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Remittances, Growth, and Stability: An Empirical Analysis of Bangladesh's Economy

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Abstract

Remittance inflows have become one of the most significant drivers of economic growth in Bangladesh, serving as a vital source of foreign exchange earnings, poverty reduction, and household welfare improvement. This study examines the contribution of remittances to Bangladesh's economic growth by analyzing their direct and indirect impacts on macroeconomic stability, investment, and consumption. Using time-series data from national and international sources, the study explores the dynamic relationship between remittance inflows and GDP growth through econometric techniques. Findings suggest that remittances positively influence economic growth by enhancing household income, stimulating demand, and facilitating investment in education, healthcare, and small businesses. Additionally, remittances act as a cushion against external shocks, contributing to financial stability and reducing dependency on external borrowing. However, the study also highlights challenges such as the potential for inflationary pressure, reduced labor force participation in domestic markets, and the need for productive channeling of remitted funds. The results underscore the importance of effective policy frameworks to maximize the developmental benefits of remittances. Strengthening financial institutions, promoting skill-based migration, and encouraging investment-oriented use of remittances are essential strategies for sustaining economic growth in Bangladesh.

Keywords: International migration; Remittances; Economic development; Labor mobility; Bangladesh economy; Diaspora finance.

JEL Classification: F24, O11, O47, E22, E32

1. Introduction and Background

Bangladesh is one of the world's leading labor-exporting countries, characterized by its extensive diaspora, substantial remittance inflows, and economic dependence on overseas employment (Saha, 2025; Akter et al., 2024; Shoron et al., 2025). The migration-

remittance nexus has influenced the country's macroeconomic stability, rural livelihoods, and development path over recent decades (Akhi et al., 2024). Despite changes in destination countries, domestic policies, and global demand for low-skilled

labor, migration remains central to Bangladesh's economic strategy and household resilience. This study critically examines the dynamics of labor migration, remittance patterns, and their intersections with structural transformation, financial flows, and policy frameworks in Bangladesh.

Remittances have become a critical macroeconomic pillar for Bangladesh. Official inflows reached approximately USD 23–24 billion in FY 2023–24, accounting for 5–6.5% of GDP and a major share of foreign exchange reserves (Saha & Saha, 2023). During global shocks like the COVID-19 pandemic or geopolitical disruptions, remittances have offered vital buffers, sustaining consumption, stabilizing exchange rates, and offsetting declines in exports or foreign aid. In rural areas, they enhance food security, health access, and entrepreneurship by supporting investments in agriculture, microenterprises, and education (Saha & Hasan, 2013).

Structurally, remittances intersect with Bangladesh's transformative processes, including human capital accumulation, financial inclusion, savings mobilization, and progression toward middle-income status (Lubna & Saha, 2024). However, their developmental potential is underutilized, as much is directed toward immediate consumption or debt repayment rather than productive investment or long-term capital formation. Bangladesh's high remittance transfer costs—estimated at 9–10% in 2024—exceed those in other South Asian countries (2.8–5.1%) and the global average (~6.5%), resulting in billions in lost earnings for migrants and reduced macroeconomic benefits.

Remittance inflows have emerged as one of the strongest pillars of Bangladesh's economy, contributing significantly to growth, stability, and poverty reduction. As a labor-exporting country with millions of workers in the Middle East, Southeast Asia, Europe, and North America, Bangladesh has become heavily reliant on these financial transfers. In FY 2024–25, remittance earnings hit a record high of US \$30.32 billion, marking a 26.8 percent increase compared to the previous fiscal year. This surge not only reflects the resilience of migrant workers but also highlights the importance of remittances in stabilizing the country's balance of payments and strengthening its foreign exchange reserves, which rose above US \$31 billion by mid-2025 (en.bd-pratidin.com; dhakatribune.com; bssnews.net).

The macroeconomic significance of these flows is evident in their ability to cushion the economy against shocks. Monthly remittances have consistently exceeded US \$2 billion since 2024, with record inflows during festivals and seasonal peaks—such as US \$3.29 billion in March 2025 and US \$2.75 billion in April 2025 (images.thedailystar.net; tbsnews.net). Between July and February of FY 2025, remittances totaled US \$18.49 billion, reflecting a 23.8 percent year-on-year growth (dhakatribune.com). These flows have helped finance imports, ease pressure on the taka, and reduce reliance on foreign borrowing, thereby enhancing macroeconomic resilience.

Several policy and institutional reforms explain this sustained growth. The government introduced a 2.5 percent cash incentive for remittances sent through formal channels, which encouraged workers to avoid informal hundi networks. In addition, tighter exchange rate management and narrowing of the formal–informal spread made banking channels more attractive (bssnews.net; bangladeshinfocus.com). Financial innovations—such as agent banking and mobile money platforms—further expanded access,

especially for rural households, thereby strengthening the institutional backbone of remittance inflows (bssnews.net).

The developmental role of remittances goes beyond macro stability. At the household level, they raise disposable incomes, smooth consumption, and reduce poverty. Families often use remittances to fund education, healthcare, and housing, contributing to long-term improvements in human capital. In rural areas, remittances are also channeled into small businesses, agriculture, and informal trade, stimulating entrepreneurship and local economic activity. Historical accounts suggest that alongside microcredit, remittances contributed to the commercialization of rural economies by expanding networks of traders and moneylenders (reddit.com).

Academic research has consistently found a positive long-run association between remittances and Bangladesh's GDP growth. Empirical studies covering 1980–2022 confirm that remittances significantly drive economic growth through cointegration and causality channels (journal.mbstu.ac.bd). Other studies integrating remittances with foreign direct investment (FDI) and aid highlight their combined contribution to long-run growth, even though short-term effects may vary (arxiv.org). Furthermore, comparative analyses show that remittances helped Bangladesh withstand external debt crises better than countries like Sri Lanka, demonstrating their role as a safety net for financial stability (arxiv.org).

Despite these benefits, challenges remain. Economists caution that excessive dependence on remittances may pose risks such as inflationary pressures and “Dutch Disease” effects, where remittance-driven consumption discourages investment in export-oriented sectors (arxiv.org). Another concern is the limited productive use of remittances, as a large share is consumed rather than invested. Without policies to channel inflows into infrastructure, SMEs, or capital markets, the long-term developmental benefits of remittances may remain underutilized. Hence, the challenge lies not only in increasing remittance inflows but also in ensuring their effective and productive use.

Against this backdrop, this study investigates how remittance inflows contribute to the economic growth of Bangladesh, with a focus on both macroeconomic stability and developmental outcomes. By drawing on recent empirical evidence and policy experiences, the study aims to highlight opportunities for maximizing the benefits of remittances. It also identifies the policy gaps and risks that need to be addressed for sustaining growth. The findings are expected to provide fresh insights for policymakers, financial institutions, and development practitioners seeking to leverage remittances as engines of inclusive and sustainable growth.

This study aims to: (i) to examine the relationship between remittance inflows and economic growth in Bangladesh by analyzing both short-run and long-run effects using empirical data and econometric models. (ii) To assess the broader developmental impacts of remittances on household welfare, consumption, poverty reduction, and human capital formation in the Bangladeshi context and (iii) to identify policy challenges and opportunities in maximizing the productive use of remittances, ensuring that these inflows contribute not only to macroeconomic stability but also to sustainable and inclusive economic growth.

1.1 Research Questions and hypothesis of the study

Research Questions:

- ✓ What is the relationship between remittance inflows and the economic growth of Bangladesh in the short and long run?
- ✓ How do remittance inflows influence household welfare, poverty reduction, and human capital development in Bangladesh?
- ✓ To what extent do remittances contribute to macroeconomic stability (e.g., foreign reserves, exchange rate stability, and balance of payments) in Bangladesh?
- ✓ What are the major challenges in channeling remittances into productive sectors, and how can policy interventions enhance their contribution to sustainable growth?

Hypotheses

- ✓ H1: Remittance inflows have a positive and significant impact on the economic growth of Bangladesh in both the short and long run.
- ✓ H2: Remittances contribute to household welfare improvement by reducing poverty, increasing consumption, and fostering investment in education and health.
- ✓ H3: Remittance inflows strengthen macroeconomic stability by augmenting foreign exchange reserves and supporting the balance of payments.
- ✓ H4: Without proper policy measures, a large portion of remittances is spent on consumption rather than investment, limiting their long-term growth potential.

