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Foreign Remittance Inflow in Bangladesh and its Future Challenges: A Conceptual Investigation

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Abstract

Remittance is a switch of cash by way of a foreign employee to his or her own country. Remittance can also refer to the accounting idea of a monetary charge transferred by a client to a business. It is the lifeline of Bangladesh's economy. Remittances have already been considered as a main driving force to the economic development and poverty reduction in Bangladesh. The share of remittance in Gross National Income (GNI) is increasing day by day. Therefore, this paper attempts to explore the real amount of remittance income and its impact on the Bangladesh economy. Recently this sector has stricken by the global financial crisis. That is why job opportunities are shrinking considerably for a remaining couple of years. As a result, the government of Bangladeshis now facing super challenges to send humans abroad for employment. Thus this paper additionally attempts to explore the possibilities and challenges of remittance inflow in Bangladesh and give some recommendations for some possible courses of action to face these challenges with smart handy. This paper also attempts to analyze the present performance of remittances inflows in Bangladesh as well as investigate the challenges in the acceleration of received remittances inflows. The process of sending remittances is another important issue of discussion in this study.

Keywords: Remittance, Migration, the flow of Remittance, Opportunity, Bangladesh Economy

1. Introduction

Remittance has become a major contributor to the economic growth and poverty alleviation in Bangladesh. It has secured the second position among the foreign currency earning sector of Bangladesh (Bangladesh Bank, 2012). World Bank ranked Bangladesh as the third-highest recipient of remittance in South Asia in 2018 after India and Pakistan and the 11th highest recipient globally. In 1974, the Wage Earner's Scheme was initiated to help the Non-resident Bangladeshis remit their earnings home through legal channels. The scheme soon become popular among the Bangladeshis working abroad. Some $11.8 million was remitted to Bangladesh in the fiscal year of 1974-75. Formally, the export of manpower from Bangladesh

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has been beginning in 1976. In this year there are 1400 people gone to the Middle East for searching employment and in this year these people had sent 5 crore USD remittance to Bangladesh. After that, the number of workers and the amount of remittance have been increasing day by day. Bangladesh joined the 10 billion USD club of remittance inflow in FY10. Remittance inflow to Bangladesh experienced 552.3 percent growth in FY13 over FY03 and the size of yearly remittance inflow in FY13 is more than twenty-three times over the inflow of FY95. The contribution of remittance inflow to GDP is also rising. The share of remittance inflow in GDP for Bangladesh was 7.5 percent in FY07 which has reached 9.6 percent in FY13.

According to the latest data released by the Bangladesh Bank, the expatriates remitted $15.54 billion in 2018, a jump of 14.79 percent over 2017. Money sent by the non-resident Bangladeshis makes up about 12 percent of Bangladesh's GDP. The kingdom of Saudi Arabia has been the largest source of foreign remittance to Bangladesh. UAE Qatar, Oman, Bahrain, Kuwait, Libya, Iraq, Singapore, Malaysia, the USA, and the UK are also a major source of foreign remittance (Wikipedia). The role of foreign remittance is widely recognized in the economy of Bangladesh.

Non-Farm Activities (NFA) in the agricultural sector. Readymade Garment (RMG) sectors and Remittance have been identified as one of the three key factors for reducing the incidence of poverty in Bangladesh. Remittance is one of the most important foreign currency earning sectors of Bangladesh. It contributes to our national economy on a large scale by increasing per-capita income, employment opportunities, and foreign currency reserves. Foreign employment and remittance sent by the Bangladeshi expatriates have immense contribution to the economic development of Bangladesh in many significant ways as lowering unemployment, poverty alleviation, and swelling up foreign exchange reserve. Most of the Bangladeshi expatriates are an inhabitant of villages in Bangladesh.

