following an analysis of the information gathered.
Germany	There are no specific regulations for ICOs, but issuers are expected to adhere to existing banking and securities regulations.
Japan	Japan's financial regulator is set to introduce new ICOs regulations to protect investors from fraud after having looked at an international regulatory trend for ICOs. The Payment Services Act recognizes cryptocurrency as a means of payment that is not a legal currency.
Singapore	The Monetary Authority of Singapore offered guidelines on the treatment of ICOs under national securities laws in November 2017. The government has indicated ICOs will not be banned.
South Korea	The Financial Supervisory Commission banned ICOs in September 2017. At the time of writing, the government plans to form a task force to assess other country practices and develop a taxation plan.
Swiss	The Financial Market Supervisory Authority stated that depending on how an ICO is structured, some parts may be covered by existing regulations. The authority will investigate a number of ICO cases to determine whether provisions were breached.
United Kingdom	ICOs are allowed but subject to possible new regulations in the future. The Financial Conduct Authority is testing out a regulatory sandbox, and new regulations may be released soon.
United States	ICOs are potentially subject to numerous federal and state laws depending on the location of the issuer, the entities to whom the ICOs are marketed, and the type of services provided.

Source: World Bank staff compilation based on Citi Research, JPMorgan, Bitcoin Market Journal, CoinDesk, SEC, FINMA, AMF, FCA, and MAS.

money transmitters sending remittances have lost bank accounts in fragile countries.<sup>7</sup> The report indicated that money transmitters have resorted to using non-banking channels to transfer funds. This has increased the costs and risks of theft and forfeitures for agents and couriers.<sup>8</sup>

Harmonized regulation and adoption of innovative technologies could lower remittance costs by reducing intermediaries, enabling standardized and verifiable transactions, and smoothening AML/CFT regulatory processes. The Financial Action Task Force (FATF) made a series of amendments to its rules in response to virtual assets such as cryptocurrencies and other virtual tokens by adding “virtual assets” and “virtual asset service providers” to a glossary of new definitions.<sup>9</sup> These changes bring virtual assets and transactions within the scope of AML/CFT. This is in line with various national regulators focusing on virtual assets such as cryptocurrencies (Table 1.2). Despite the nascent stage of the cryptocurrency market, global securities regulators have started to lay ground rules, subjecting crypto-asset-related business and initial coin offerings (ICOs) to existing securities laws, requiring registration or authorization to limit money laundering, and promoting investor protection.<sup>10</sup> Despite a general lack of global coordination in the regulation of crypto-assets, the Bank of Canada, Bank of England, and Monetary Authority of Singapore recently published a joint report on assessing alternative digital models that could improve cross-border payments.<sup>11</sup> The report explores the possible “future-state capabilities” of digital systems, which include use of wholesale central bank digital currency and its various applications through distributed ledger technology (based on blockchain technology).<sup>12</sup>

### 1.3.2. Recruitment Costs Indicators (SDG indicator 10.7.1)

Reducing recruitment costs borne by employees is an important measure of progress toward the global goal of promoting safe, orderly, and regular migration. Migrant workers continue to be afflicted by recruitment malpractices, justifying the need for SDG indicator 10.7.1.<sup>13</sup> Indicator 10.7.1 was upgraded to a tier-2 indicator by the Inter-Agency and Expert Group on Sustainable Development Goals (IAEG-SDG) after a joint submission by the World Bank’s Global Knowledge Partnership on Migration and Development (KNOMAD) and the International Labour Organization (ILO).<sup>14</sup>

These organizations jointly prepared guidelines for national statistical offices (NSOs) to assist them with the collection of data for SDG indicator 10.7.1 – recruitment costs borne by employees (migrant workers) as a proportion of monthly income earned in the country of destination. The guidelines address objectives and uses of the indicator, conceptual definitions, data collection strategies and methods, as well as recommendations on tabulation. Some key recommendations were made during a preparatory workshop that are reflected in the guidelines:

- i. The denominator for the recruitment cost indicator would use monthly income to avoid complications arising from measuring annual income and to ease policy makers’ interpretation of the indicator (that is, cost expressed as a multiple of months of foreign income).
- ii. (Regular) household-based surveys are the preferred sampling approach and may be complemented by other survey approaches or administrative records.
- iii. In destination countries, the sampling frame should account for institutional households (individuals representing different households residing in dormitory-style accommodations) where these are commonly used to host migrant workers.

- iv. Indicator data for each country can be reported annually as they become available, referring to recent departure periods (not more than 2–3 years prior to the survey period).
- v. Where feasible, countries should conduct cognitive/validation tests to determine an appropriate way to frame and order selected questions.



## 2. Migration

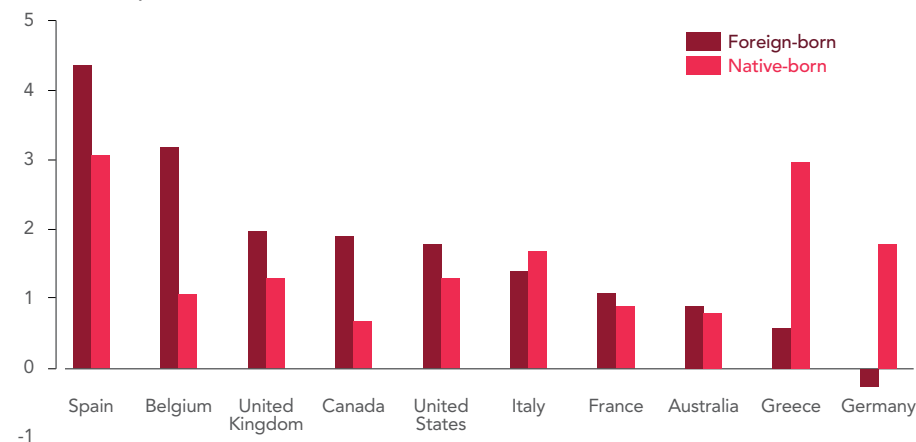
### 2.1. Migration and Employment Trends in Major Host Countries

According to the United Nations Department for Economic and Social Affairs (UNDESA 2017), the worldwide number of international migrants (including refugees) was 258 million in 2017. Updating the UNDESA dataset with recent data, it appears that the 2017 stock of international migrants (including refugees) could be as high as 266 million (World Bank 2018a). According to ILO estimates for 2017, there are 164 million migrant workers in the world. They account for 70.1 per cent of the 234 million working age migrant population (15 years and over).<sup>15</sup>

The job market in OECD countries recovered post crisis and generated additional jobs for native-born workers as well as migrants (OECD 2018). In the OECD countries, the employment of foreign-born workers is more responsive to economic conditions than is the employment of native-born workers. During 2015–17, in most of the high-income OECD countries, the employment rate for foreign-born workers increased more than for native-born workers. The exceptions were Germany, Greece, and Italy, where the number of refugees and asylum seekers rose significantly faster than their absorption in the labor market (Figure 2.1).

**FIGURE 2.1.** Migrants' Employment Is More Cyclical than that of Native Born, Selected Countries

(Change in employment rate, 2015-2017  
Percentage points)



Source: World Bank staff estimates based on OECD International Migration Statistics data.