2. Literature review

Many studies affirm a robust positive relationship between remittance inflows and Bangladesh's economic growth. Partho Sarathi Laskar, Masud Rana, and Sanjoy Kumar Saha (2024) conducted a cointegration and VECM analysis using data spanning 1980–2022, discovering a strong long-term positive linkage between remittances and GDP, along with unidirectional Granger causality from remittances to GDP in the short run. Similarly, Farida Parveen et al. (2019) applied an ARDL model on data from 1976–2018, finding that a 1% increase in remittance earnings boosts GDP by 0.37%.

They conclude that remittances exert a significant positive impact on growth and advocate for policies to sustain the inflow through formal channels. Masuduzzaman (2013) further reinforced this with evidence of long-run positive cointegration between remittance inflows and GDP, using Johansen tests and VECM models over 1981–2013. Importantly, remittances were also found to significantly support financial development. On a broader regional canvas, a panel study of South Asian countries (1977–2016) uncovered a negative impact of remittances on economic growth in Bangladesh, Pakistan, and Sri Lanka, while showing a positive impact in India. This divergence underscores the importance of national institutional and structural contexts.

Lastly, a multifactor time-series study (1976–2021) explored the joint roles of FDI, remittances, and aid using VECM and introduced a novel "Foreign Capital Depthless Index (FCDI)". It found that while these variables positively influence long-run growth, they lack short-term causal effects.

Akter (2018) utilized a production function approach grounded in the Solow–Swan model to examine how remittances affect domestic labour productivity in Bangladesh. Through cointegration analysis over 1976–2014, the study demonstrated that remittances enhance labour productivity primarily via physical capital accumulation. Qubria's (1986) early macro-level investigation highlighted remittances' role in relieving foreign exchange constraints, improving the balance of payments, and boosting national savings—a foundation for growth.

Remittances are not always benign. Zakir Saadullah Khan and Shamimul Islam (2013) applied a VAR framework to analyze 1972–2010 data, finding that a 1% increase in remittances inflow leads to a 2.48% increase in inflation in the long run—though short-term effects were insignificant.

Similarly, Fazle Rabbi, Mamta Chowdhury, and Mohammad Hasan (2013) studied the "Dutch Disease" effect of remittances, noting that they appreciate the real exchange rate and dampen export competitiveness, thereby threatening external sector performance. They recommend trade diversification and channeling remittances toward priority investment areas to mitigate these adverse impacts.

Hazera-Tun Nessa (2021) investigated the differential impacts of remittances on income inequality, revealing an inverted U-shaped relationship in Bangladesh. In the short run, remittances exacerbate inequality; however, in the long run, a 1% increase in remittances reduces inequality by about 11%. The study employs ARDL and ECM frameworks and calls for promoting productive investment of remittances to magnify their positive effects.

Anupam Das and Murshed Chowdhury (2019) identified a critical nuance: not all remittances remain in productive domestic use. Utilizing ARDL analysis for data from 1976–2015, they estimated that 13–14% of remittances are diverted into "reverse flows" (e.g., debt service, capital flight, reserve accumulation), implying that only about 86–87% directly augment consumption and investment. This finding challenges the assumption that remittances are fully utilized for growth.

Beyond macro effects, remittances significantly influence household-level welfare. A study by Salahuddin et al. (2022) found that remittance receipts encourage households to save, via means such as bank deposits, pension schemes, and insurance—highlighting their role in fostering savings behavior.

On the frontier of social outcomes, a 2019 OLS-based study explored remittances' divergent effects: they increase health expenditure per capita substantially (by Tk 4,817.39), while surprisingly decreasing education spending per capita (by Tk 1,020.67), suggesting possibly counterintuitive allocation behaviors among beneficiary households.

Sunjida Wadud Upama (2023) presented a recent perspective on remittances in Bangladesh, finding a positive relationship with GDP, national savings, BOP improvement, employment, and lifestyle changes—especially for lower and middle-income households. She emphasizes the need for policies that ensure sustainable inflows, simplify migration, and channel remittances toward the productive sector for job creation and poverty reduction.

Likewise, Golam Mostafa and Abdul Wadud (2024) assessed remittances' contribution to socioeconomic development using data up to 2023. They reaffirmed the significant role of remittances

in macro and social domains and urged more nuanced, methodologically rigorous research to resolve conflicting findings and guide policy effectively.

A World Bank blog by Zahid Hussain quantified the broader economic multiplier of remittances in Bangladesh. It reported a short-run multiplier of 1.35 and a long-run multiplier of 2.07—meaning that a \$100 increment in remittances boosts aggregate demand by \$135 in the short run and \$207 in the long run. However, Bangladesh's multiplier remains the lowest in South Asia, emphasizing limited absorptive and productive capacity.

3. An illustration of Bangladesh's overseas migration and remittance

Remittance has become a cornerstone of Bangladesh's economy, both in terms of its sheer size and its role in driving macroeconomic stability and development. Over the last four decades, the country has emerged as one of the leading labor-exporting nations in South Asia. Millions of Bangladeshi workers, mainly employed in the Middle East, Southeast Asia, Europe, and North America, send back money to their families. These financial transfers, known as remittances, have consistently contributed to national income, poverty reduction, and foreign exchange reserves, making them a lifeline for the economy.

Bangladesh's remittance inflows have shown a remarkable upward trend. From less than US \$2 billion in the early 1990s, inflows reached over US \$30 billion in FY 2024–25, setting a new record. According to Bangladesh Bank, remittances grew by 26.8 percent compared to the previous fiscal year, boosting foreign exchange reserves above US \$31 billion by mid-2025. Monthly inflows consistently cross the US \$2 billion threshold, with peaks around religious festivals. For instance, in March 2025, Bangladesh recorded US \$3.29 billion, the highest monthly inflow in its history. These figures underscore the importance of overseas workers' contributions not only to household economies but also to the broader national economy.

Remittance inflows serve as a crucial cushion for Bangladesh's macroeconomic stability. They help finance essential imports such as fuel, food, and industrial raw materials while reducing reliance on external borrowing. By augmenting foreign reserves, remittances play a vital role in stabilizing the exchange rate of the Bangladeshi taka, which is critical for controlling inflation. In times of external shocks, such as the COVID-19 pandemic or global financial uncertainties, remittances proved to be a reliable and countercyclical source of foreign earnings. This stabilizing effect distinguishes remittances from other capital flows like foreign direct investment or portfolio investment, which tend to fluctuate with global market conditions.

At the micro level, remittances have transformative impacts on household welfare. Families receiving remittances often report higher standards of living compared to non-recipient households. These inflows are typically spent on food, housing, healthcare, and education. By reducing income inequality and poverty, remittances directly contribute to improving the Human Development Index (HDI) of Bangladesh. Studies suggest that remittance-receiving households have better access to education, which fosters long-term human capital development. Moreover, remittances help households smooth consumption, especially in times of economic uncertainty or natural disasters, making them an informal social safety net.

Beyond household consumption, remittances are increasingly being channeled into small-scale investments. Many rural families use part of the funds to start businesses in agriculture, retail, or transport, which creates employment opportunities and stimulates local economies. In addition, remittances often finance land purchases, home construction, and small enterprises. However, the productive use of remittances in Bangladesh remains limited compared to their potential. A large proportion is spent on non-productive consumption rather than investment, raising concerns among economists about long-term sustainability. Policymakers emphasize the need for financial instruments and incentives that can redirect remittance flows toward productive sectors such as SMEs, infrastructure, and capital markets.

The government of Bangladesh has introduced various measures to encourage remittance inflows through formal banking channels. A 2.5 percent cash incentive on remittances sent via banks has significantly reduced the use of informal hundi networks. The adoption of mobile banking, agent banking, and digital transfer systems has further expanded accessibility, especially for rural households. Bangladesh Bank's policies on exchange rate management also contributed to increasing formal inflows by narrowing the gap between formal and informal markets. These reforms have not only boosted remittance volumes but also strengthened the country's financial system.