They have no proper education, technical training, and communication skill. They do not get any support or subsidy from the government but these expatriates are pulling up the economy of the country by hard-working abroad. They have sent a large part of their income to Bangladesh. Most of the migrant workers' families are maintaining activities with this money. The government gets huge foreign currency. Bangladesh would be a middle-income country depending on the foreign remittance. For these reasons. The role of remittance has been playing a very significant contribution to the development of the socio-economic condition of Bangladesh.

1.1 Literature Review

Ali (1981) wrote an article on "An analysis of the Institute of Home Remittance by Bangladeshi Workers Abroad on the National Economy in Labor Migration from Bangladesh to the Middle East". He found that foreign remittance achieving a favorable balance of payments and creating a new resource base for Bangladesh.

Salim (1992) wrote an article entitled "Overseas Remittance in Bangladesh, Importance, Potentialities and Policy Options". He points out that remittances are used to make import payments and are used for productive investment by the government. Fariha Haque had a study on "General Overview of Inflow of Remittance in Bangladesh". This study improves a theoretical framework to examine the effect of workers' remittance on the Bangladesh economy. This paper also pointed out that the inflows of remittances positively contribute to the Gross National Product (GNP) and Balance of Payments (BoP).

Zaman had a study on "Foreign Remittance Fluctuation needs to be stabilized". He showed that the inward flow of foreign remittance to our country is fluctuating. M. Serajul Islam wrote an article on "Banks and the foreign remittance Business'. He found that foreign remittance is one of the major economic success stories of Bangladesh.

Rahman and Brenda wrote the article on "The Social Organization of Remittances: Channeling Remittances from East and South East Asia to Bangladesh". They found that there are two types of remittance systems: (1) Formal and (2) Informal. Kuntal Roy and Others authored an article on "Remittance as a tool of Economic Development: Bangladesh Perspective". They found that remittance is one of the most economic variables in present times as it helps in balancing the balance of payments increasing per-capita income and foreign currency reserves etc.

Based on the above review of related literature. Broad research is needed for the role of remittance and problems and prospects of remittance of Bangladesh. For this reason. The researcher has selected this topic to conduct the current research study.

1.2 Objectives of the Study

- *Broad Objective:* To know about remittance and its role in the development of the economic condition of Bangladesh.
- *Specific Objectives:* To attain the broad objectives the specific objectives are as follows:

1. To know the volume of foreign remittance inflow in Bangladesh during 2010-2018.

2. To know the role of remittance for the economic development of Bangladesh.
3. To identify the major problems and prospects of foreign remittance.
4. To suggest some recommendations for increasing foreign remittance in Bangladesh.

1.3 Methodology of the Study

This study employs secondary data and information. It draws on a variety of sources including books, theses, newspapers, academic journals, intuitional reports, and the internet. The sample period of this secondary data and information is 2010-2018. Data and information were collected from the website of Bangladesh Bank (BB), World Bank (WB), Bureau of Manpower, Employment and Training for this research report.Microsoft office package has been used in the tabular, chart, and graphical representation of data and information. Microsoft Excel (MS-Excel) has been used in data processing and analyzing.

1.4 Scope of the Study

Despite some limitations, the present study provides some guidelines for future study which are as follows:

First, this study is prepared by using only secondary data and information to know the remittance inflows in Bangladesh. Another study may be conducted by collecting sufficient primary data and information to reveal the actual remittance inflows in Bangladesh and its prospects and problems.

Second, this study has conducted to find out only the overall remittance income of Bangladesh. A further study may be conducted to find out the country-wise remittance inflows in Bangladesh.

1.5 Limitation of the Study

The researcher had to face some constraints while doing this study. These include Time and Budget constraints available in the hands of the researcher. Due to Budget and Time constraints, the author could not collect enough information from secondary sources. The author could not use primary data and information of the study, that is the main limitation. For this reason. The author could not find out the concrete results relating to the prospects and problems of remittance in Bangladesh.