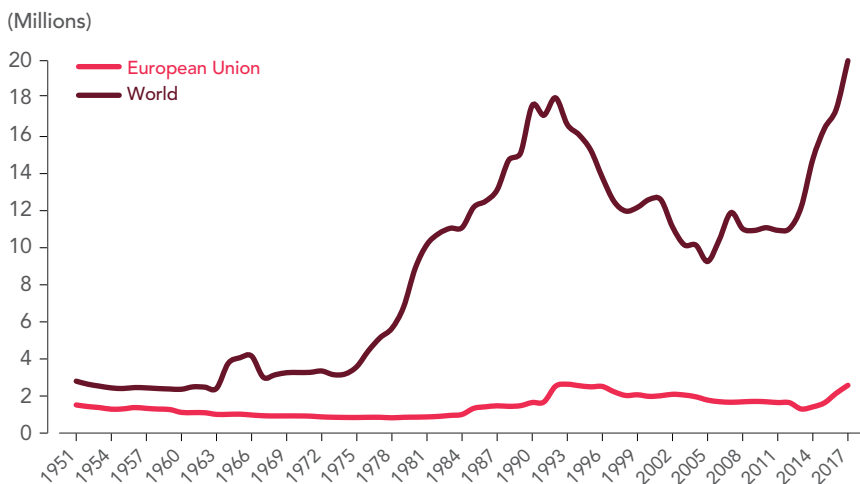
Employment opportunities for South Asian migrants in the GCC countries shrank in 2017 and 2018, especially in Saudi Arabia, due to nationalization policies, as indicated by lower deployments from India (-12 percent in 2018 Q1–Q3 and -25 percent in 2017), Pakistan (-26 percent during January–August 2018 and 41 percent in 2017), Bangladesh (-25 percent in 2018 Q1–Q3), and Nepal (-5 percent in FY 2016/17) (see detailed regional trends in section 4).

## 2.2. Refugee Movements and Forced Displacements

By 2017, the global stock of refugees recorded by the United Nations High Commissioner for Refugees (UNHCR) reached 19.9 million, surpassing the previous peak of 1992 (Figure 2.2). (This figure does not include 5.4 million Palestinian refugees registered by the United Nations Relief and Works Agency.) LMICs continued to be the top hosts of refugees in 2017, hosting around 85 percent of refugees.<sup>16</sup>

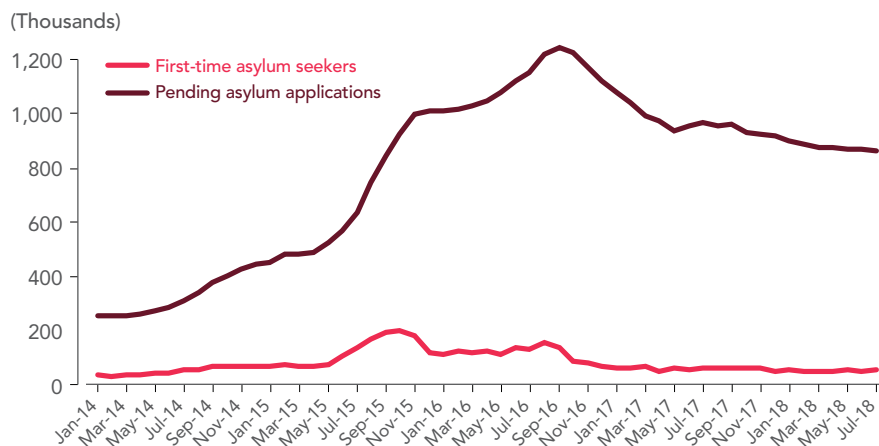
The stock of refugees in the EU-28 stabilized at around 2.3 million in 2017. The number of first-time asylum seekers in the EU-28 remained low in the first half of 2018 compared to the peaks seen in 2015 and 2016, reflected in a slow decline in pending asylum applications (Figure 2.3). According to the UNHCR (for the year 2018 up to October), nearly 94,000 migrants and refugees arrived in Europe through the Mediterranean Sea, far below the figure of 172,000 for the same period the previous year. The number of migrants landing in Italy dropped by 81 percent in the first half of 2018 compared to the same period a year before.<sup>17</sup>

**FIGURE 2.2.** Refugee Stock Worldwide and in EU-28, 1951–2017



Source: UNHCR 2017.

Note: EU = European Union.

**FIGURE 2.3.** First-Time and Pending Asylum Applications in the EU-28, 2014–18

Source: Eurostat.

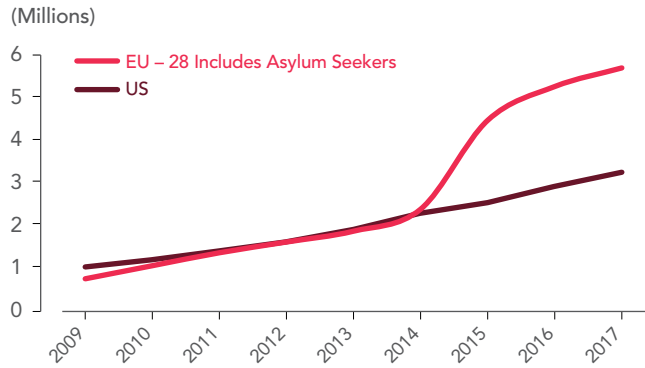
Note: EU = European Union.

While refugee movements into the European Union have abated, other regions have seen dramatic increases in refugee numbers. Since August 2017 over 720,000 Rohingyas have fled Myanmar and taken refuge in Bangladesh. This has placed enormous pressures on their host communities. In Africa, the crisis of refugees and internally displaced persons (IDPs) has stretched from the Lake Chad Basin through the Great Lakes region to the Horn of Africa. According to the UNHCR, at the end of July 2018, the Boko Haram insurgency had displaced about 2.4 million people in the Lake Chad Basin, with about 80 percent from Nigeria, 10 percent from Cameroon, 5 percent from Chad, and 4 percent from Niger.

### 2.3. Return Migration

Return migration gained attention in many migrant-receiving countries due to the recent surge in the number of refugees, asylum seekers, and undocumented economic migrants and was explored in detail in the *Migration and Development Brief 28* (World Bank 2017). In the European Union, the number of potential returnees – rejected asylum seekers and detected migrants lacking valid documents – rose from 1.4 million in 2011 to around 5.5 million in 2017 (Figure 2.4). While in 2011 asylum seekers were only about half of potential returnees, for the past two years, asylum seekers have been the predominant share. With over 800,000 pending asylum applications in mid-2018 (Figure 2.3), the current acceptance rate implies an additional half million will join the ranks of potential returnees this year, snowballing the total to around 6 million.<sup>18</sup> In the United States, the stock of detected potential returnees is likely to increase from around 1.5 million in 2011 to a projected 3.2 million in 2017 (Figure 2.4).<sup>19</sup> A recent report estimates that there were 10.7 million undocumented migrants in the United States in 2016 (Lopez, Bialik, and Radford 2018). In Saudi Arabia, deportations increased from 594,000 in 2012

**FIGURE 2.4.** The European Union and the United States, Potential Returnees, 2009–17



Source: World Bank staff estimates using data from Eurostat and the U.S. Department of Homeland Security.

Note: Asylum seekers are first-time asylum applicants from countries other than the EU-28.

