

Migration and Development Brief 33
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Phase II

COVID-19 Crisis through a Migration Lens

Migration and Remittances Team

Social Protection and Jobs

World Bank



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Summary

This Migration and Development Brief provides updates on global trends in migration and remittances. It highlights developments related to migration-related Sustainable Development Goal (SDG) indicators for which the World Bank is a custodian: increasing the volume of remittances as a percentage of gross domestic product (SDG indicator 17.3.2), reducing remittance costs (SDG indicator 10.c.1), and reducing recruitment costs for migrant workers (SDG indicator 10.7.1).

The economic crisis induced by COVID-19 could be long, deep, and pervasive when viewed through a migration lens. In October 2020, COVID-19 case numbers rose again to surpass 44 million. The number of fatalities surpassed 1.1 million. A recurrence of COVID-19 phases accompanied by lockdowns, travel bans, and social distancing could not be ruled out well into 2021. Although economic activities and employment levels around the world had rebounded to varying degrees from the depths reached in the second quarter (Q2) of 2020, they were still far from pre-crisis levels, and the near-term outlook remained uncertain.

For the first time in recent history, the stock of international migrants was likely to decline in 2020, as new migration slowed and return migration increased. Initially, the lockdowns and travel bans left many migrant workers stranded in their host countries, unable to travel back. Later in the year, however, return migration was reported across all parts of the world. Furthermore, rising unemployment in the face of tighter visa and mobility restrictions was likely to result in a further increase in return migration.

The adverse effects of the crisis in terms of loss of jobs and earnings, and exposure to and infection with COVID-19, have been disproportionately high for migrants, especially those in informal sectors and lower-skilled jobs. Having jobs has not shielded migrant workers from income losses during the crisis. Anecdotal reports suggest that migrants, especially those living in dormitories or camps, are particularly vulnerable to the risk of infection from the COVID-19 virus.

Based on the trajectory of economic activities in major migrant-hosting countries, especially the United States, European countries, and the Gulf Cooperation Council countries, remittance flows to low- and middle-income countries (LMICs) were projected to decline by 7.2 percent, to \$508 billion in 2020, followed by a further decline of 7.5 percent, to \$470 billion in 2021. The projected declines in remittances were the steepest in recent history, and steeper than the 5 percent decline recorded during the 2009 global recession. The foremost factors driving the declines were weak economic growth and uncertainties around jobs in migrant-hosting countries, a weak oil price, and, in many remittance-source countries, an unfavorable exchange rate against the US dollar.

The outlook for remittances presented in this Brief indicates a more gradual and prolonged decline (continuing into 2021) than our April outlook, which forecast a sharper decline in 2020 followed by a modest recovery in 2021. Yet the outlook for remittances remains uncertain and will depend on COVID-19's impact on global growth. This is linked, in turn, to uncertainties regarding the effectiveness of efforts to contain the spread of the disease.

Monthly or quarterly data on remittances reveal a common intra-year pattern in 2020: a sharp decline in April and May followed by a slow but partial recovery. Most countries, notably those in Europe and Central Asia, registered steep declines in remittances in Q2. There was a recovery in remittance flows starting in June. Following the hiatus of April and May, it appears that some migrants drew on their

savings to send money home, but that cannot be sustained for long. Another likely reason for the observed partial recovery of remittance flows in June is a shift in flows from informal (unrecorded) hand-carrying to formal (recorded) remittance channels. This is especially true among relatively high-skilled migrant workers with access to digital remittance services. A third reason is that some migrants were able to access cash transfers offered by host country governments. Three large recipients of remittances—Mexico, Pakistan, and Bangladesh—stand out as exceptions to the pattern mentioned above: these countries escaped a decline in Q2 and seem to register increases in Q3.

Even though remittance flows will decline in 2020, their relative importance as a source of external financing for LMICs is expected to increase. Remittance flows to LMICs touched a record high of \$548 billion in 2019, larger than foreign direct investment (FDI) flows (\$534 billion) and overseas development assistance (about \$166 billion). The gap between remittance and FDI flows is expected to widen further in 2020 as FDI flows decline more sharply than those of remittances.

The declines in 2020 and 2021 will affect all regions, with the steepest drops expected in Europe and Central Asia (16 percent in 2020 and 8 percent in 2021), followed by East Asia and the Pacific (11 percent, 4 percent), the Middle East and North Africa (8 percent, 8 percent), Sub-Saharan Africa (9 percent, 6 percent), South Asia (4 percent, 11 percent), and Latin America and the Caribbean (0.2 percent, 8 percent).