Empirical evidence strongly supports the positive link between remittances and economic growth in Bangladesh. Econometric analyses reveal that remittances significantly contribute to GDP growth both in the short run and the long run. They act as a stable external financing source, complementing foreign direct investment and aid. During global or domestic crises, such as the COVID-19 pandemic, remittances provided resilience, ensuring that household consumption and national reserves remained stable. Moreover, the steady inflow of remittances enables Bangladesh to fund its ambitious development projects, reduce fiscal deficits, and meet external debt obligations more comfortably compared to many other developing nations.

Despite their contributions, remittances pose certain challenges. Heavy reliance on remittance inflows creates vulnerability to changes in global labor demand, particularly in the Middle East where most Bangladeshi workers are employed. Economic or political instability in host countries could reduce inflows significantly. Additionally, remittances can create inflationary pressures by boosting domestic demand, and in some cases, they may discourage labor force participation at home as families depend on overseas earnings. Economists also warn of "Dutch Disease" effects, where reliance on remittances can reduce competitiveness in export-oriented sectors.

In summary, overseas remittances represent one of the most vital pillars of Bangladesh's economy. They contribute to macroeconomic stability, enhance household welfare, reduce poverty, and support development financing. At the same time, challenges such as limited productive use, risks from external shocks, and overdependence highlight the need for careful policy planning. To maximize long-term growth benefits, Bangladesh must continue strengthening financial institutions, expand investment-friendly instruments, and promote skill-based migration that generates higher earnings abroad. If effectively harnessed, remittances will remain a powerful driver of inclusive and sustainable economic growth in Bangladesh.

Table 1:

Total Employment and annual remittance 20 years data

Year	Total Employment (overseas)	remittance(million dollars)
2002	225,256	2847.79
2003	254,190	3177.63
2004	272,958	3565.31
2005	252702	4249.87
2006	381,516	5484.08
2007	832,609	6562.71
2008	875,055	8979.00
2009	475,278	10717.73
2010	390,702	11004.73
2011	568,062	22168.09
2012	607,798	14163.09
2013	409,253	13832.13
2014	425,684	14942.53
2015	555,881	15270.99
2016	757,731	13609.77
2017	1,008,525	13526.87
2018	734,181	15544.68
2019	700,159	18354.94
2020	217,669	21752.27
2021	6,17,209	22070.87

Source: Annual Remittance in the Last 20 Years (created from the BMET)

Remittance Inflows and Their Impact on Bangladesh's Economic Growth are studied in this report. This sector was selected because remittance inflows have a successful past and a bright future, both of which may aid Bangladesh's economic growth.

3.1. Variable description.

Table 2: Schedule of Variables

Variable Name	Abbreviation	Sources
GDP	Gross Domestic Product (current US\$)	WDI
Remittance	Personal remittances, received (current US\$)	WDI
	Labor Force Participation	WDI
LFP ER	Official exchange rate (LCU per US\$, period average)	WDI
GDS	Gross domestic savings (% of GDP)	WDI

3.2. The Data

The real gross domestic product per capita which is one of the indicators of economic growth is taken as the dependent variable. Worker remittances, labor force participation, exchange rate, gross domestic savings are the independent variables. We seek to examine the effect of remittance inflows on the economic growth by employing regression model. Moreover, we examine the sources of foreign remittance and present scenario of remittance inflows in Bangladesh by employing descriptive way.

3.3. Methods of Data Collection.

The whole analysis is based on secondary data sources that are both national and international in scope and pertain to Bangladeshi remittance inflows. To be more precise, statistics are also gathered from the World Development Indicators, Bangladesh Bank Annual Report, Bureau of Manpower Employment and Training (BMET), the Bangladesh Bureau of Statistics, numerous publications, magazines, etc. For descriptive analysis our sampling period spans the year 1980 to 2020.

However, for regression analysis our sampling period is 2002-2021. Data for the key variables such as real gross domestic product per capita, worker's remittance, labor force participation, exchange rate and gross domestic savings are obtained from World Bank's World Development Indicators. All the relevant variables were in current dollar amount but gross domestic savings and trade balance were on the percentage of GDP.

3.4. Methodology.

To narrate sources of foreign remittance and describe the present scenario of remittance inflows in Bangladesh, the data is estimate and confirm to ensure that it satisfy all of the study's goals. After that, descriptive statistics use to tabulate and evaluate the data. The results of the current investigation are presented in figures and diagrams. Each figure, table, and other descriptive statistic referenced in this study includes a reference to the data sources.

For estimate the impact of remittance on GDP growth of Bangladesh this study makes use of time series regression (Ordinary Least Square) model. Following earlier literature and to assist in comparing our results with other studies, we begin by estimating growth equation for our country by using OLS.

3.5. Econometric Model Specification.

In this study we use Time Series Regression Analysis computed by OLS. Formula to investigate the impact of remittance inflows on GDP growth of Bangladesh. The econometric model specification will use some control variables like exchange rate, labor force participation, and gross domestic savings. The following mathematical model is constructed for analysis-

$$\text{GDP} = f(\text{WR}, \text{LFP}, \text{ER}, \text{GDS}) \quad (3.1)$$

To specify in econometric form, we estimate the regression model in the following form:

$$\ln \text{GDP}_t = \beta_0 + \beta_1 \ln \text{WR}_t + \beta_2 \text{LFP}_t + \beta_3 \text{ER}_t + \beta_4 \text{GDS}_t + \varepsilon \quad (3.2)$$

Where, GDP= real gross domestic product; WR= worker remittances inflows in Bangladesh; LFP= Labor Force Participation; ER= Exchange Rate; GDS= gross domestic savings in Bangladesh; ε = stochastic error term; Here, 'ln' is used as the natural logarithm. β_1 , β_2 , β_3 , β_4 are worker's remittance, labor force participation, exchange rate and gross domestic savings respectively.

3.6. Estimation of Least Square Method.

The least squares method has been used to evaluate how remittances affect economic growth. The results of the regression analysis are shown in the table below;

Table 3.2: Time Series Regression Analysis (Estimation Results of OLS).

Dependent Variable: $\ln GDP_t$

lnGDP	Coef.	Std. Err.	P>t
lnWR	1.02101	0.123881	0
lnLFP	6.168964	2.164955	0.011
lnER	-2.96944	0.636598	0
lnGDS	2.774662	0.435966	0
_cons	-18.8873	8.282741	0.035
R-squared	0.9768	F-statistic	189.77
Adjusted R-squared	0.9717	Prob(F-statistic)	0.0000

Source: Author's Estimates.

The estimates of the time series regression between $\ln GDP_t$ and the other independent variables are shown in the table. The independent variables can account for almost 97% of the variation in the dependent variable; economic growth, according to the goodness of fit; R squared value of 97.68%. The estimated regression equation is as follows;

$$\ln GDP_t = -18.8873 + 1.02101 \ln WR + 6.168964 \ln LFP - 2.96944 \ln ER + \ln GDS 2.774662 \dots (3.2)$$

The empirical finding suggests that worker's remittances have a positive impact on Bangladesh's economic expansion, and this finding is significant. The outcome indicates that, irrespective changes to other independent variables, a 1% increase in remittance inflows will, on average, result in an increase of 1.03% in Bangladesh's economic growth. On the other hand, there is a statistically significant and positive correlation between labor force participation and economic growth. According to the coefficient for labor force participation, Bangladesh's economic growth increases by 6.17% on average for every 1% rise in the labor force participation. The impact of exchange rate on Bangladesh's economic growth is negative and significant. The outcome indicates that for every 1% increase in the exchange rate, Bangladesh's economic growth will slow down by an average of 2.97%. Gross domestic savings and economic growth are significantly positively correlated. The findings indicate that a 1% increase in Bangladesh's gross domestic savings will result in an average 2.78% boost in economic growth.

4. Result Findings and Discussion

4.1. An illustration of Bangladesh's Overseas Migration and Remittance.

This chapter is based on the several theoretical and empirical analysis of result getting from the study which is a practical implication of the methodology.