Undocumented detected stock = undocumented detected stock<sub>t-1</sub> + new undocumented detected<sub>t</sub> – returned<sub>t</sub>. EU = European Union; US = United States

to 665,000 in 2013 and were 461,000 in 2017. Cumulatively, around 3.9 million migrants were deported between March 2011 and August 2018, an annual average rate of over 500,000.<sup>20</sup> Managing these returns and their subsequent reintegration in origin communities will require substantial resources as well as international cooperation.

### 3. Global Compact on Migration: A Proposal for Implementation and Review

On July 13, 2018, a total of 192 UN Member States agreed on the final text of the Global Compact for Safe, Orderly and Regular Migration (Global Compact on Migration, or GCM). However, before its formal adoption at the Intergovernmental Conference in Marrakesh, Morocco, on December 10–11, 2018, several countries – including Austria, Australia, Bulgaria, the Czech Republic, Hungary, Israel, Italy, Poland, Slovakia, Switzerland, and the United States – had either withdrawn support or hesitated to endorse the GCM.

The GCM presents a legally non-binding, cooperative framework for international cooperation. The cooperative framework proposed by the GCM outlines 23 objectives, covering all aspects of the migration cycle: departure, transit, arrival, integration, and/or return.<sup>21</sup> Notably, the GCM calls for opening more channels for regular migration, implying a strong call to discourage and manage irregular migration. The GCM proposes a UN Migration Network to be coordinated by the International Organization for Migration (IOM), with eight core member institutions in the Executive Committee and an extended network of 38 members.<sup>22</sup>

For follow-up and review, the GCM proposes an International Migration Review Forum (IMRF) to take place every four years beginning in 2022, and Regional Migration Review Forums (RMRFs) to take place every four years beginning in 2020. The modalities for the IMRF and the RMRF will not be defined until the UN General Assembly in 2019.

A proposal for a Systematic Review Framework (SRF) for the GCM has been discussed in a recent World Bank blog (Ratha 2018). The proposal is similar to the Mutual Assessment Process (MAP) that the G-20 implemented shortly after the global financial crisis in 2009. A core element of the review framework will be the Activity and Review Template (ART), to be prepared by each Member State on a *voluntary* basis. The template will provide a compilation of ongoing or planned activities to address specific objectives of the GCM. The Global Forum on Migration and Development (GFMD), with its state-led and non-legally binding structure, could be called upon to implement the systematic review process, by providing a platform for dialogue among countries, facilitating identification of policy instruments and alternatives, peer-to-peer learning, as well as strategic partnerships. Also, the ARTs could be sent to an impartial agency (for example, an impartial knowledge initiative like KNOMAD) for verifying the accuracy and mutual consistency of the activities. Impartiality would be a key consideration in selecting the agency; those in charge of implementation of the GCM should not be entrusted with a review function, to avoid any conflict of interest.



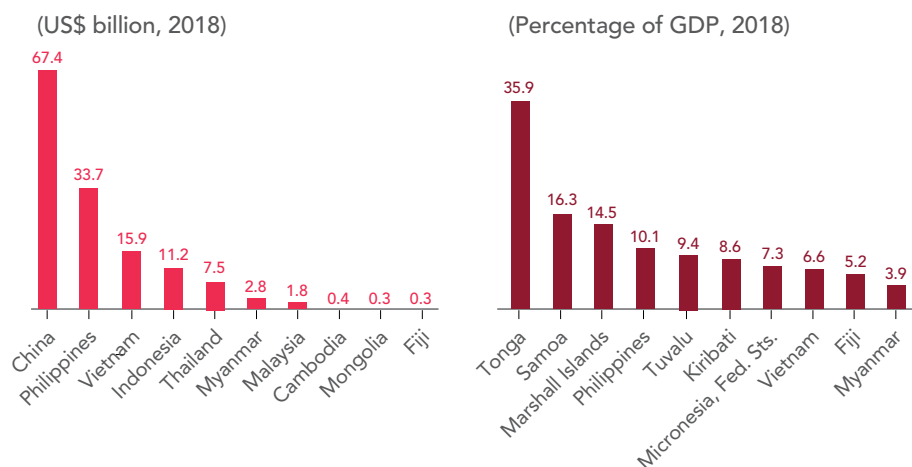
## 4. Regional Trends in Migration and Remittance Flows

### 4.1. Remittances to East Asia and the Pacific Held Steady in 2018

**Remittance trends.** Formal remittances to the East Asia and Pacific region are expected to grow by 6.6 percent in 2018 to \$142 billion, 1.5 percentage points higher than the growth rate in 2017. In 2019 and 2020, a growth of 4.2 percent and 4.7 percent is expected, respectively. Remittances to the Philippines are expected to grow at an annual rate of 2.8 percent in 2018, to reach \$33.7 billion, lower than the growth rate of 5.4 percent witnessed in 2017. Lower growth is due to the substantial decline in private transfers from the Middle East, which fell by 17.3 percent in the first nine months of 2018 relative to the same period in 2017.<sup>23</sup> Remittances to Indonesia are expected to experience double-digit growth in 2018, at around 24 percent, after a lackluster performance in 2017, when remittance flows remained flat.<sup>24</sup>

**Remittance costs.** The average costs of sending remittances to the East Asia and Pacific region is at its lowest in a decade in the corridors captured by the Remittance Prices Worldwide database; however, there is wide variation in fees charged across remittance corridors. The cost of sending \$200 averaged 7.3 percent in 2018 Q3. The five lowest-cost corridors in the region averaged 3.2 percent

**FIGURE 4.1.** Top Remittance Recipients in the East Asia and Pacific Region, 2018



Sources: IMF; World Development Indicators; World Bank staff estimates.  
Note: GDP = gross domestic product.

**FIGURE 4.2.** Remittance Fees to the Philippines are among the Lowest in the East Asia and Pacific Region

Source: World Bank staff estimates using the Remittance Prices Worldwide Database.

while the five highest-cost corridors averaged 17.7 percent as of 2018 Q3. Money transfer fees from Thailand to neighboring countries in Southeast Asia were among the highest, averaging 15.3 percent in the first three quarters of 2018.

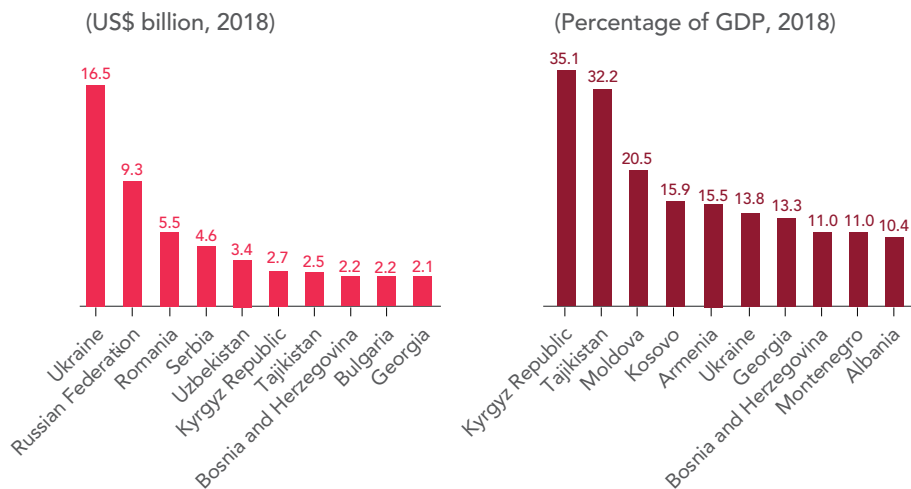
**Migration trends.** Japan introduces a major migration policy shift with a new law that passed the Upper House of the Diet in December 2018. Starting in April 2019, the new law will allow inflows of two types of foreign workers: (i) low-skilled foreign workers who would reside in Japan for up to five years and work in 14 specific sectors, including farming, construction, hospitality and ship-building sectors, but shall not be allowed to bring their family members, and (ii) foreign workers with a higher level of skills who would be allowed to bring their family members and could be allowed to live in Japan indefinitely. The Malaysian government announced in October 2018 that it is considering shifting at least some of the responsibility for the recruitment of foreign workers by private agencies to the Ministry of Human Resources.<sup>25</sup> The government is also considering the revision of its levy system on local employers hiring foreign workers to a model closer to Singapore's multi-tier levy.