Beyond humanitarian considerations, providing migrants access to housing and health care is necessary to keep host communities safe from the pandemic. Migrants are on the frontline, saving people from COVID-19 in hospitals and science labs. They are on the frontline in stores and restaurants, farms and factories, keeping these businesses running. Also, it is worth noting that every dollar spent on supporting a migrant is likely to increase remittances and thereby support many poor people in distant countries.

Government policy responses, especially the provision of access to health care, housing, and education, should be inclusive of migrants in host countries and their families in origin countries. Stranded migrants need help from governments and the development community in both host and transit countries. Migrant workers may need protection from abuse or wage theft by unscrupulous employers. Origin countries must find ways of supporting returning migrants in resettling and finding jobs or opening businesses. Many host countries and origin countries would require grants or concessional financing from third parties to provide support to migrants from other countries.

Also, governments must support remittance infrastructure, including by recognizing remittance services as essential, reducing the burden of remittance fees on migrants, incentivizing digital money transfers, and mitigating factors that prevent customers or service providers of digital remittances from accessing banking services. The governments of the United Kingdom and Switzerland, as well as the International Fund for Agriculture Development, United Nations Capital Development Fund, and World Bank have issued calls to action to keep remittances flowing.

Finally, the crisis has exposed significant data gaps that have prevented real-time monitoring of remittance flows and migratory movements, including of stranded migrants and returning migrants. There is a pressing need to improve relevant data collection systems. The World Bank, through the Global Knowledge Program on Migration and Development (KNOMAD), is launching an International Working Group on Improving Data on Remittances in collaboration with national statistical offices,

central banks, and selected international organizations to improve data on remittances and international cooperation in the collection and dissemination of such data.

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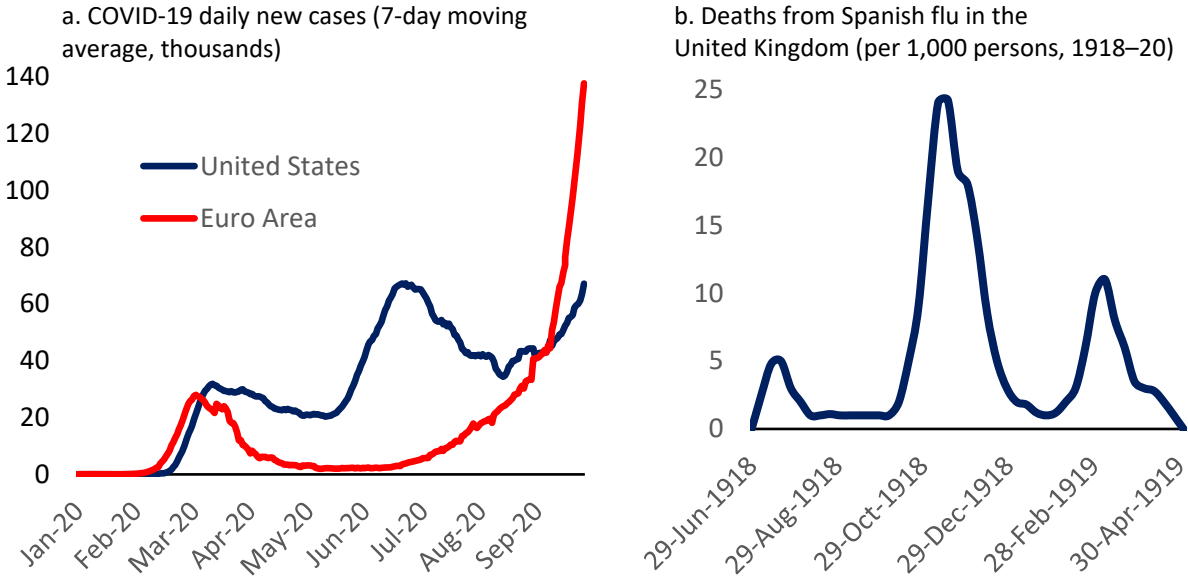
1. Evolving COVID-19 Situation and Its Impact on Migration

1.1 Resurgence of COVID-19 in Major Migrant-Hosting Countries

In October 2020, COVID-19 case numbers rose again in many countries, especially in major migrant-hosting countries, notably the United States and European countries (figure 1.1, panel a). On October 27, 2020, the number of cases surpassed 44 million and the number of fatalities surpassed 1.1 million. The virus has affected people in every country.

