



Migration and Remittances Sustainable Development Targets

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The Future for Remittances

- Organic annual growth rate 7-8%
- South-South remittances and South-North remittances to grow
- Remittance fees to fall, but FX margins to remain
- New technologies applied – internet, mobile phone, bitcoin

Sustainable Development Goals

GOAL

10.c By 2030, reduce to less than 3 per cent the transaction costs of migrant remittances and eliminate remittance corridors with costs higher than 5 per cent

INDICATOR

10.c. 1 Remittance costs as percentage of the amount received

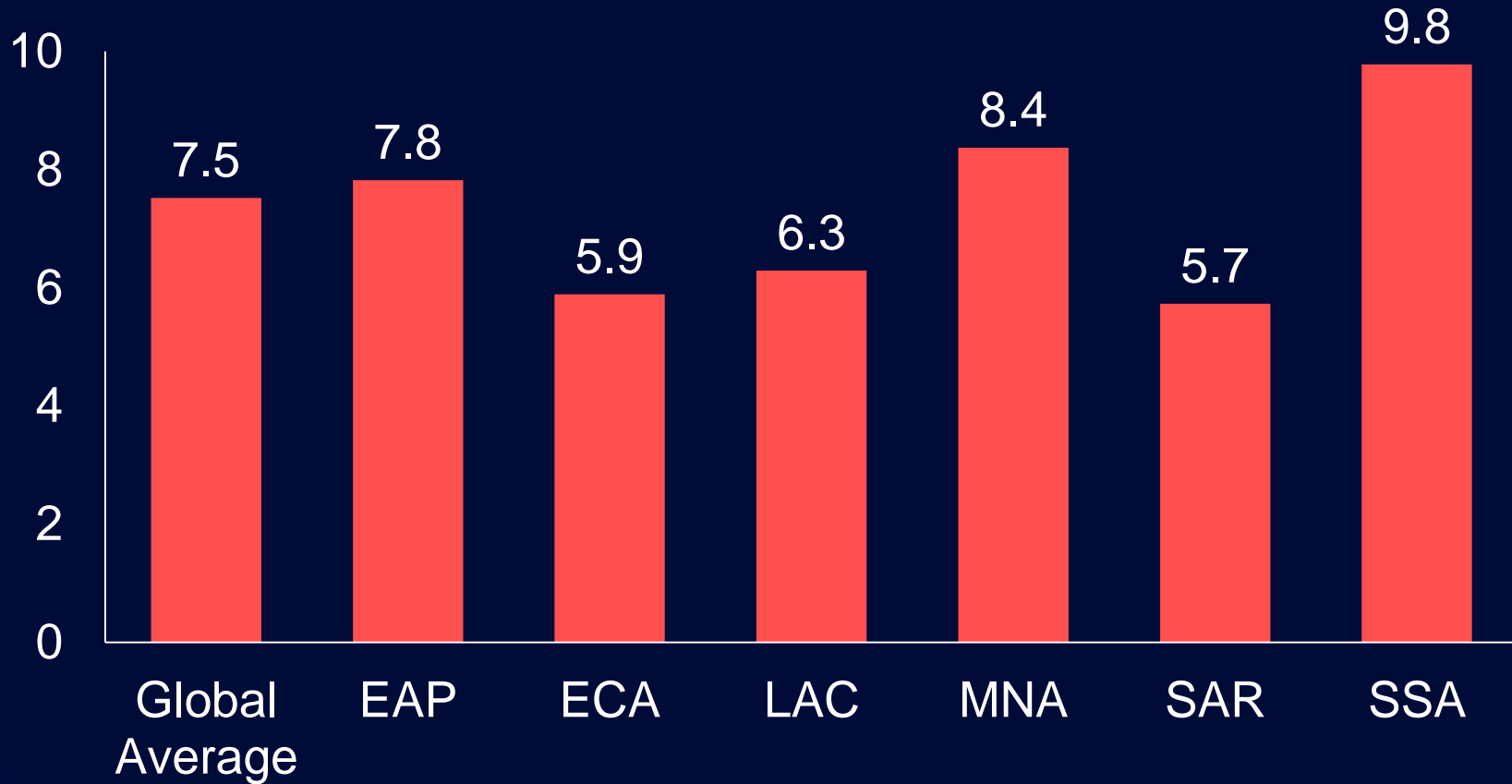
Financing for Development - AAAA

- Remittances cannot be equated to ODA
- Ensure adequate financial services for migrants
- Reduce cost of remittances by 2030 to less than 3%; no remittance corridor charges higher than 5%
- Address obstacles such as banks withdrawing services
- Remove obstacles to non-bank RSPs accessing payment system infrastructure
- Cheaper, faster and safer remittances through competitive, transparent market conditions
- Exploit new technologies, promote financial literacy and inclusion, and improve data collection

Reduce remittance cost



The average cost of sending \$200 is highest in Sub-Saharan Africa (Q3 2015)



Source: Remittance Prices Worldwide, the World Bank

What tools exist? What will the governments need to do

- Global Remittances Working Group
- Remittance Prices Worldwide: covering 300 corridors (35 remittance sending countries, 99 receiving countries)
- Improve collection of remittance costs in South-South corridors
- Adoption of BPM6 to improve corridor specific data on remittance flows