## 4.2. Remittances to Europe and Central Asia Continued to Grow Rapidly in 2018

**Remittance trends.** Remittance flows into Europe and Central Asia remained robust in 2018, rising by an estimated 20 percent in 2018 and reaching a new historic high of \$63 billion. Improved growth increased outward remittances from Poland, Russia, and Spain, major sources of remittances entering the region. Economies in the Commonwealth of Independent States particularly benefited from the Russian economy's continued rebound. Ukraine, the region's largest recipient



**FIGURE 4.3.** Remittance Inflows to Europe and Central Asia Remained Strong in 2018



Sources: IMF; World Development Indicators; World Bank staff estimates.  
 Note: GDP = gross domestic product.

**FIGURE 4.4.** Russia Remained the Least Expensive Country from Which to Send Money in Europe and Central Asia



Source: World Bank staff estimates using the Remittance Prices Worldwide Database.

of remittances, received a new record of inflows projected at \$16.5 billion in 2018, or 35 percent more than in 2017 (Figure 4.3).<sup>26</sup> This partly reflects a revised methodology of estimating remittances to the country and increased migration to Central and Eastern Europe.<sup>27</sup> Russia and Romania are the second- and third-largest recipients in the region, receiving \$9.3 billion and \$5.5 billion, respectively. With respect to remittances as a share of GDP, the Kyrgyz Republic and Tajikistan are still leading the region, at 35 percent and 32 percent, respectively (Figure 4.3).

**Remittance costs.** The average cost of sending \$200 to Europe and Central Asia fell slightly to 6.6 percent in the third quarter of 2018 from 6.8 percent in the previous quarter. Excluding Russia, the average cost also fell from 7.4 percent to 7.2 percent for the same period. Russia remained among the lowest-cost senders of remittances worldwide, but the total cost of remitting from the country rose from 1.7 percent to 1.8 percent. The highest-cost sources of remittances to the region were Switzerland and Turkey (Figure 4.4).

**Migration trends.** In 2016–17, foreign citizens received about 1.7–1.8 million work permits and patents (per year) in Russia and more than 250,000 immigrants received Russian citizenship per year. In total, almost 9 million migrants have been granted Russian citizenship since 1992.<sup>28</sup> Nearly 4 million Ukrainians, or up to 16 percent of the working-age population, are labor migrants, according to the Center for Economic Strategy.<sup>29</sup> Russia remains an important destination for Ukrainian migrants, but recent migration flows have shifted towards EU member states, especially Central and Eastern European countries including Poland and the Czech Republic. It is estimated that more than 1 million Ukrainians migrated from Ukraine in 2015 through 2017.<sup>30</sup>

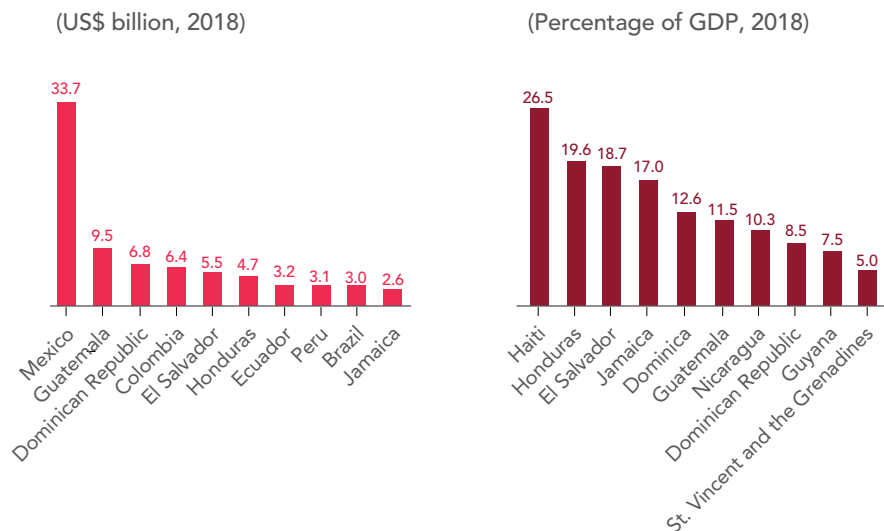
### 4.3. Remittances to Latin America and the Caribbean Continued to Rise

**Remittance trends.** Remittance flows into Latin America and the Caribbean increased by an estimated 9.3 percent in 2018, reaching \$87 billion and continuing the upward trend of the last five years.

The strong growth in 2018 was driven mainly by the good performance of the U.S. economy, where the majority of the region's migrants reside. Fundamentals also improved in Spain, the second-largest host of migrants from the region. Mexico, the region's largest recipient of remittances, accounting for about 40 percent of the regional total, is projected to post record remittances estimated at \$34 billion in 2018 – about 10 percent more than the previous year (Figure 4.5). Several other Latin American countries are expected to have high growth rates, including Colombia, Guatemala, El Salvador, and Honduras, reflecting strong outbound remittances from the United States and, to some extent, Spain.<sup>31</sup>

**Remittance costs.** The average cost of sending money to Latin America and the Caribbean was 5.9 percent in 2018 Q3, up slightly from the 5.7 percent recorded in the same period a year ago, according to the Remittance Prices Worldwide (RPW) data. The region continues to have the second-lowest average remittance costs among low- and middle-income regions, following South Asia. The average cost of sending money from the United States, where the majority of migrants from Latin America and the Caribbean reside, was 5.4 percent in 2018 Q3, significantly below the

**FIGURE 4.5.** Remittance Inflows to Latin America and the Caribbean Remained Strong in 2018



Sources: IMF; World Development Indicators; World Bank staff estimates.  
 Note: GDP = gross domestic product.

**FIGURE 4.6.** Cost of Sending Money to Latin America and the Caribbean Remained Relatively Low



Source: World Bank staff estimates using the Remittance Prices Worldwide Database.