Judging from the experiences of the Spanish flu a century ago, a recurrence of COVID-19 phases in major migrant-hosting countries cannot be ruled out well into 2021. In *Migration and Development Brief 32* (World Bank 2020c), we pointed out that the Spanish flu lasted two years (1918–20) and had three distinct phases: phase 2 of the Spanish flu was the deadliest, followed by a phase 3 that had a higher mortality rate than phase 1 (figure 1.1, panel b).

Figure 1.1 Recent Upsurge in COVID-19 Cases in the United States and Euro Area Mirrors the Spanish Flu in 1918–20



Source: Spanish flu data are based on Taubenberger and Morens (2006, 15); COVID-19 data are from the Johns Hopkins University Coronavirus Resource Center.

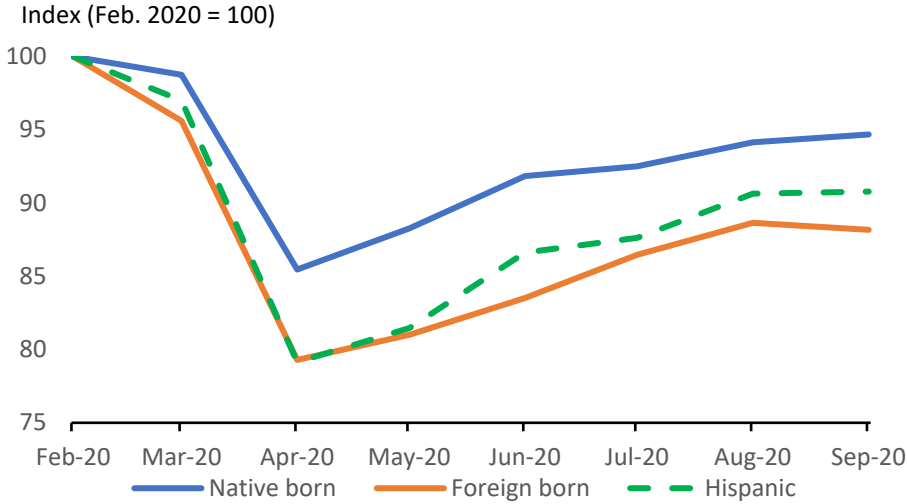
1.1 Impact on Migrants

Travel restrictions, lockdowns, and social distancing measures imposed in response to COVID-19 have inflicted enormous adverse effects on lives and livelihoods. An estimated 88–115 million persons are thrown back into severe poverty as a result of the economic crisis (World Bank 2020a).¹ Although by October 2020, economic activities and employment levels around the world had rebounded to varying degrees from the depths reached in the second quarter (Q2) of the same year, they were still far from pre-crisis levels, and the near-term outlook remained uncertain.

The adverse effects of the crisis in terms of **loss of jobs and earnings, and exposure to and infection** with COVID-19, have been disproportionately high for migrants, especially for those in informal sectors

and relatively low-skilled jobs. In times of crisis, migrants tend to be more vulnerable to risks of unemployment than native-born workers. According to the Organisation for Economic Co-operation and Development (OECD), the share of the working-age population with jobs fell by 4.0 percentage points, to 64.8 percent, in Q2 2020, the lowest figure since Q4 2010 (OECD 2020a).² High-frequency data are not available on the employment levels of foreign workers in most countries. Anecdotally, however, foreign workers have lost jobs in relatively large numbers. In the United States, for example, compared to the pre-crisis level of February 2020, the employment level of foreign-born workers declined by 21 percent in April, sharper than the 14 percent decline in the employment of native-born workers (figure 1.2). Since then, although the employment level has improved for both categories of workers, it is still down by 12 percent for foreign-born workers (and by 5 percent for native-born workers). (The recovery has been somewhat stronger for Hispanic workers, which has helped keep remittances flowing to Latin America and the Caribbean.)

Figure 1.2 United States Jobs Fell More for Foreign- than Native-Born Workers During the COVID-19 Crisis



Source: US Bureau of Labor Statistics.

