



The importance of family remittances for development

GMG Message

In calling attention to the importance of financial remittances, one of the most striking aspects is their sheer value – projected to have exceeded USD 600 billion in 2015, mostly flowing directly to households. Of this amount, over USD 440 billion was directed towards developing countries, by far dwarfing the amounts those countries received as official development assistance (ODA).

Remittances are private funds, which contribute to the improvement in food security, education, health, well-being and housing of migrants and their families. Paragraph 25 of the 2016 UN Secretary General’s Report “In Safety and Dignity: Addressing Large Movements of Refugees and Migrants”¹ affirms that migration and development are inextricably linked and that migrant remittances alleviate poverty and provide access to education, health care and other opportunities.

Remittances make a crucial impact on savings, investment and job creation. They are an important safety net in ever-changing socio-economic times, reducing household vulnerability to external shocks. At the macro-economic level, remittances can contribute to improving creditworthiness and access to capital, increasing the level and stability of foreign exchange receipts, and the stock of international reserves.

Social remittances associated with migration are of rising significance in an increasingly connected world — ideas, experiences, know-how and social capital

¹ Report (A/70/59) published on 9 May 2016 in preparation for the High-level Plenary Meeting of the General Assembly on Addressing Large Movements of Refugees and Migrants which will take place on 19 September 2016 in New York.

acquired by migrants that enrich families and communities in countries of origin and destination.

The GMG fosters a people-centered, inclusive, human rights-based and gender-sensitive approach to migration in the context of sustainable development. In this regard we call attention to Paragraph 40 of the Addis Ababa Action Agenda (A/RES/69/313) which acknowledges the positive contribution of migrants for inclusive growth and sustainable development and underscores the importance of remittances from migrant workers, half of whom are women, to their families.

Remittances constitute the main way in which migrants contribute to sustainable development in their place of origin. Therefore, the GMG highlights the importance of reducing the transaction costs of remittances, particularly by fulfilling the following concrete commitments in the 2030 Agenda for Sustainable Development and the Addis Ababa Action Agenda:

- Reduce to less than 3 per cent the transaction costs of migrant remittances and eliminate remittance corridors with costs higher than 5 per cent (SDG 10.c);
- Lower the costs of recruitment for migrants and combat unscrupulous recruiters (AAAA para 111 , and SDG 10.7.1);
- Ensure that adequate and affordable financial services are available to migrant men and women as well as their families in host countries (AAAA para 40, SDG targets 1.4, 2.3, 5.a, 8.3, and 8.10); and
- Promote financial literacy and inclusion (AAAA para 40, 2030 Agenda para 27).

The GMG is deeply committed to generating evidence on and advocating for the essential role that migrants, migration and remittances play in sustainable development.