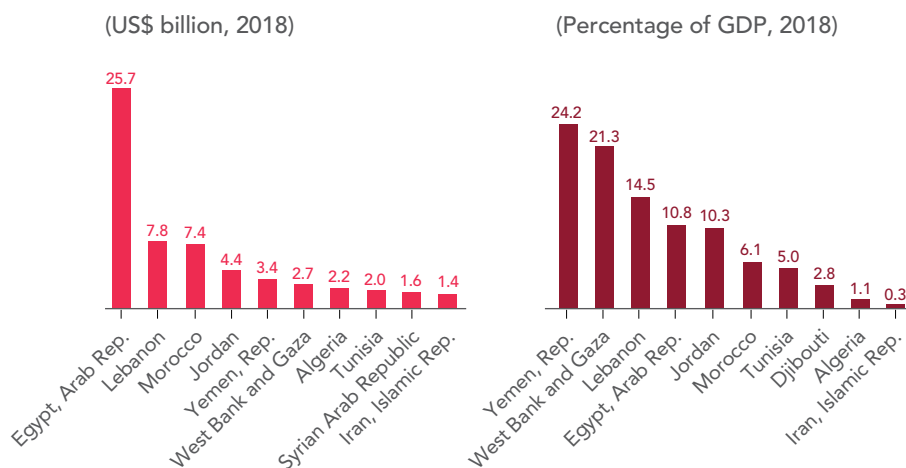
global average of 6.9 percent. The cost of sending money to the region has declined over the past few years due to a combination of high volumes, increased market competition, new technologies, and market pricing transparency.

**Migration trends.** According to the UNHCR, as of September 2018, there were 2.6 million Venezuelans living abroad.<sup>32</sup> About 1.9 million left the country since 2015, of which 1.8 million are in South American countries. Peru has received the largest number of asylum applications (150,274), followed by the United States (72,722) and Brazil (65,846). These large movements are placing significant pressures on the institutions, service provision systems, labor markets, and host communities of the receiving areas. In response, several countries have increased immigration controls.<sup>33</sup> Mexico, for long an origin country of migrants, has become a country of transit and destination for immigrants from Honduras, Guatemala, El Salvador, and Nicaragua.<sup>34</sup> Costa Rica has also become a country of transit and destination in the region, in response to developments in Nicaragua.

#### 4.4. Remittances to the Middle East and North Africa Remained Robust in 2018

**Remittance trends.** Remittances to the Middle East and North Africa region are projected to grow by about 9.1 percent in 2018, following 6 percent growth in 2017. The high growth rate is driven by Egypt's projected rapid remittance growth of 14 percent.<sup>35</sup> In contrast, remittances to Jordan are projected to decline by 1 percent in 2018. Remittances to Lebanon are set to grow at a moderate pace of around 4 percent. Improved economic growth in Europe is likely to boost remittances to the Maghreb in 2018 (Morocco by 8.1 percent, Tunisia by 7.2 percent). Beyond

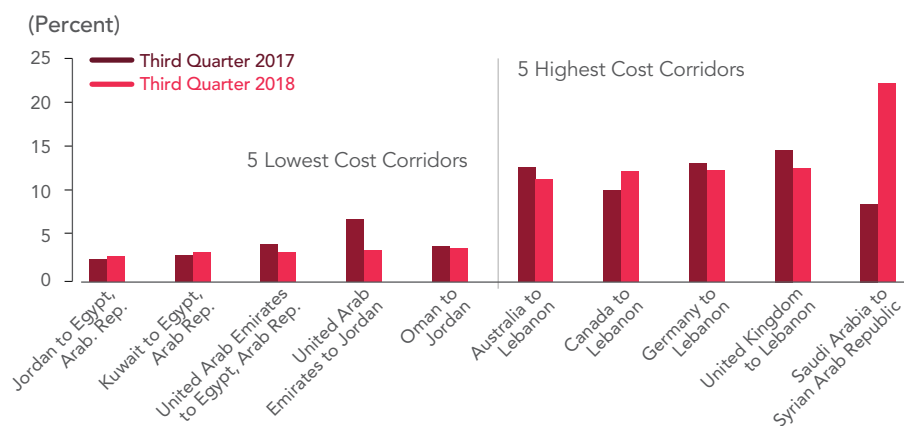
**FIGURE 4.7.** Remittance Inflows to the Middle East and North Africa Grew Rapidly in 2018



Sources: IMF; World Development Indicators; World Bank staff estimates. Estimates for Syria and Yemen based on latest available data.

Note: GDP = gross domestic product.

**FIGURE 4.8.** Sending Money within the Middle East and North Africa Is Less Expensive than Sending Money from Outside



Source: World Bank staff estimates using the Remittance Prices Worldwide Database.

2018, the growth of remittances to the Middle East and North Africa region is expected to continue, albeit at a slower pace of around 3 percent due to lower oil prices and moderating growth in the GCC countries.

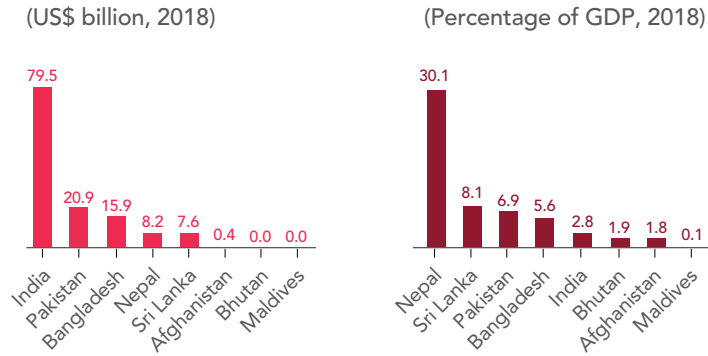
**Remittance costs.** The cost of sending \$200 to the Middle East and North Africa region declined slightly in the third quarter of 2018, to 7 percent, from 7.4 percent in the same quarter of the previous year. This is still a little higher than the global average, which declined to 6.9 percent in the same quarter. Costs vary greatly across corridors: the cost of sending money from high-income OECD countries to Lebanon continues to be in the double digits. On the other hand, sending money from GCC countries to Egypt and Jordan costs below 5 percent in some corridors.

**Migration trends.** While the large stock of labor migrants to high-income GCC countries (25.2 million in 2017) attracts much attention, migration to LMICs in the Middle East overall is characterized by mixed stocks of labor migrants as well as those under humanitarian protection.<sup>36</sup> Irregular migration from North Africa to Europe has seen a shift from the Central to the Western Mediterranean route.<sup>37</sup>