2. Theoretical and Conceptual Framework

2.1 Remittance

Remittance means a sum of money sent in payment or as a gift. Remittance 'efers to money that is sent or transferred to another party. The term is lerived from the word remit which means to send back. Remittance can be sent via a wire transfer, electronic payment system, mail, draft, or cheek. Foreign remittance is the exchange of cash from a vagrant specialist to their families or different people in their nations of origin.

2.2 Types of Foreign Remittance

There are two types of foreign remittances. These are as follows:
1. Outward remittance and
2. Inward remittance.
   1. *Outward Remittance:* It is applicable for the sending nation where the paid worker is based.
   2. *Inward Remittance:* It is applicable for the nation that receives the money.

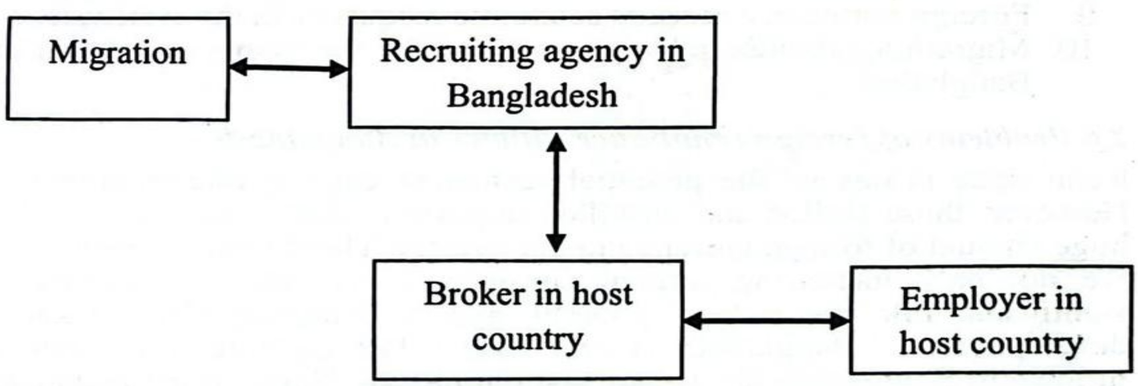
2.3 Remittance Transferring Channels

Remittance transferring channels are consist of formal and informal channels. All the formal and informal channels used by households for receiving foreign remittances are classified into four heads such as

I. Bank Account Transfer: Bank account as a channel of receiving foreign remittance means transferring money directly to the bank account of the remittance receiver by the emigrant worker.
II. Money Transfer Agencies: Money transfer agencies means transferring money through various exchange houses such as Western Union.
III. Mobile Banking Transfer: Money remitted through mobile banking means transferring money directly to the receiver's mobile banking account or an agent account such as bkash.
IV. Other Channels: Other channels include hundi. Money is received through friends, relatives, neighbors, and acquaintances.

2.4 Migration Process in Bangladesh

The process of migration in Bangladesh is shown in the following figure:



2.5 Prospects of Foreign Remittance for Bangladesh Economy

"Remittance has been a key driver of economic growth and poverty reduction in Bangladesh."- World Bank. The migrants send back billions of dollars and the country can then use these resources for investment for industrial development, improvement of educational facilities and services, extend and improve its health services. The money that is sent back is also beneficial to the families and the country in that it helps reduce poverty and also allows for investment in small businesses and chances for furthering education. The demand for foreign remittances has now increased extremely in Bangladesh for several causes. Some important causes are as follows:

1. Foreign remittances help Bangladesh to make investments for industrial development, modernize its industries by importing high-tech machinery for export-oriented manufacturing, modernize its agriculture, invest in education, etc.
2. Foreign remittances help the country to increase its export of manufactured goods.
3. Foreign remittances help Bangladesh in making the balance of payments favorable.
4. Foreign remittance is positively correlated with the socio-economic condition of migrant families.
5. Foreign remittance has been used to pay various government and non-government import bills and installments of different foreign debt & donation by the government.
6. It has been lifting-up the GDP (Gross Domestic Product) of Bangladesh.
7. Foreign remittance decreases the dependency on foreign credit and aid of Bangladesh.
8. Foreign remittance also contributes to the expansion of financial market activities.
9. Foreign remittance reduces economic inequality in the society,
10. Migration provides job opportunities for the young population in Bangladesh.