Bangladeshi citizens now rely heavily on migration as a means of subsistence, through talent transfer and through encouraging various public development activities. Emigration has a longstanding experience in Bangladesh. Some individuals went to the UK and the USA during the British Empire for trade and higher education. However, post Bangladesh's freedom in 1971, there was a rise in the number of people migrating to other nations. There existed a huge need for both highly skilled and unskilled laborers in the late-1970s because of the Middle Eastern nation's oil drilling. The relocated person's better income has changed not only his fate but also his family's life back home. Bangladesh is regarded as a productive nation with a sizable labor force. This enormous pool of active individuals, which numbers around 60 million, is being progressively utilized by Bangladesh to satisfy the demands of the global workforce by providing education and skill improvement. There seem to be a lot of international states that necessitate the use of sourcing labor from other regions. International labor from Bangladesh started formally in 1976 with a small proportion (6,078) of employees. Currently, 13 million Bangladeshi migrants are employed globally as of 2021 (BMET report). Approximately 0.3–0.4 million people migrate annually from Bangladesh. Although there are 143 nations throughout the world where Bangladeshi migrants are employed, the Middle East and Malaysia account for 90% of all migrations (Islam, 2010). 14 Qatar and Libya, Saudi Arabia, UAE, Kuwait, Oman, Malaysia, and Singapore are some of the prominent countries of destinations. There are two sorts of migration that we may see in Bangladesh: population migrants with and without skills. The majority of unskilled migrants come from Middle Eastern and Eastern Asian countries; they are not long-term migrants; they return home when their contracts are completed, but professional migrants, such as doctors, engineers, nurses, and other professionals, migrate permanently (Islam, 2010). As a result, their share of remittances sent from the remittance flows is too low in developed or semi-developed countries; we can see this because they are permanently settled in European countries where the remittance flows are too low.

4.1.1. Country-wise Remittance Inflow in Bangladesh

Asia, Africa, Europe, Australia, and North America all have large populations of Bangladeshi immigrants. The geographic distribution of the migratory flow varies over time and is mostly influenced by consumer demand. On FY 2020-2021, KSA was the highest remittance senders of Bangladesh following USA, UAE, Malaysia, Kuwait etc.

Table 4.1: Remittance Received from Top 30 Countries (in USD Millions).

Country	FY2020-21	FY2021-22	Growth	Country	FY2020-21	FY2021-22	Growth
KSA	5721.41	4541.96	-21%	Greece	89.9418	95.5918	6%
USA	3461.682	3438.41	-1%	Mauritiu s	88.1219	90.7919	3%
UAE	2439.993	2071.85	-15%	Japan	79.5420	69.2921	-13%
UK	2023.624	2039.23	1%	Germany	66.8921	83.5020	25%
Malaysia	2002.365	1021.85	-49%	Lebanon	66.7922	49.7423	-26%

Kuwait	1886.506	1689.59	-10%	Spain	53.4923	64.7022	21%
Oman	1535.647	897.409	-42%	Brunei	48.2224	45.4824	-6%
Qatar	1450.188	1346.47	-7%	Maldives	46.0325	21.5928	-53%
Italy	810.909	1054.20	30%	Iraq	37.3526	21.8827	-41%
Singapore	624.861	385.241	-38%	Sweden	32.15 27	26.2225	-18%
Bahrain	577.741	566.611	-2%	Cyprus	22.6628	23.4726	4%
South Africa	420.381	314.731	-25%	Belgium	21.9129		--
S. Korea	209.161	135.461	-35%	Denmark		19.0430	--
France	201.151	255.971	27%	Hong Kong	21.3630	20.6129	-4%
Jordan	170.911	143.231	-16%	Others	291.493	241.783	-17%
Australia	141.771	128.541	-9%	Total	24777.7	21031.6	-15%
Canada	133.521	127.261	-5%				

Source: Statistics Department, Bangladesh Bank (2022)

In the table, the growth of remittance is mostly decreasing from FY 2020-2021 to FY 2021- 2022. Only in Saudi Arabia the growth rate is represents a drop of 21%. In UAE 54 the decline

rate is 15%, in Malaysia the rate of decline is 49%, and total rate of decline is 15%. The growth of remittance is decline probably during Covid-19 Pandemic lots of migrant workers are back to home and can't returned at work for the economic condition of those countries.

More than world's 155 countries have Bangladeshi migrants but most of the migrant's flow to the Middle East and the European

nations. Because of the reliable and high wage rate in those countries, many migrants flow into those countries. Currently, Bangladesh is the source of two different kinds of international migration: One is mostly used by industrialized western nations, while the other is primarily used by Middle Eastern and South East Asian nations. Permanent residents, people with work permits, and professionals all move voluntarily to industrialized western nations. Typically, they are thought of as long-term or permanent migrants. Migration to the Middle East and South East Asia is temporary, and migrants who have completed their job contracts in the host nations return home.

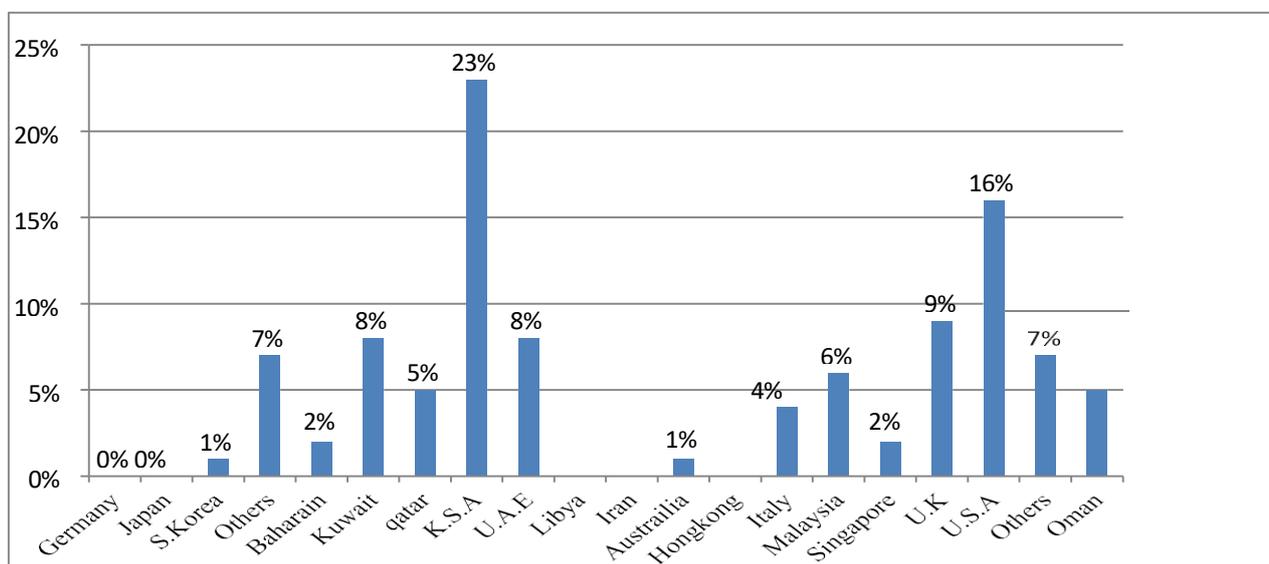


Figure 4.1: Country Wise Remittance: Earned (in %) by Bangladesh in FY-2021

Source: Annual report BMET-FY202

From the following figure-1 country-wise remittance in FY- 2021 remittance earned 23% from KSA which is a 4162.07million dollar, 16% from the U.S.A which is \$2880.17 million, 9% from U.K which is almost \$1560.4million,8% from Kuwait which is \$1474.89million,8% from U.A.E which is \$1505.97million,6%

from Malaysia which is almost \$1098.66 million, 5% from Oman which is \$893.92million, 6% from Qatar which is \$1166.54 million, 4% from Italy which is \$738.79million, 2% from Baharain that is \$399.63million,1% from Australia that is \$107.34 million and from other countries 7% that is almost 1335.16 million US dollars earned in December 2021.