#### 4.5. Remittances to South Asia Grew in 2018

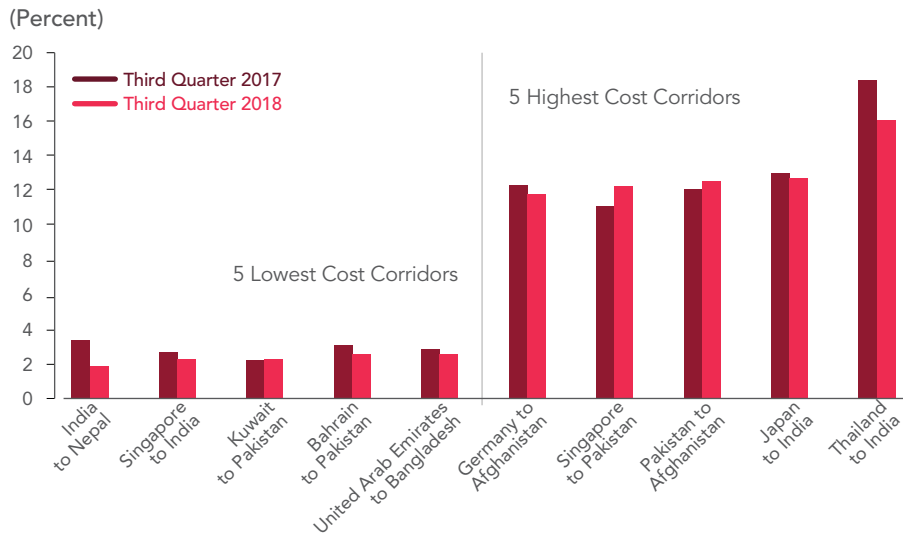
Remittances to South Asia are projected to increase by 13.5 percent in 2018, a faster pace than the 5.7 percent growth seen in 2017. The upsurge is driven by stronger economic conditions in high-income economies (particularly the United States) and an increase in oil prices up to October 2018, which had a positive impact on remittance outflows from some GCC countries (such as the United Arab Emirates, which reported 13 percent growth in outflows in the first half of 2018). In India, remittances are projected to grow by 15.2 percent in 2018 to \$79.5 billion.<sup>38</sup> A flooding disaster in the southern Indian state of Kerala is likely to have boosted remittances, as migrants sent financial help to families back home. In Pakistan, remittance growth is projected to remain moderate in 2018 (6.2 percent) due to significant declines in inflows from Saudi Arabia (the

**FIGURE 4.9.** Remittance Inflows to South Asia Grew in 2018



Sources: IMF; World Development Indicators; World Bank staff estimates.  
Note: GDP = gross domestic product.

**FIGURE 4.10.** The Costs of Sending Remittances to South Asia Varied Widely across Corridors



Source: World Bank staff estimates using the Remittance Prices Worldwide Database.

largest remittance source). In Bangladesh, remittances are showing a brisk uptick in 2018 (17.9 percent), and Sri Lanka is likely to witness remittance growth of 5.4 percent in 2018. For 2019, it is projected that remittances to the region will slow to 4.3 percent due to a moderation of growth in high-income economies and slower migration to the GCC countries.

**Remittance costs.** South Asia had the lowest average remittance costs of any world region (at 5.4 percent) in the third quarter of 2018. But this is somewhat higher than the 5.2 percent costs seen in the previous quarter and a reversal of the steady declines seen since the second quarter of 2017. Clearly there is no room for complacency in attempts to achieve the SDGs' targets for reducing remittance costs.

Some of the lowest-cost corridors, originating in the GCC and Singapore, had costs below the SDG target of 3 percent owing to high volumes, competitive markets, and deployment of technology. But costs are well over 10 percent in the highest-cost corridors due to lower competition and regulatory concerns. Banking regulations (related to AML/CFT) raise the risk profile of remittance service providers and thereby increase costs for countries such as Afghanistan.

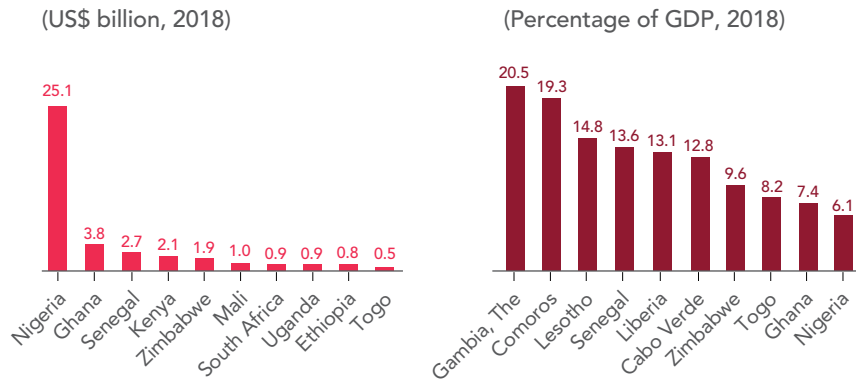
**Migration trends.** The region saw a fall in migrant worker deployments due to lower demand from the GCC, especially Saudi Arabia. In India, the number of low-skilled emigrants seeking mandatory clearance for emigration dropped by 12 percent in the first three quarters of 2018 (0.25 million) compared with the same period in 2017 (0.29 million).<sup>39</sup> In Pakistan also, the number of workers registered for overseas employment dropped by 41 percent (0.83 million in 2016 to 0.5 million in 2017).<sup>40</sup> The pace of migrant worker deployments from Bangladesh for the first three quarters of 2018 slowed by 25 percent (0.55 million, compared with 0.73 million in the same period in the previous year).<sup>41</sup> In Nepal, migrant labor permits dropped from 0.40 million in FY 2015/16 to 0.38 million in FY 2016/17.<sup>42</sup>

## 4.6. Remittances to Sub-Saharan Africa Continued to Accelerate in 2018

**Remittance trends.** Remittances to Sub-Saharan Africa are estimated to grow by 9.8 percent from \$41 billion in 2017 to \$45 billion in 2018. Projections indicate that remittances to the region will keep increasing, but at a lower rate, to \$47 billion by 2019. The upward trend observed since 2016 is explained by strong economic conditions in the high-income economies where many Sub-Saharan African migrants earn their income. Nigeria, the largest remittance recipient country in Sub-Saharan Africa and the sixth largest among LMICs, is expected to receive more than \$25 billion in official remittances by the end of 2018, an increase of more than \$3 billion compared with the previous year.<sup>43</sup> Looking at remittances as a share of GDP, the Gambia has the largest share, followed by Comoros, Lesotho, Senegal, Liberia, Cabo Verde, Zimbabwe, Togo, Ghana, and Nigeria.

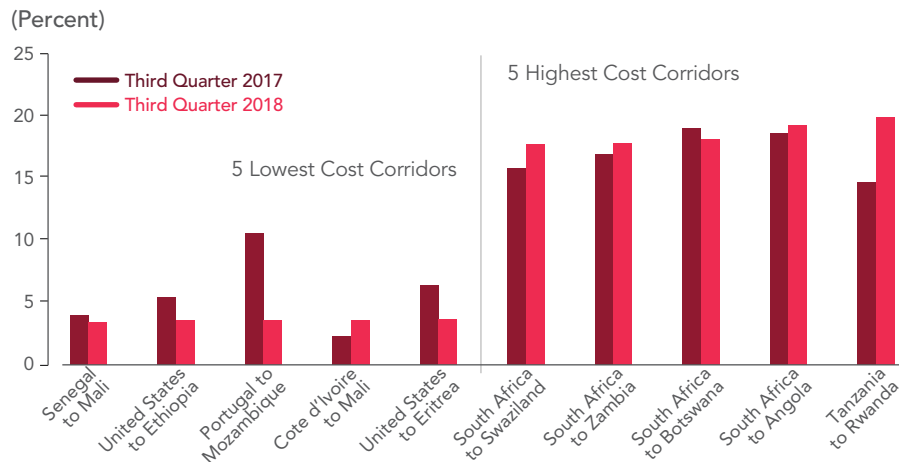
**Remittance costs.** The average cost of sending \$200 to the Sub-Saharan Africa region slightly decreased, averaging 9 percent in 2018 Q3, the lowest cost ever registered in the region. A declining trend has been observed in remittance costs in the region since the beginning of 2018, but this average remains far above the global average of 6.9 percent and the SDG target of 3 percent by 2030. But the regional average hides country-level variations. For instance, for the cheapest corridors it cost on average 3.7 percent to send money in 2018 Q3, an amount close to

**FIGURE 4.11.** Remittance Inflows to Sub-Saharan Africa Rose in 2018, Led by Nigeria



Sources: IMF; World Development Indicators; World Bank staff estimates.  
Note: GDP = gross domestic product.