Having jobs has not shielded workers from suffering income losses during the crisis. According to the International Labour Organization (ILO), global labor income losses (before considering income support measures) declined by 10.7 percent during the first three-quarters of 2020 compared to the same period in 2019. The estimated income losses amounted to \$3.5 trillion, or 5.5 percent of global gross domestic product (GDP) (ILO 2020). The loss of wages and earnings was likely higher for migrant workers. Again, there is a paucity of high-frequency data on earnings of foreign workers. Looking at historical data from the United States, during the 2009 global recession, the earnings of the foreign born as a share of native-born earnings fell from 79.9 percent in 2008 to 79.1 percent in 2009 and 77.5 percent in 2010.

Migrants working in the informal sector and irregular (undocumented) migrants are particularly vulnerable during this crisis. Not only are they suffering from a loss of income and employment, but also are excluded from social security and cash transfer programs implemented by host country governments. As such they are more vulnerable to income loss and poverty during the COVID-19 crisis,

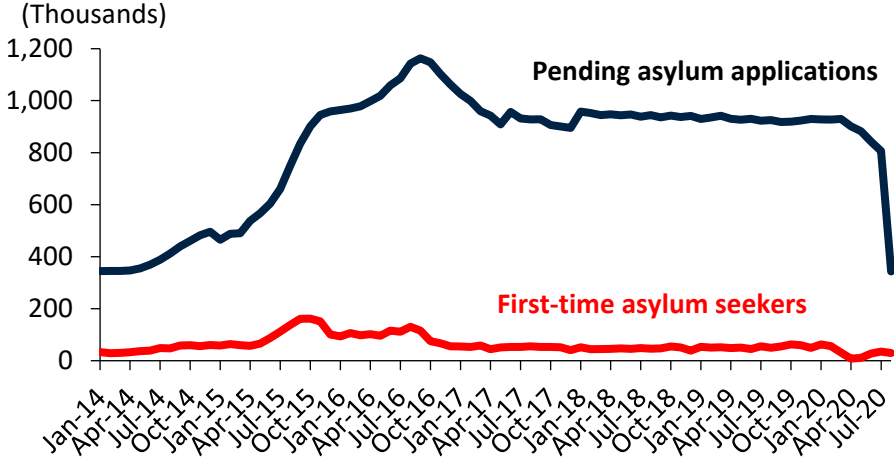
as we have seen in the case of Venezuelans in Colombia, Peru, and Ecuador or of South Asian migrant workers in the Gulf Cooperation Council (GCC) countries.

On top of this, anecdotal reports suggest that migrants living in dormitories or camps are particularly vulnerable to the risk of infection by the COVID-19 virus.³ Migrant workers tend to be in essential occupations that cannot be undertaken from home. In three-quarters of OECD countries, the share of immigrants able to telework is at least 5 percentage points below that of their native-born counterparts (OECD 2020b). In the United States, 57 percent of all workers in building, grounds cleaning, and maintenance were foreign born; nearly one-third of workers in service occupations (including food preparation and serving, personal care, and transportation) were foreign born in 2019.

As new migration flows are reduced to a trickle and return migration surges, 2020 may well become the first year in recent decades to mark an actual **fall in the stock of international migrants**. Amid travel bans and restrictions on **cross-border mobility** set in place since March 2020 in several countries, a smaller number of people crossed borders during the first six months of 2020. According to the provisional results of Germany’s migration statistics, the number of people arriving in the first half of 2020 was down 29 percent (Destatis 2020). Australia predicts that net migration numbers will fall from 154,000 in the 2019–20 financial year to a net loss of 72,000 in 2020–21, a first since World War II (SBS News 2020). According to the *International Migration Outlook 2020*, issuances of new visas and permits in OECD countries fell by 46 percent in the first half of 2020 compared with the same period in 2019, registering the largest drop ever recorded (OECD 2020c).

Also, cross-border movement of **refugees and asylum seekers** seems to have declined due to the crisis, although more recent data are not yet available. The number of first-time **asylum seekers** to the 27 European Union countries (EU-27) fell from a peak of around 162,050 in October 2015 to around 29,415 in August 2020 (figure 1.3). The number of persons awaiting a decision on their asylum cases fell from about 1.2 million in September 2016 to just around 0.34 million in August 2020. According to the United Nations High Commissioner for Refugees (UNHCR), as of June 2020, there were around 79.5 million forcibly displaced persons around the world (box 1.1).

Figure 1.3 First-Time and Pending Asylum Applications in the EU-27



Source: Eurostat.