2.6 Problems of foreign remittance inflows in Bangladesh

Remittance is one of the potential sectors of earning foreign currency. However, those skilled and unskilled migrant workers every year send a huge amount of foreign currency to the country. Those foreign remittances are not only increasing foreign currency reserve but also playing a significant role to reduce poverty and to enhance the economic development of Bangladesh (World Bank). But the foreign remittance inflows in Bangladesh are facing many problems. Some of the important problems are as follows-

1. Lack of help in foreign missions.
2. Cheating from agencies.
3. Lack of enough facilities to transfer remittances in Bangladesh from different countries.
4. Transfer fees are very high.
5. Remittance transfer to rural areas is very difficult.
6. The recruiting fee in Bangladesh is higher compared to those of other top remittance recipient countries.
7. Illegal manpower export.
8. Remittances are transferred through underworld activities, e.g. smuggling, hundi.
9. Lack of social security system or social insurance for remitters.
10. Lack of mutual fund for Non-resident Bangladeshis in the capital market.
11. Lack of government negotiations and intra country relationships.
12. Lack of skilled and professionals people who can generate huge remittance

3. Major Findings

3.1Flow of Remittance in Bangladesh

Despite the low quality of Bangladeshi migrant workers and the remarkable decline of manpower export, the country witnessed a phenomenal growth in the flow of remittance (Table-1). During the period 2010 to 2018 Bangladesh received over USD 124.12 billion as a remittance. However, the amount of remittance would have been much higher if the country could send more professional and skilled workers.

Table-1: Flow of remittance in Bangladesh (2010-2018).

Year	Remittance Earned (in billion dollars)
2010	$11.00
2011	$12.16
2012	$14.16
2013	$13,86
2014	$15.00
2015	$15.3
2016	$13.6
2017	$13.5
2018	$15.54
Total	$124.12

Source: Bangladesh Economic Review (2018), Ministry of Finance, GOB.

Here the flow of remittance in Bangladesh is represented during the period between 2010 and 2018. As evident, the country has experienced a rising trend of remittance flow with exceptions. During the period 2016, 2017 remittance flow showed a downward trend and remarkable fluctuations. However, remittance earning is in the increasing trend in 2018. World Bank (WB) ranked Bangladesh as the third-highest recipient of remittance in South Asia in 2018 after India and Pakistan and the 11th highest recipient globally.

3.2 Flow of Labor Migration from Bangladesh (2010-2018)

Labor migration has become an important factor for Bangladesh concerning employment generation, GDP growth, and poverty reduction. Manpower export has been increasing since 1976 except for a few years. To date, Non-Resident Bangladeshis (NRBs) remain an untapped resource to support the national development agenda. It is estimated that nearly 2.4 million Bangladeshis are living abroad permanently either citizens or on long-term permits and several of whom are well-established, highly skilled, and influential in their countries of the resident. The following table represents the flow of labor migration from Bangladesh between 2010 and 2018.

Table-2: Flow of Labor Migration from Bangladesh (2010-2018)

Year	Number of Labor Migration
2010	300702
2011	568062
2012	601389
2013	409253
2014	425684
2015	538667
2016	788000
2017	1008526
2018 (Oct)	614585

Source: Bangladesh Economic Review (2018), Ministry of Finance, GOB

The above table shows that the flow of labor migration in Bangladesh has been increasing until the year 2012. It has been continuing to decline over the next two.consecutive years because of the global financial crisis. 2015, 2016, and 2017 migrations were good because the record numbers of workers have gone abroad these years for employment. Thus, the government should find out the new labor markets to enhance the export of labor in the upcoming years.