**FIGURE 4.12.** Five Most and Least Expensive Remittance Corridors in Sub-Saharan Africa



Source: World Bank staff estimates using the Remittance Prices Worldwide Database.

the SDG 3 percent target (Figure 4.12). On the other hand, for the five most expensive corridors, the average cost was 18.7 percent, three times higher than the global average and six times higher than the SDG target. This indicates that efforts are needed to address high intra-regional transaction costs in the remittance-transmission industry.

**Migration trends.** Nigeria accounted for about 1.9 million IDPs according to the IOM as of August 2018.<sup>44</sup> About 360,000 people were forcibly displaced in Cameroon, with 93 percent due to conflicts. According to the UNHCR, the Central African Republic registered about 687,000 IDPs and 582,000 refugees, who are mainly in Cameroon, the Democratic Republic of Congo, Chad, and the Republic of Congo.<sup>45</sup>





## References

- GAO (U.S. Government Accountability Office). 2018. "Bank Secrecy Act: Further Actions Needed to Address Domestic and International Derisking Concerns." GAO, June 26. <https://www.gao.gov/assets/700/692811.pdf>.
- IMF (International Monetary Fund). 2018. *World Economic Outlook. October 2018*. Washington, DC: IMF.
- Lopez, Gustavo, Kristen Bialik, and Jynnah Radford. 2018. "Key Findings about U.S. Immigrants." Fact Tank, Pew Research Center, November 30.
- MMC (Mixed Migration Centre). 2018. "Monthly Trends Analysis." MMC Middle East & Eastern Mediterranean, July 2018. <http://www.mixedmigration.org/wp-content/uploads/2018/08/MTA-me-1807.pdf>.
- OECD (Organisation for Economic Co-operation and Development). 2018. *International Migration Outlook 2018*. Paris: OECD.
- Ratha, Dilip. 2018. "A Proposed Systematic Review Framework for the Global Compact on Migration." People Move (Blog), World Bank, October 14.
- UNDESA (United Nations Department of Economic and Social Affairs). 2017. *International Migration Report 2017*. New York: UNDESA.
- UNHCR (United Nations High Commissioner for Refugees). 2017. "Global Trends: Forced Displacement in 2017." UNHCR, Geneva. <http://www.unhcr.org/globaltrends2017/>.
- World Bank. 2017. "Migration and Development Brief 28." World Bank, Washington, DC, October.
- . 2018a. "Migration and Development Brief 29." World Bank, Washington, DC, April.
- . 2018b. *Global Economic Prospects, June 2018*. Washington, DC: World Bank.
- . 2018c. "Remittance Prices Worldwide." Issue 27, World Bank, Washington, DC, September. <https://remittanceprices.worldbank.org/en>.



## Endnotes

1. <https://www.arabianbusiness.com/banking-finance/404662-expat-remittances-from-uae-increase-13-to-2396bn>.
2. The methodology used here to forecast remittance flows – a process that is largely dependent on the global economic outlook – is outlined elsewhere (see World Bank 2017, appendix A).
3. According to the U.S. Government Accountability Office (GAO 2018), “derisking is the practice of depository institutions limiting certain services or ending their relationships with customers to, among other things, avoid perceived regulatory concerns about facilitating money laundering or other criminal activity such as financing to terrorist groups.”
4. These fines are not specific to the remittance business, but have impacted services offered to money transfer operators including reduction in a number of corresponding banks. <https://www.finextra.com/blogposting/16039/assessing-the-impact-of-global-aml-amp-sanctions-fines>.
5. <https://www.thenational.ae/business/economy/uae-approves-anti-money-laundering-law-to-combat-terrorism-financing-1.785975>; <https://www.euronews.com/2018/11/08/eu-urges-malta-luxembourg-to-fully-comply-with-anti-money-laundering-rules>.
6. GAO’s February 2018 report on access to banking services along the southwest border (GAO-18-263).
7. March 2018 report on the effects of de-risking on remittance flows to fragile countries (GAO-18-313).
8. Money transmitters retaining access to bank accounts were charged a monthly banking fee for compliance-related costs. This fee ranged from a hundred to several thousand dollars a month.
9. According to the FATF, “these changes add to the Glossary new definitions of ‘virtual assets’ and ‘virtual asset service providers’—such as exchanges, certain types of wallet providers, and providers of financial services for Initial Coin Offerings (ICOs).” <http://www.fatf-gafi.org/publications/fatfrecommendations/documents/regulation-virtual-assets.html>.
10. ICOs are generally using cryptocurrencies to fund projects without individuals engaged in the project having to incorporate and raise funds from professional venture capitalists or deal with the onerous regulatory requirements typically associated with IPOs.
11. <http://www.mas.gov.sg/~media/ProjectUbin/Cross%20Border%20Interbank%20Payments%20and%20Settlements.pdf>.
12. [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/492972/gs-16-1-distributed-ledger-technology.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/492972/gs-16-1-distributed-ledger-technology.pdf).
13. The Malaysian government postponed hiring Bangladeshi workers from September 2018, claiming the system was abused by a cartel of 10 recruitment agencies in Bangladesh who charged workers nearly 10 times the allowable recruitment fees of TK 40,000 (approximately \$471).
14. Both organizations are joint custodians of the indicator, and KNOMAD has worked with the ILO in gathering primary data in addition to developing a methodology and guidelines to help national statistical offices collect recruitment cost data. Definition of each SDG Tier:
  - Tier 1: Indicator is conceptually clear, has an internationally established methodology and standards are available, and data are regularly produced by countries for at least 50 per cent of countries and of the population in every region where the indicator is relevant.
  - Tier 2: Indicator is conceptually clear, has an internationally established methodology and standards are available, but data are not regularly produced by countries.
  - Tier 3: No internationally established methodology or standards are yet available for the indicator, but methodology/standards are being (or will be) developed or tested.
15. [https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms\\_652001.pdf](https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_652001.pdf)
16. As of end-2017, the top host countries for refugees included Turkey (3.5 million), Pakistan (1.4 million), Uganda (1.4 million), Lebanon (1 million), and Iran (1 million). The top refugee origin countries were Syria (6.3 million), Afghanistan (2.6 million), South Sudan (2.4 million), Somalia (1 million), and Sudan (0.7 million) (UNHCR 2017).