Smart Remitter Target

Major policy changes

- De-risking by commercial banks and closure of bank accounts of money transmitters
- Exclusivity contracts
- Lifting fees by banks
- Taxes

Sustainable Development Goals

10.7 Facilitate orderly, safe, regular and responsible migration and mobility of people, including through the implementation of planned and well-managed migration policies

INDICATOR

10.7. 1 Recruitment cost borne by employee as a percentage of yearly income earned in country of destination



Recruitment fees
\$4,000

Income per year
\$2,000

Reduce recruitment costs

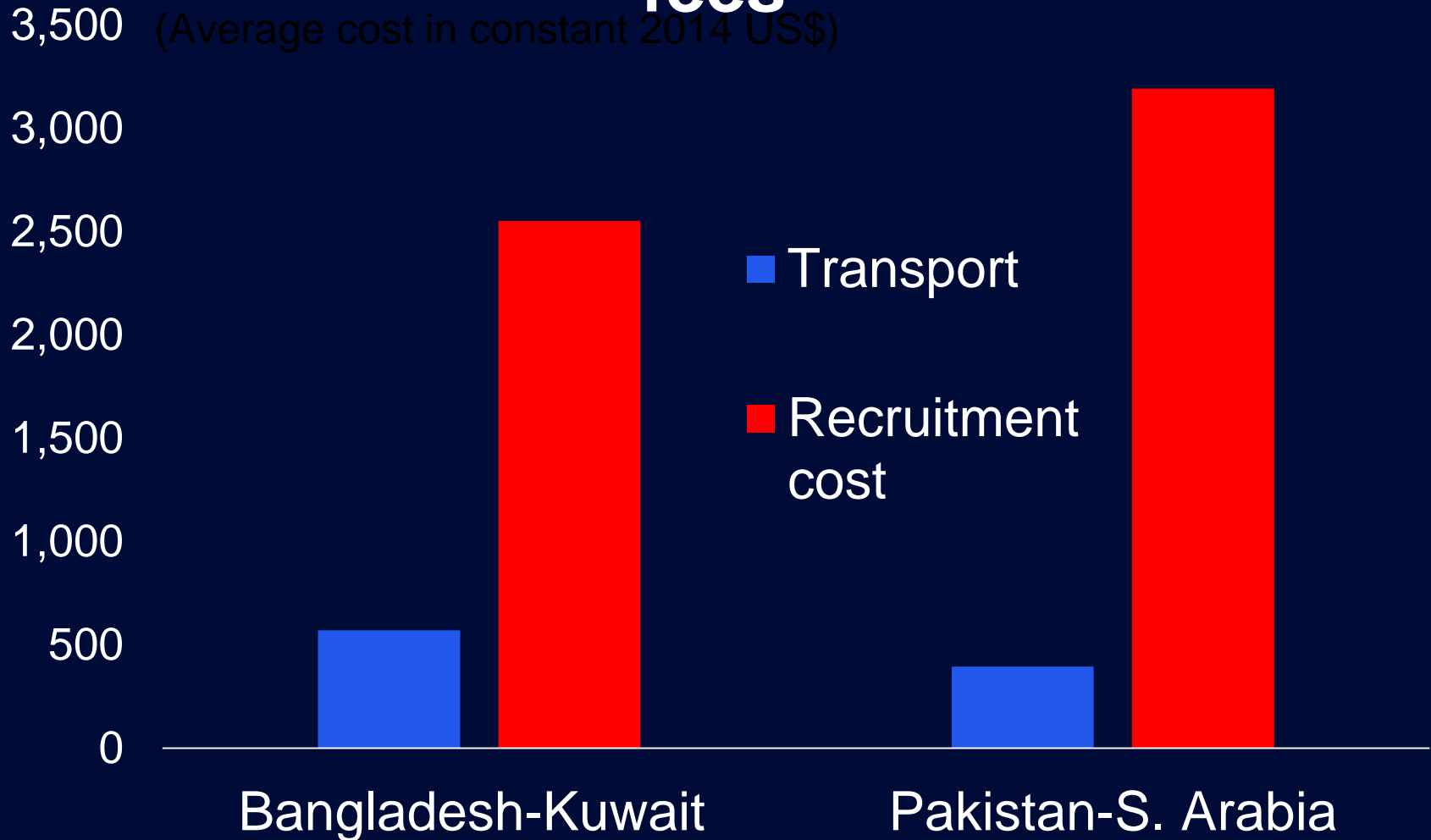


Wage in destination - a mechanism to reduce recruitment costs

Origin	Destination	Recruitment costs (US\$)	Earnings in destination (US\$)	Costs in months of earnings	Prior monthly earnings in origin country (US\$)
Indonesia	Korea	1,506	1,394	1	219
India	Kuwait	1,248	494	3	192
Ecuador	Spain	1,046	1,300	1	132
Pakistan	UAE	2,148	387	6	140

Source: KNMOAD

Bangladesh/ Pakistan – high recruitment fees



Source: KNMOAD

Monitor and regulate the recruitment process



What tools exist? What will the governments need to do

- Needed bilateral recruitment cost data by corridor
- KNOMAD pilot surveys by ILO/World Bank need to be scaled up and implemented in top migrant worker corridors, with regular frequency, similar to remittance price database

Thank you!

www.worldbank.org/migration

www.knomad.org