3.3 Role of Remittance in Bangladesh Economy

Remittance plays an important role in the overall economy of Bangladesh. World Bank ranked Bangladesh as eleventh in the world and third in the South Asia Region for the inflow of remittances based on the data of 2018. Bangladesh joined the 10 billion USD club of remittance inflows in FY10. Remittances are the second-highest source of foreign currency earning in Bangladesh after exports of readymade garments (RMG).

However, remittances can be considered as the highest one in terms of net earnings since in the case of earnings is foregone for importing its raw materials. Foreign employment and remittances sent by the Bangladeshi expatriates make an immense contribution to the economic development of Bangladesh in many ways such as lowering unemployment, alleviating poverty, and boosting foreign exchange reserves. The patterns and uses of remittances are one of the important factors for economic development. The role of foreign remittance on Bangladesh economy can be shown by the following Table-3:

Table-3: Remittance as percentage of GDP, Export and Import and its Growth

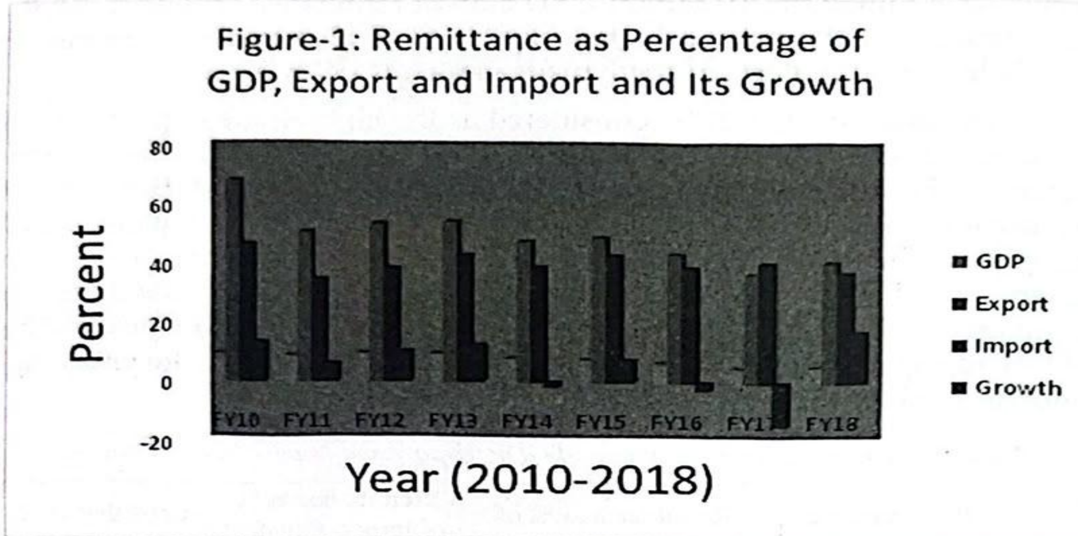
FY	Remittance as % of GDP	Remittance as % of Export Earning (f.o.b)	Remittance as % of Import Payment (f.o.b)	Growth (%) of Remittance
FY10	9.52	67.80	46.29	13.40
FY11	9.05	50.64	34.61	6.03
FY12	9.63	53.58	38.59	10.24
FY13	9.64	54.43	43.07	12.51
FY14	8.21	47.78	38.91	-1.61
FY15	7.85	49.08	40.67	7.64
FY16	6.74	43.59	37.42	-2.51
FY17	5.11	36.85	29.36	-14.48
Fy18	5.50	40.86	27.51	17.32

Source: Quarterly Report on Remittance Inflows September 2018. Bangladesh Bank (BB)

In FY18, remittance was 5.50 percent of the country's GDP and 40.86 percent of total export earnings, and 27.51 percent of import payments (f.o.b) (Table-3, and Figure-1). Also, remittances play a supportive role in strengthening the current account balance.