17. Within the first five months of 2018, about 40 percent of Sub-Saharan African migrants transiting through Libya were sent back. <https://www.theguardian.com/world/2017/aug/11/number-of-migrants-arriving-in-italy-from-libya-falls-by-half-in-july>.
18. According to the European Commission, the acceptance rate for asylum applications during the second quarter of 2018 was 37 percent. This represents a considerable tightening of acceptance rates compared to the acceptance rate of 46 percent for 2017. [https://ec.europa.eu/eurostat/statistics-explained/index.php/Asylum\\_quarterly\\_report#Main\\_trends\\_in\\_the\\_numbers\\_of\\_asylum\\_applicants](https://ec.europa.eu/eurostat/statistics-explained/index.php/Asylum_quarterly_report#Main_trends_in_the_numbers_of_asylum_applicants). [https://ec.europa.eu/eurostat/statistics-explained/index.php/Asylum\\_statistics](https://ec.europa.eu/eurostat/statistics-explained/index.php/Asylum_statistics).
19. For 2017, arrests and apprehensions by Immigration and Customs Enforcement (ICE) and Customs and Border Protection (CBP) totalled around 450,000 while removals were 226,000. <https://www.ice.gov/sites/default/files/documents/Report/2017/iceEndOfYearFY2017.pdf>
20. <http://gulfmigration.org/saudi-arabia-deportations-from-saudi-arabia-by-month-march-2011-august-2018/>.
21. [https://refugeemigrants.un.org/sites/default/files/180713\\_agreed\\_outcome\\_global\\_compact\\_for\\_migration.pdf](https://refugeemigrants.un.org/sites/default/files/180713_agreed_outcome_global_compact_for_migration.pdf).
22. The terms of reference of the UN Network of Migration are available at [http://www.un.org/en/conf/migration/assets/pdf/UN-Network-on-Migration\\_TOR.pdf](http://www.un.org/en/conf/migration/assets/pdf/UN-Network-on-Migration_TOR.pdf).
23. Flows from the Middle East constituted nearly 28 percent of total remittances in 2017. The drop can be partly attributed to the repatriation of overstaying Filipino workers under an amnesty program in the GCC.
24. Saudi Arabia is the largest source of remittances, followed closely by Malaysia, then Hong Kong SAR, China; Taiwan, China; and China. Together these constituted nearly 83 percent of total flows in 2017. In contrast to the Philippines, flows from the Middle East to Indonesia expanded by 36 percent in the first two quarters of 2018.
25. The government had ceased hiring Bangladeshi workers who were found to have paid excessive recruitment fees allegedly charged by a cartel. It also recently signed a memorandum of understanding with Nepal agreeing that employers, rather than the migrant workers themselves, will bear the full cost of hiring.
26. Remittances from Russia are mostly sent through unofficial channels amid Ukraine's ban on Russian money transfers.
27. According to the central bank, the change of the methods is linked to great changes in the character of labor migration and money transfer channels.
28. [https://www.unecp.org/fileadmin/DAM/stats/documents/ece/ces/ge.10/2018/mtg1/RUS\\_Chudinovskikh\\_ENG.pdf](https://www.unecp.org/fileadmin/DAM/stats/documents/ece/ces/ge.10/2018/mtg1/RUS_Chudinovskikh_ENG.pdf).
29. Ukraine's Ministry of Foreign Affairs has set the number of migrant workers even higher, at 5 million. The true figure is likely to be higher given the fact that Ukraine has not conducted a census since 2001.
30. Poland (507,000), Russia (343,000), Italy (147,000), the Czech Republic (122,000), the United States (23,000), and Belarus (22,000).
31. Guatemala received a record high of \$9.5 billion, with a 12.5 percent growth rate. Given their large size (equivalent to about 10 percent of GDP) and positive effect on household spending, remittances have a strong bearing on Guatemala's economic performance. Remittances are even more crucial for El Salvador (approximately 19 percent of GDP) and Honduras (about 20 percent of GDP), with 2018 remittance inflows rising by 9 percent and 8.7 percent, respectively. Other smaller regional economies like Nicaragua and Haiti registered strong remittance inflows last year with increases of approximately 7.6 percent and 6 percent, respectively.
32. <https://data2.unhcr.org/en/documents/download/66369>.
33. (<https://data2.unhcr.org/en/documents/download/64101>). (<https://www.eltiempo.com/mundo/venezuela/cuantos-refugiados-y-migrantes-venezolanos-hay-en-el-mundo-291664>).
34. According to a recent Dialogue report, "Costa Rica is quoted to have received over 30,000 refugee relief requests from Nicaraguans in 2018." In response to 7,000 people from Central America travelling in an organized "caravan" to attempt crossing the U.S. border, the U.S. government issued a Presidential Proclamation on November 9, 2018. The proclamation suspends and limits entry of any migrant into the United States across the U.S.-Mexico border for 90 days. <https://www.thedia-logue.org/wp-content/uploads/2018/11/Nicaragua-2018-migration-profile-1.pdf>.
35. This could be attributed to improved economic growth in the country. Also, the floating of its currency in November 2016 caused exchange rate expectations to become more stable, and the official exchange rate converged with that of the informal market, boosting remittances.
36. Jordan was host to over 3.2 million foreign nationals (including those under international protection) in 2017. The corresponding figures were 2.7 million for Iran and 1.9 million for Lebanon. Of these, 2018 estimates indicate 1.2 million people are under international protection in Lebanon, over 1 million in Iran, and 0.77 million in Jordan (MMC 2018)
37. <https://data2.unhcr.org/en/situations/mediterranean/location/5205>.

38. Among policy efforts to increase remittance inflows, an interesting example is the Pakistan Remittances Initiative, whereby banks bringing in remittances are given tax credits for waiving the remittance fees otherwise charged to customers. This incentive is to encourage more flows through banking channels, away from *hawala* channels.
39. [http://www.mea.gov.in/Uploads/PublicationDocs/29788\\_MEA-AR-2017-18-03-02-2018.pdf](http://www.mea.gov.in/Uploads/PublicationDocs/29788_MEA-AR-2017-18-03-02-2018.pdf).
40. <https://beoe.gov.pk/reports-and-statistics>.
41. <http://www.old.bmet.gov.bd/BMET/statisticalDataAction>.
42. Labor Migration for Employment: A Status Report for Nepal: 2015/2016–2016/2017. Ministry of Labor and Employment.
43. Ghana (\$3.8 billion in 2018, \$4 billion in 2019), Senegal (\$2.62 billion in 2018), and Kenya (\$2 billion in 2018) are also projected to have growth in remittances. Projections for Zimbabwe, the fifth-largest recipient in the region, remain flat since 2016 at about \$1.89 billion.
44. About 94 percent of these displacements are due to the ongoing conflict in northeast Nigeria while 6 percent are due to communal clashes. <https://displacement.iom.int/reports/nigeria-%E2%80%94-displacement-report-24-august-2018>.
45. The Democratic Republic of Congo (DRC) hosted about 536,000 refugees from other African countries but there are over 811,000 refugees from the Democratic Republic of Congo hosted in other African countries and an estimated 4.5 million IDPs displaced within the country. By mid-August 2018, there were 2.5 million South Sudanese refugees and asylum seekers mostly in Uganda, Sudan, Ethiopia, Kenya, and the Democratic Republic of Congo. South Sudan IDPs are estimated at more than 843,000. At end-September 2018, over 384,000 refugees from Burundi were located in Tanzania, Rwanda, the Democratic Republic of Congo, and Uganda. <http://www.unhcr.org/en-us/central-african-republic-situation.html>.





WORLD BANK GROUP



KNOMAD