4.1.2. Category-wise Migration from Bangladesh.

Each year, a sizable number of Bangladeshis travel to other countries in pursuit of work, sending money home to their beloved

ones and families. Bangladesh is an overpopulated nation with almost millions of people trying to find or manage a job for a living, but it is difficult for them to do so, since there are fewer employment opportunities than there are job seekers. The majority of the population lives in poverty, and many of the labor force leave their country in search of work overseas, where they can support their families 0% 0% 1% 7% 2% 8% 5% 23% 8% 0% 0% 1% 0% 4% 6% 2% 9% 16% 7% 5% 0% 5% 10% 15% 20% 25% 18 financially and ensure their future. The majority of the labor force in Bangladesh is not well-trained, and there are no training facilities for them.

Many of them lack formal education, but they are skilled in technical work and can find good employment abroad. Some educated people do exist, but they lack both working qualifications and knowledge. Most countries in the Middle East and Europe offer migrants a variety of technical employment opportunities, but there are fewer desk occupations available. There are three types of migrants from Bangladesh: highly skilled, somewhat skilled, and less skilled. Most less-skilled migrant workers have difficulties overseas because they lack credentials and communication skills making it difficult for them to find employment recently or for many of them to return to their home country. Because of the high

standard of living, access to quality education, and security of their way of life, skilled professionals frequently emigrate permanently from Bangladesh. Numerous physicians, engineers, teachers, and graduates from Bangladesh come to the USA every year in search of a better life. They also send remittances to support their family, friends, and relatives back home. Only 43.55% of migrants in 2019 who immigrated were skilled workers; there were 304921 migrants overall. 20.36% of the population, or 142,536 individuals are semi-skilled 197,102 people, 28.15 percent of the entire population migrate as less skilled workers, whereas 0.27% and 7.67% in percentage and in number 1,914 and 53,686 migrants from Bangladesh are professionals and others.

According to current data, more skilled individuals move than semi-skilled and less-skilled individuals. Every year, both nonprofessional and professional migrants migrate. Statistics covering the period 1976 to 2019 show that the majority of immigrants working abroad are less skilled, or less-skilled, accounting for about 46.52% of the total population which is 6,000,604 migrants. The number of skilled immigrants was also low, coming in at 34.54% and 15.54% for semiskilled immigrants respectively.

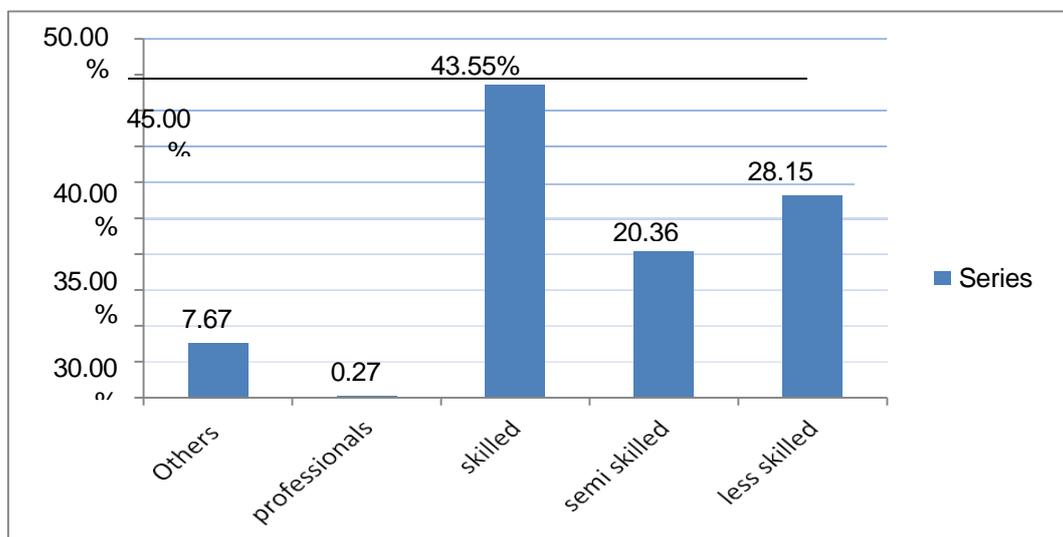


Figure 4.2: Category-wise Overseas Employment in FY-2019

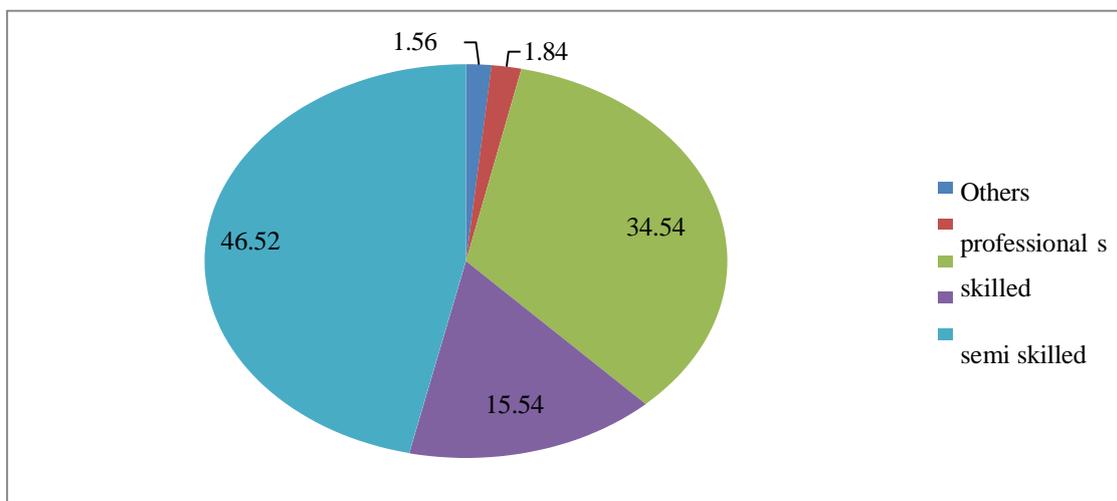


Figure 4.3: Category wise overseas employment from Bangladesh (1992-2019)

Source: BMET annual report 2019FY

According to Bangladesh High Commission, Bangladesh is a significant source of labor. There is a sizable pool of trained, semi-

skilled, and professional labor accessible for employment abroad. Some are given below:

a. Technical Employees

There are mid-level technical and vocational training systems throughout the nation to develop qualified technicians. After the tenth year of education, mid-level technical education is offered. A well-organized 4-year diploma program in engineering and technology is offered by the polytechnic subsystem. There are 220 private and 52 public polytechnic institutes in the nation, with a total enrollment capacity of 96,000 students every year. Agricultural and allied industrial, textile and leather technology, commercial, and other specialty polytechnic institutes, in addition to polytechnics, offer diploma-level courses in their respective sectors. The training requirements for artisans in the fundamental trades are met by 64 technical schools and colleges, 63 Technical Training Centers (TTC's), and 7 Institutes of Marine Technology (IMT). From 7 IMT, a diploma in marine technology is also available. Each year, TTCs and IMTs create roughly 100,000 highly qualified technicians in a variety of trades who are suited for employment abroad.

b. Medical Workers

Bangladesh has the resources necessary to provide graduate and post-graduate medical education and training. There are resources available in the nation to produce 300 dentists and 5000 medical graduates annually. There are currently more than 5000 General Physicians (graduates) available for work abroad. There are also plenty of specialists who can work as consultants or doctors abroad. Additionally, there are 56 private and 43 public nursing training institutions that provide four-year B.Sc. and diploma programs (including one-year Midwifery). There are many qualified nurses available for jobs abroad.

c. Engineering Workforce

Each year, roughly 2000 Graduate Engineers are produced by Engineering Institutes, including 6 University of Engineering & Technology, 4 Engineering College, and 7 Marine Academy.