In FY18, remittances increased by 17.3 percent to USD 14981.69 million as compared to USD 12769.45 million in FY17. One of the contributing factors behind this growth was the strong supervision of the Bangladesh Bank. The government has taken legal actions against some source countries for using the informal channel for sending remittance informal channels.

Moreover, Bangladesh Bank had simplified the approval policy of drawing arrangements between foreign exchange houses and domestic banks. The role of foreign remittance on Bangladesh economy can also be represented by the following figure:



Source: Quarterly Report on Remittance Inflows September 2018. Bangladesh Bank (BB)

4.0 Estimation of Model and result discussion

The paper examines the determinants of remittance inflow by applying ordinary least square method (OLS). We include domestic country's GDP, inflation, exchange rate and migration in the model because these variables also influence remittance. The annual data has been used for the period 1988-2018. The annual data have been collected from economic trends of Bangladesh Bank, foreign exchange policy department of Bangladesh Bank, annual report of Bangladesh Bank, National Account Statistics of BBS and Bangladesh Economic Review of Ministry of Finance.

4.1 Specification of the Model

The model used in the study is as follows:

$$\ln REM = \alpha + \beta_1 \ln MIG + \beta_2 \ln EXC + \beta_3 \ln GDP + \beta_4 \ln INFlA + \epsilon \text{ .... } (1)$$

lnEX = Log of domestic exchange rate
lnREM= Log remittance inflow in US dollar
lnINFLA= Log domestic inflation rate
lnGDP= Log GDP in million USD
lnMIG = Log migration from Bangladesh

It is commonly believed that increase in the number of migrant workers abroad is positively correlated with remittance inflow implying that growing stock of migrants abroad contribute to higher level of remittances. However, compositional features of migrants are also important in determining the amount of remittance sent home (GEP 2006, p-92). If the exchange rate of the home country depreciates the remittance inflow will increase. There is a positive relationship between host country's GDP and remittance inflow. If the host country's GDP increase, the remittance inflow will also increase. Higher inflation in the home country relative to host country can increase or decrease the inflow of remittances. Higher inflation at home, which reduces the purchasing power of migrants' family, can induce migrants to send more remittances. On the other hand, it also represents more risk and uncertainty in the home country relative to host country, thereby discouraging them to send more remittances.

4.2 Unit Root Test

It has been established in most econometric literatures that most time seriesvariables are non-stationary and using non-stationary variables in the model mightlead to spurious regression which cannot be used for precise prediction. Hence,our first step is to examine the characteristics of the data in order to determine ifthe variables are stationary and the order of integration. For this purpose, unit root tests namely, the Augmented Dickey Fuller (ADF) test will be conducted.

Augmented Dickey Fuller (ADF) Test

Augmented Dickey Fuller Test is the extended version of simple Dickey Fullertest. Because of the error term unlikely to be white noise. They extended their testby including extra lagged in terms of the dependent variables in order to eliminatethe problem of autocorrelation. Normally we use Augmented Dickey-Fuller testinstead of simple Dickey-Fuller test. In simple words by including the laggedvalues of dependent variable to the existing model, and continue this procedure uptill where the autocorrelation eliminated. It can be illustrated as:

$$Yt = \beta_1 + \beta_2 Yt + \epsilon_t$$
$$Yt = \beta_1 + \beta_2 Yt + \beta_3 Y_{t-1} + \epsilon_t$$
$$Yt = \beta_1 + \beta_2 Yt + \beta_3 Y_{t-1} + \beta_4 Y_{t-2} + \epsilon_t$$

Now

$$\Delta Yt = \gamma Y_{t-1} + \beta_1 \Delta Y_{t-1} + \epsilon_t$$
$$\Delta Yt = \gamma Y_{t-1} + \beta_1 \Delta Yt_{-1} + \beta_2 \Delta Y_{t-2} + \ldots\ldots + \beta\rho \Delta Y_{t-\rho} + \epsilon_t$$

Testing for stationary in Augmented Dickey-Fuller test follows the same procedure as in simple Dickey-Fuller test. First, stationary is checked at level than at first difference and finally on second difference. At first difference the equation will be as follows:

$$\Delta^2 Yt = \gamma Y_{t-1} + \sigma_{i=1}^{\rho} \beta i \Delta^2 Y_{t-\rho} + \epsilon_t$$

$$\Delta^2 Yt = \alpha + \gamma Y_{t-1} + \sigma_{i=1}^{\rho} \beta i \Delta^2 Y_{t-\rho} + \epsilon_t$$

$$\Delta^2 Yt = \alpha + \beta t + \gamma Y_{t-1} + \sigma_{i=1}^{\rho} \beta i \Delta^2 Y_{t-\rho} + \epsilon$$

If series is still not-stationary we can use same equations by replacing 2 with 3rest process will be same. To test whether the variable used in the model are stationary or non-stationary, we used Augmented Dickey-Fuller (ADF) unit root test. The result of the ADF for the variables in their levels and first differences are reported in Table-4. Estimated ADF test indicates that only inflation variable is stationary at level value with trend and intercept. But all other variables represents a non-stationary process in level form but they are stationary in the first differences which is statistically significant at 5% level of significance. From the ADF test results we may conclude that log of domestic exchange rate (LnEXC), log of remittance inflow (LnREM), log of domestic inflation (LnINFLA), log of GDP (LnGDP), log of migration (LnMIG) are non-stationary I(1) and after first difference it showed stationary I(0). Now we test the relationship among the variables whether they are co-integrated or not.

Table-4 : ADF unit root test

Variable	ADF test statistics	5% critical value	10% critical value	Probability Value	Decision
Level- LnREM	-0.934	-3.568	-3.218	0.9384	Non-stationary I(1)
Δ LnREM	-4.178	-3.574	-3.221	0.0135	Stationary I(0)
Level- LnEXC	-1.815	-3.574	-3.221	0.6710	Non-stationary I(1)
ΔLnEXC	-5.086	-3.580	-3.225	0.0017	Stationary I(0)
Level- LnINFLA	-3.836	-3.568	-3.2183	0.0283	stationary I(0)
Level- LnGDP	-0.0579	-3.580	-3.225	0.9931	Non-stationary I(1)
ΔLnGDP	-4.831	-3.580	-3.225	0.0031	Stationary I(0)
Level- LnMIG	-4.229	-3.574	-3.221	0.0120	Non-stationary I(1)
ΔLnMIG	-5.431	-3.580	-3.225	0.0007	Stationary I(0)

Note: Δ mean first difference

4.3 Co-integration test

Engle-Granger Co-integration TestEngle-Granger (1987) co-integration approach explains the long run relationshipbetween two variables. The first step in the analysis is to determine the order ofintegration of each series.

The second step is to identify co-integration equation using OLS method. In third step, residuals from OLS regression are tested forstationary at levels. The present study has conducted three unit root tests such as;ADF, PP and KPSS tests to check whether the considered variables are stationaryor not. The study has revealed that the observed variables contain a unit root andare integrated of order one. In the next step, we need to estimate Engle-Grangerco-integration equation. The following co-integration regression model is estimated

$$yt = \beta_0 + \beta_1 xt + z_t$$

In the next step, we need to apply ADF test on the residuals (zt) to check whetherthe residuals are stationary or not. The following equation need to be estimated.

$$\Delta z_t = \beta z_{t-1} + \mu_t$$

If the ADF test on residuals rejects the null hypothesis of non-stationary, then wecan draw the inferences that the stock market performance and economic growthare co-integrated and hence they are interrelated with each other in the long run.

In order to find the co-integration between the variables, we use the Engle-Granger co-integration test statistics. Engle-Granger test statistics shows that (Table-4) the calculated value of the residual is greater than the critical value that means the residual is stationary at the level form. So the group variables are co-integrated which indicate that the long run relationship exists among the variables. Thus the OLS estimate provides that there is long run relationship between dependent variable remittance and different independent variables.