Furthermore, 51 Polytechnic Institutes around the nation annually produce about 70000 diploma engineers.

d. Industrial Workforce

Approximately 1.5 million individuals across various categories are employed by the nation's industries. There are positions available for professional, management, administrative, technical, skilled, semi-skilled, and unskilled personnel, including

experienced garment workers, both male and female, with years of experience in various industrial industries.

e. Service Providers who are IT-enabled

There are now many computer operators, software and hardware engineers, programmers, web designers, networking specialists, system analysts, etc. from Bangladesh who are available for job abroad.

f. Petroleum, Fertilizer, and Power Plant Personnel

Bangladesh has a sizable pool of highly qualified, professional workers in the fertilizer, oil, and electricity/power sectors.

g. Professionals in Administration and the Military

People with Bachelor's, Master's, and Ph.D. degrees, as well as specialized training and extensive experience, are available for employment in the public administration industry. Additionally, individuals with training and expertise in economic planning and research are also accessible for employment abroad. Retired members of the army, navy, and air force who have the necessary experience may also be sent abroad to staff defense and security agencies.

h. University, College, and School Professors

There are many people with university degrees in engineering, humanities, fine arts, and social sciences who are accessible in the nation for job abroad. They have experience teaching in schools, colleges, and universities.

i. Farmers, Experts in Agriculture, Animal Rearing, Fisheries, Horticulture, and Livestock

In Bangladesh, there are seven (7) Agricultural Universities and seventeen (17) Public Agricultural Training Institutions that provide instruction and training in the subjects of agriculture, animal husbandry, forestry, fisheries, livestock, horticulture, and other related fields. In addition to skilled, semi-skilled, and unskilled shepherds with sufficient experience, the country has experts with Bachelor's, Master's, and Ph.D. degrees as well as technicians with several years of experience in agricultural development, livestock, fisheries, forestry, horticulture development, and research activities.

4.1.3. District-wise Overseas Migration from Bangladesh

Despite an increase in foreign employment in Bangladesh over the years, the bulk of the districts have relatively low levels of international labor migration, partly because there aren't any recruitment efforts there.

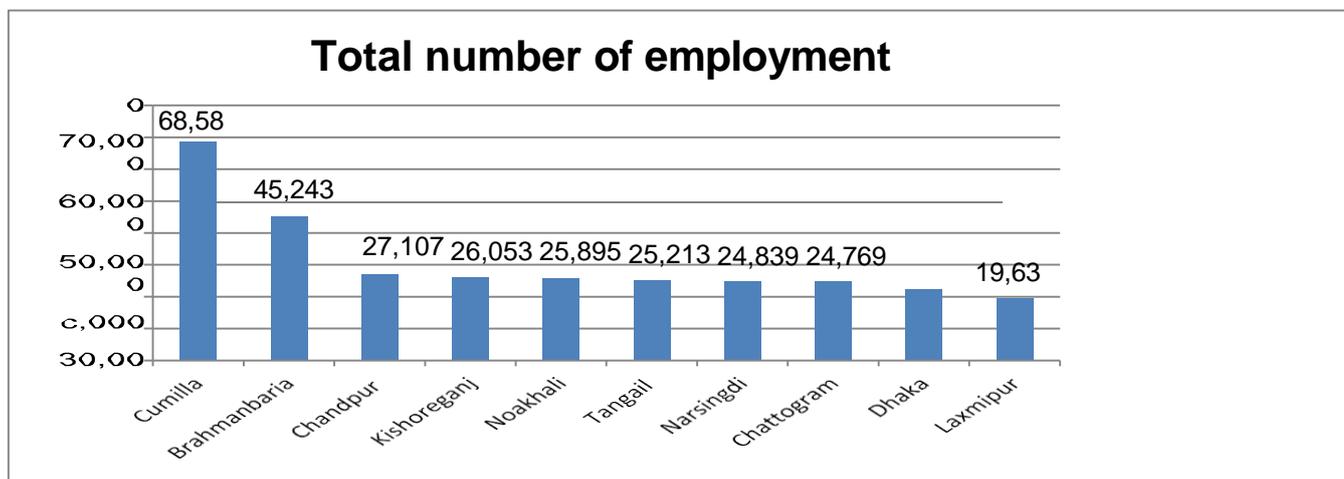


Figure 4.4: District-wise Overseas Employment in FY-2021

Source: BMET Annual Report 2021

According to the Bureau of Manpower, Employment and Training, only 20 districts provided 6.39 million of the approximately 8.76 million employees who moved overseas between 2005 and 2019 (BMET). The 0.13 million laborers dispatched nationally to districts during this time were distributed among these 20 districts, 16 of which are in the Chattogram and Dhaka divisions. Other districts populations stayed modest. According to BMET data, 13.33 million Bangladeshis have worked abroad overall since 1976 through October of the current year.

According to industry insiders and labor migration specialists, the explanation for the lack of recruitment operations in many districts may be related to the people's economic situation in such areas. Currently, hiring from the field is generally handled by sub-agents or middlemen on behalf of the agency. But they added that sub-agents typically do not work in communities with poor economic conditions. The government also has to address the disparity in labor recruiting that is currently present by the districts. Cumilla, Chattogram, Brahmanbaria, Tangail, Dhaka, 68,586 45,243 27,107 26,053 25,895 25,213 24,839 24,769 22,434 19,638 0 10,000 20,000 30,000 40,000 50,000 60,000 70,000 80,000 total number of migrant's total number of migrants 22 Chandpur, Noakhali, Narsingdi, Munshiganj, and Feni are the top 10 districts by the number of

employees employed between 2005 and 2019, according to BMET. In the Year 2021 top 10 districts are Cumilla, Chattogram, Brahmanbaria, Dhaka, Chandpur, Noakhali, Tangail, Laxmipur, Narsingdi, and Kishoreganj. In 2021, nearly 68,586 people from the Cumilla district migrated worldwide. According to the research, most Bangladeshi migrants come from a specific location because residents of the Khulna, Rajshahi, and Rangpur divisions lack the necessary financial support to handle 3-5 lac Taka. Despite internal migration in the region brought on by the effects of climate change, poverty is also the reason for Khulna and Bagerhat's low levels of foreign migration.

4.2. Present Scenario of Remittance Inflows in Bangladesh

Remittances from migrants have a favorable influence on Bangladesh's development and reducing of poverty, significantly assisting in the attainment of the Millennium Development Goals. When remittances can be saved and invested in infrastructure and productive capacity, these positive effects are amplified.

4.2.1. Remittance Reduces Poverty

Remittances are recognized as a lifeline for many struggling families and communities in underdeveloped nations by the Sustainable Development Goals (SDGs) of the United Nations. Family food needs, access to healthcare, a good education, and access to clean water and sanitation are all directly met through remittances. According to a 2013 survey on remittance usage by the Bangladesh Bureau of Statistics, 32.81% and 32.82% of remittances are spent on food and nonfood expenses, respectively. 17.39% of remittances were used to buy land, and 18.84% of them were spent on other durable goods and other expenses. According

to data from the Bangladesh Bureau of Statistics, 33.45% of remittances are used for investment and 13.74% are used for savings.

In contrast to foreign aid, remittances are sent from one home to another, making them a crucial and effective tool for hastening the alleviation of poverty. Indeed, in Bangladesh there is convincing evidence to back up the claim that remittances help to reduce poverty in developing nations. By improving their families' production, education, and health, migrants can indirectly assist in reducing poverty. The success of a migration is dependent on the benefits and profits realized by the family members, especially the children of female migrant workers. Moreover, the migration of laborers in seek of employment opportunities has profound effects on development. Through higher income and more connectivity into the global economy, it significantly improves household well-being and economic growth (World Bank 2006).

Since the early 1990s, Bangladesh has seen a modest one percentage point a year drop in poverty. Remittances can have a positive effect on growth through investment and credit availability. Remittances, specifically, can aid in the onset of self-employment in a typical developing country where labor supply is plentiful but chances for official work are few. Remittances can encourage entrepreneurship and the establishment of new small enterprises by easing credit restrictions, which are prevalent in the unorganized sector of developing nations. According to IOM BHRS 2009, In Bangladesh, households with migrant workers perform better academically and have better access to nutrition, water, sanitation, and health care. Migrant households' increased purchasing power has a favorable the impact of remittances from Bangladesh on local market structures consumption at home.

4.2.2. Benefit of Remittance at Household Level.

According to a survey on the employees' spending habits, expatriate workers spend 29.8% of their income on personal consumption abroad, while also sending home 44.9% of their earnings and saving 22.88%. The remittances that foreign employees send home are used for

a variety of commercial, investment, and consumer activities. 36 percent of remittances are used to cover recurring expenses, such as food, health care, and education. These expenses directly contribute to reducing poverty. Around 14 percent of remittances are utilized to improve housing conditions, while another 20 percent are invested in land parcels.

Generally, remittance is typically used for the following expenses

- ✓ Repayment of debts taken out for migration; Purchase of property and construction of a home;
- ✓ Making business investments; A rise in earnings and savings; Development of the community;
- ✓ Raise the level of living; Civic celebrations.

According to a survey, the overall household income of migrants climbed by 119% while they were living abroad. A large chunk of the money goes into buying land and building houses. A migrant worker often handles the money for his journey by mortgaging or selling land while he is overseas. Therefore, a portion of the remittance is utilized to recover the sold or mortgaged land.

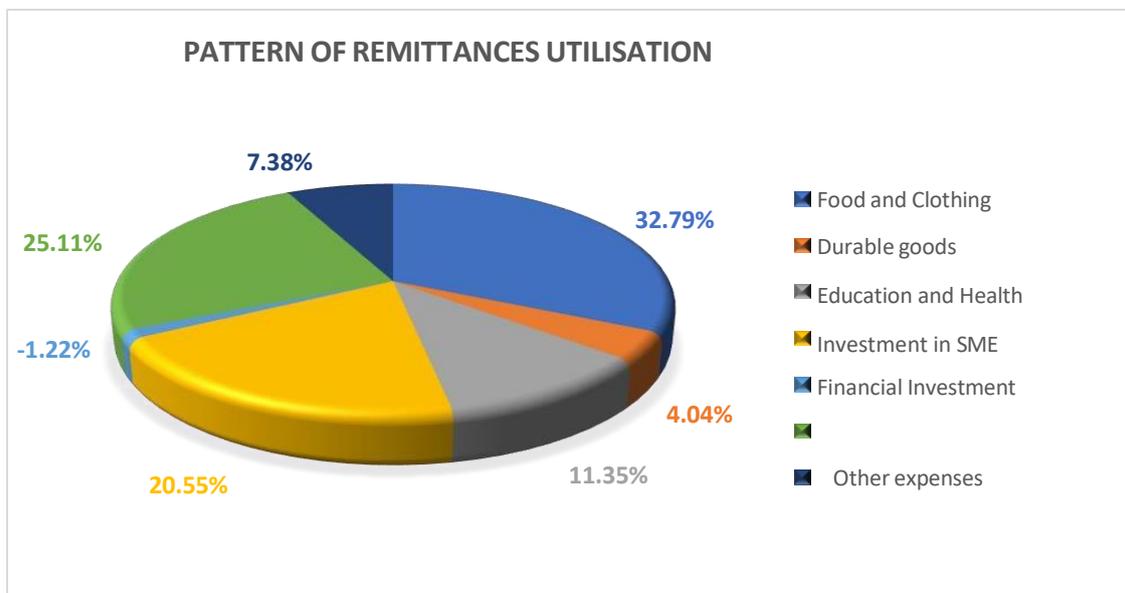


Figure 4.5: Utilization Trends and Patterns for Remittances

Source: Bangladesh Bank, Research Department (2017)

According to a survey, in 2013 32.79% of remittances were used just for food and clothing consumption, compared to 11.57% for education and health care, followed by 4.04% for durable goods, and 7.38% for miscellaneous costs. A total of 44.44% of remittances were invested at the period, with SME investments making up 20.55%, real estate investments making up 25.11%, and financial investments making up - 1.22%. Because remittances were used more than they were received in 2013, the percentage of financial investment remained negative. The utilization of 2012's funds for real estate investments were the main cause of the excess remittance usage over inflow in 2013. Construction, agriculture, services, manufacturing, transportation and communication infrastructure, and social infrastructure are some of the several industries and activities that gain most from remittance.

4.2.3. Impact of Remittance on Balance of Payment.

The balance of payments and the ensuing effect on the economy as a whole are the most significant macroeconomic effects of money flow resulting from international labor migration. The support that

remittances give to the balance of payments is one of the main advantages of labor export. If the majority of the remitted foreign cash is used to acquire capital goods and necessary inputs, remittance inflows could encourage investment and capacity utilization in a foreign exchange shortage situation.

Moreover, it is widely acknowledged that foreign remittances play a crucial role in Bangladesh's economy. Remittances have been named as one of the three main reasons that have contributed to a decrease in Bangladesh's overall incidence of 68 poverty, together with the readymade garment (RMG) industry and non-farm activities in the agricultural sector.

Alternately, more access to foreign currency might result in looser restrictions on the entry of luxury goods. Additionally, it might influence the government to take shorter-term shortcuts rather than longer-term actions that would improve the economy's foundation and lessen its reliance on imports. According to several studies, remittances encourage trade by enabling diasporas to enable capital inflows, exchange knowledge, and forge connections and networks (World Bank, 2006). The trade deficit has been fueled by the influx of remittances.

Table 4.2: Remittance as Percentage of GDP, Export and Import and its Growth

FY	Remittance- GDP Ratio	Remittance- Export Earnings (f.o.b) Ratio	Remittance- Import Payments (f.o.b) Ratio	Growth (%) of Remittance
FY 2011	9.05	50.64	34.61	6.03
FY 2012	9.63	53.58	38.59	10.24
FY 2013	9.64	54.43	43.07	12.51
FY 2014	8.21	47.78	38.91	-1.61
FY 2015	7.85	49.08	40.67	7.64
FY 2016	6.74	43.59	37.42	-2.51
FY 2017	5.11	36.85	29.36	-14.48
FY 2018	5.47	40.86	27.51	17.32
FY 2019	5.43	40.51	29.62	9.60
FY 2020	5.52	54.06	35.91	10.87

Source: Bangladesh Bureau of Statistics (2021)

Remittances made up 5.52 percent of the nation's GDP in FY20, 54.06 percent of all export revenue, and 35.91 percent of all import expenses (Table-5.5). Additionally, remittances contribute to boosting the current account balance. Remittance inflow climbed to USD 18205.04 million in FY20 from USD 16419.63 million in FY19, a 69 10.87 percent rise. One of the main drivers of this development was Bangladesh Bank recommendations, which may have increased the flow of remittances through formal channels together with the government's legal actions against the informal channel of remittances.

4.2.4. Socio Economic Impact of Migration.

The following socioeconomic advantages for the country are made possible by migration from Bangladesh; It lowers the nation's ongoing unemployment issue and contributes to the reduction of poverty. Migration helps to decrease young anxiety, terrorism, drug addiction, social unrest, etc. It enhances the capacity for entrepreneurship and self-employment investment. Businesses in the country related to hotels, tourism, transportation, and other industries are gaining traction because of the influx of migrant labor. The most of migrant workers are between the ages of 25 and 35, and their time abroad encourages them to use family planning, which aids the nation's efforts to limit population growth. The remittances improve the migrant workers' financial situation, which in turn ensures the country's general economic growth. This industry generates the most actual foreign exchange for the economy.

4.2.5. Remittances and Sustainable Development Goals.

The 2030 Agenda for Sustainable Development, which was endorsed by all UN member states in 2015 is a "call to action" to end poverty worldwide, lessen economic inequality, and put the world on a more sustainable course. This extensive project confirms the necessity to achieve 17 particular Sustainable Development Goals (SDGs) and suggests a number of strategies to mobilize the necessary resources needed to actualize this lofty but doable target. SDG 10, one of these expressly mentions safe migration. People have been migrating from rural to urban regions and across international borders for more than a century in search of better opportunities. Almost 200 million migrant workers leave their homes to send remittances to 800 million family members who are abroad. This allows them to stay in their communities and solve the underlying issues that led to their own departure. Therefore, it is essential to assist remittance households in maximizing their own resources' development effects to achieve the

SDGs. In this endeavor, the migrant workforce and their families may now be seen by the world community as essential allies and change agents. One billion senders and recipients, as well as a projected US\$8.5 trillion in international remittances to poor countries between 2015 and 2030, demonstrate the possibilities for efficiency in integrating the size of remittances to achieve the SDGs. In the past 10 years, the "sending side" of remittances has received the majority of attention. In addition, the aggregate quantities and transaction costs of sending remittances to the family, largely from industrialized to poor nations, have received attention. The magnitude of this phenomenon on a worldwide scale is astounding: in 2018, US\$529 billion was given to poor nations, more than 3 times official development aid (ODA), and exceeding foreign direct investment. 75% of remittance flows are thought to go toward urgent needs, leaving the other 25 percent, or more than