4.4 Estimated Result and Analysis

The estimated regression result is given below-

Table-5 : The estimated result of OLS

LnREM	Coefficient	Standard Error	t-statistics	Pro.
Constant	-7.315377	0.663549	-11.02462	0.0000
LNEXC	2.115564	0.347110	6.094801	0.0000
LNGDP	0.808067	0.220849	3.658912	0.0012
LNINFLA	0.185763	0.068346	2.717990	0.0120
LNMIG	-0.021503	0.109958	-0.195559	0.8466
LAGLNMIG	0.079484	0.106122	0.748992	0.4611

The estimated regression equation is as follows:

$$LnREM = -7.315 + 2.11LnEXC + 0.80LnGDP + 0.18LnINFLA - 0.02lnMIG + 0.08LagLnMIG \ldots (2)$$

t-value (-11.024) (6.094) (3.658) (2.717) (-0.195) (0.748)

In equation (2) estimated values of the parameters show that if domestic inflation goes up by 1 percentremittance inflow will increase by 0.185 percent. Similarly, if GDP increase 1 percent,remittance will increase by 0.80 percent. Remittance elasticity with respect to migration is -0.02but it is statistically insignificantand exchange rate elasticity is 2.11which is statistically significant.

5. Conclusion

By way of conclusion, there is no doubt that the remittances sector is a thriving and important financial sector in Bangladesh not only in terms of trade and investment but also in reconstruction, development, and livelihood security. Remittance is one of the most important foreign currency earning sectors of our country through manpower exporting in 162 countries of the world. There is enough scope to increase our foreign remittances by increasing manpower export through good training, monitoring, and advertisement. Based on the findings. The paper concludes that Bangladesh as a labor exporting country can influence the inflow of remittances using appropriate policies of building a user-friendly sending infrastructure searching new overseas markets, improving the formal channel of fund transfer, and creating investment avenues for non-resident Bangladeshis. The flow of remittance has been influenced directly and indirectly by many factors. Bangladeshi migrant workers face tremendous competition with the workers of other countries in a foreign land. By removing these constraints of the flow of remittance, Bangladesh will obtain the status of poverty free within vision 2021. This paper has potential policy implications as the findings indicate that remittances can provide stable support to macroeconomic growth even during a crisis.

5.1 Recommendations

Bangladesh has a huge potential to raise the number of remitters by increasing the export of manpower from large pools of unemployed peoples. This would also reduce the level of unemployment and poverty. Base on the major findings, this paper suggests the following measures to increase the remittances inflow in Bangladesh.

- Developing the skills of migrant workers should also be one of the main goals because right now, most workers being sent abroad unskilled and untrained.
- The government should search for new overseas markets. A key weakness of the manpower market from Bangladesh is that it is heavily concentrated in the Middle East. To remove this structural limitation.

Bangladesh needs to diversify its overseas job markets by adapting proper strategies.
- Bangladesh needs to develop a hassle-free and transparent sending infrastructure to attract massive inflows of remittance through exporting millions of unemployed people.
- Improvement of a formal channel of fund transfer.
- Making Bangladeshi missions abroad more active.
- Creating investment overseas for NRBs.
- Establishing a special desk in the Bangladeshi missions to inform the NRBs about the country's future development plan and strategies and opportunities designed for them.
- Setting up a counseling center at District and Upazila manpower and employment office.
- Making arrangements for legal and transparent contracts between recruiting agencies and job seekers.
- Providing training for skill development and undertaking programs for language learning.
- Making the recruitments fee and transfer cost of fund rational.
- The government should provide financial subsidies and a bank loan to migrate the manpower.
- The government should create an investment-friendly environment to use remittance money in the productive sector.
- The government should formulate clear and precise pre-departure legislation.

Migrant workers face lots of problems abroad due to a lack of information, knowledge & education. The government and private recruiting agencies should expand their training centers in different parts of the country to reduce this problem.

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