\$100 billion annually, accessible for other uses. Although there is a lot of attention paid to the total amount of remittances, the amount that matters the most isn't counted in millions or billions, but rather in the regular US\$200 or US\$300 transfers. If used wisely, this sum, which accounts for 60% of all household income, may significantly raise the standard of life for both migrants and the areas where they were raised. Most remittance families commit to achieving "their own SDGs" with these ostensibly little sums, including decreased poverty, better nutrition and health, educational opportunities, improved accommodation and hygiene, entrepreneurship, investment, and decreased inequality, as well as the capacity to deal with the instability in their lives by expanding their savings and accumulating assets to assure a more secure future. Regarding this, the SDGs offer a special chance to bring together the aims of remittance families, government development goals, business sector plans to reach neglected markets, and the traditional function of civil society to foster change. In particular:

- ✓ Remittance recipient households' access to formal savings and investment possibilities may be increased via financial inclusion and literacy. In turn, these mechanisms can help remittance
- ✓ Families develop their human capital and raise their standard of life by providing them with better accommodation, healthcare, and schooling.
- ✓ If given the right opportunities, migrant contributions beyond remittances may alter the development landscape of local communities.
- ✓ Improved remittance marketplaces through an updated regulation and legal framework, more clarity, and contests can cut costs and offer more assets to remittance families. Migrant remittances are private flows, and as such, they in no way lessen or take the place of extra resources—both public and private—that are still required. Therefore, the significant development benefits of migrant remittances and contributions can only be properly understood in collaboration with sensible and realistic state policies and goals and private-sector activities.

4.3. Remittances and Migration have Detrimental Effects on the Economy.

It is impossible to ignore the possibility that remittances have a detrimental effect on economic activity. Remittance inflows may cause voluntary unemployment or a reduction in job effort (Yamin, 2017). Take the example of an immigrant in the United States of America who frequently sends money to relatives in Bangladesh. If the amounts being remitted are greater than Bangladesh's minimum wage and the beneficiaries are jobless or have low employment, they may decide to work fewer hours or opt-out of the labor force. This would negatively impact on the GDP of Bangladesh.

Additionally, there are certain unfavorable effects of migration on national levels, families, and society. Due to a protracted absence, migrant workers may sometimes divorce their spouse and remarry. Ahmed claims that remittance recipients' households grow increasingly reliant on international migrants (Ahmed, 2012). However, this dependence renders them uninterested in constructive pursuits. These families also face serious issues if there are political or economic crises in the nations where they are moving. Local businesses and households may suffer if money transfers are suddenly stopped (Stevanovic, 2012). Chowdhury demonstrates how a social divide between families that get and

don't receive remittances might result from the inflow of remittances (Chowdhury, 1992). Even when remittances are utilized to buy land, land costs increase unpredictably (De Haan, 1999).

4.3.1. Remittance and Brain Drain

The term "brain drain" refers to the departure of highly skilled individuals, such as physicians, engineers, teachers, and technicians, to other nations. Throughout human history, migration—whether skilled or less-skilled has been a regular and prevalent event. But in recent years, skilled human migration commonly referred to as brain drain has drawn considerable attention due to its wider effects and implications for emerging countries. Moving from one nation to another is motivated by a variety of factors that are dynamic and impossible to generalize across individuals, locations, and specifically skilled labor (Yamin, 2017). The cause could be that established foreign nations attract smart people by offering them opportunities that are superior to those that can be found in their own country. If home nations can offer some chances to save these brains, we believe that at least part of the brains may stay or return home. However, it affects sending and receiving nations in both the long and short term. More crucially, the term "brain drain," which is thought to be the stealing of intellectuals from poor countries to the rich world, may not necessarily have negative outcomes.

This may be a chance for developing nations to take advantage of it with the right perspective and analysis of the factors driving people to leave their native countries (Yamin, 2017). Bangladesh, a country in South Asia that is still in its early stages of development, is currently witnessing a skilled labor movement. Overall, domestic progress is halted by it. There are several reasons for it, but the primary ones are a lack of technological and scientific resources, low pay, and an undervaluation of intellectuals. It has grown to be one of Bangladesh's biggest issues today. We are not the only ones who are having this difficulty; it affects everyone. Only emerging and poor nations, when there is a demand for more trained workers to migrate to a developing country, we can observe this sort of issue. In industrialized nations, issues of this nature are uncommon. Research demonstrates that brain drain negatively affects salaries, earnings, and other financial costs (Yamin, 2017).

5. Conclusion and Policy Recommendations

Using data from the years 1995 to 2020, an inquiry has been conducted in this study to examine the effect of remittance inflows on economic growth in Bangladesh. Ordinary least squares, a time series econometric approach, was used for this inquiry. This chapter summarizes the overall findings getting from empirical and descriptive analysis and try to recommend policies which will be helpful for the policymakers and experts.

This study investigated the impact of workers' remittances on economic growth using time series empirical regression and correlation analysis. Every factor taken into account in the model plays a significant part in determining how an economic growth improves. The results of our research may be summarized as follows:

This essay discusses the 20-year history of migration and remittances and illustrates how it has affected the overall Bangladesh economy, the effect on the balance of payment,

economic expansion, and development. The primary source of Bangladesh's foreign reserves is remittances received from migrants and their impact on the macro and micro levels of the economy. Remittance inflows have a multiplier effect on several macroeconomic indices, including the reduction of poverty, the mobilization of savings, the stimulation of investment, the accumulation of capital, and so on. Due to the multiplier effect, wherein injected money through consumption indirectly contributes to economic development and growth, there is a causal link between remittances and economic growth in Bangladesh.

Our research findings suggest that an adequate strategy to investigate more international employment and more effective utilization of remittances will aid Bangladesh's economic and social development. According to our findings, remittances are a key factor in Bangladesh's economic expansion. With 165.16 million citizens, it is difficult for the government of

Bangladesh to utilize its human resources properly (2021 data from the Bangladesh Bureau of Statistics). Bangladesh's administration has acknowledged that labor migration has the ability to aid the nation's socioeconomic growth. Because skilled laborers can increase overseas remittances, the government of Bangladesh has established a task force on migration and a training center for migrants. The Bangladeshi government has improved and implemented a digitalized migration management system as part of its efforts to regulate migration in order to boost its positive impacts and reduce its negative ones. The government of Bangladesh has made reducing poverty a top priority, adopting the National Strategy for Accelerating Poverty Reduction (NSAPR-II) to do so immediately. Remittance inflow is the lifeline of Bangladesh's economy and the sender's family. According to this study, a good strategy for managing migrant workers as well as more skillful remittance utilization will aid Bangladesh's economic growth.

This study has several limitations. Our sample size doesn't permit us to perform the co-integration test. This will lead us to unreliable conclusions. Therefore, the co-integration test as well as the stationary test have not been conducted. Unavailability of data is one of the reasons behind this problem. As the correlation matrix in the diagnostic chapter suggests, we may also identify the existence of multi-collinearity. Usually, some degree of collinearity among economic variables may be permissible. As long as it is not exact, we can still estimate the parameters of the model (Gujrati, 2009). No underlying assumptions of regression are broken by multi-collinearity. Unbiased, consistence estimates will occur and their standard errors will be correctly estimated (Achen, 1982). Multi-collinearity is not a problem with 86 OLS or statistical technique in general, rather it is natural. It happens because of data deficiency problem available for empirical analysis and sometimes we have embraced it having no choice (Blanchard, 1967).

Despite its dedication to encouraging short-term migration abroad, the government of Bangladesh lacks any deliberate initiatives to help citizens access the fast-evolving global labor market. Therefore, the government of Bangladesh should pay special attention to this issue in order to gain from international migration. Because international migration would serve a crucial and critical role in Bangladesh's national economy by generating overseas employment possibilities and boosting the flow of remittances, a vital yet affordable source of desperately needed foreign currency.

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