Box 1.1 Refugee Movements and Forced Displacements

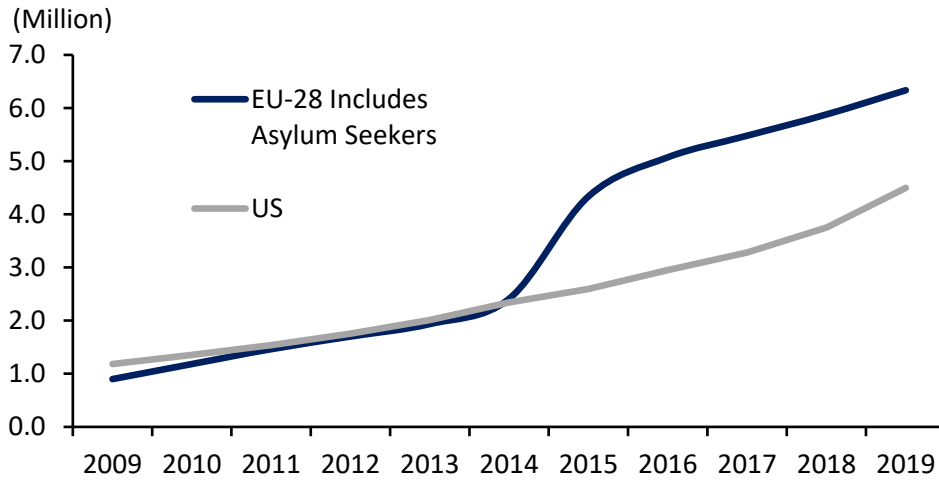
According to the United Nations High Commissioner for Refugees, as of June 2020, there were around 79.5 million forcibly displaced persons around the world, including 26.0 million refugees, 45.7 million internally displaced persons, 4.2 million asylum seekers, and 3.6 million Venezuelans displaced abroad.⁴ More than two-thirds of all refugees and Venezuelans displaced abroad came from just five countries: Syria (6.6 million), Venezuela (3.6 million), Afghanistan (2.7 million), South Sudan (2.2 million), and Myanmar (1.1 million). The top host countries for refugees and internally displaced persons are Turkey (3.6 million), Colombia (1.8 million), Pakistan (1.4 million), Uganda (1.4 million), Germany (1.1 million), Sudan (1.1 million), Iran (1 million), Bangladesh (0.9 million), Ethiopia (0.7 million), and Jordan (0.7 million).⁵

Even as new migration flows and refugee movements have declined, the crisis has led to an increase in **return migration**. Initially the lockdowns and travel bans left many migrant workers stranded in their host countries, unable to travel back. More recently, however, return migration has been reported in all parts of the world. Many international migrants, especially from the GCC countries, returned to countries such as India, Pakistan, and Bangladesh. Some migrants had to be evacuated by governments. For instance, India repatriated over 600,000 stranded migrants using special flights and shipping vessels. According to some reports, Egypt faces the specter of growing return migration, with estimates suggesting up to 1 million are returning (Cairo Review 2020; OECD 2020d). According to the Philippine Overseas Labor Office, over 230,000 overseas Filipino workers were repatriated to the Philippines as of early October, representing about one-tenth of workers overseas and almost 50 percent of workers who lost their jobs. About 120,000 migrant workers are said to have returned from Thailand to Cambodia (this is more than 10 percent of all Cambodian workers in that country). The Ukrainian government claimed in April that 2 million Ukrainians working abroad had returned to the country due to the pandemic. Tajikistan also reported that the number of returning migrant workers rose sharply in February and March from Kazakhstan and Russia, which account for more than 90 percent of Tajik migrants. Official numbers from Colombia stated that 113,000 Venezuelans had returned to Venezuela by the first week of October.

The surge in return migration is likely to prove burdensome for the communities to which migrants return, as they must provide quarantine facilities in the immediate term and support housing, jobs, and reintegration efforts in the medium term.⁶

Furthermore, rising unemployment in the face of tighter visa and mobility restrictions is likely to result in a further increase in return migration. Already in 2019, the number of **potential (involuntary) returnees** had risen to over 6 million in the EU-28 (which included the United Kingdom) and 4.5 million in the United States (figure 1.4).⁷ In Europe, the increase in potential returnees was mainly a result of asylum applications filed in 2015 that were subsequently rejected (figure 1.5, panel b).⁸ In the United States, the increase was a result of increased enforcement of immigration regulations and detection of undocumented persons in 2019 (figure 1.5, panel a).⁹

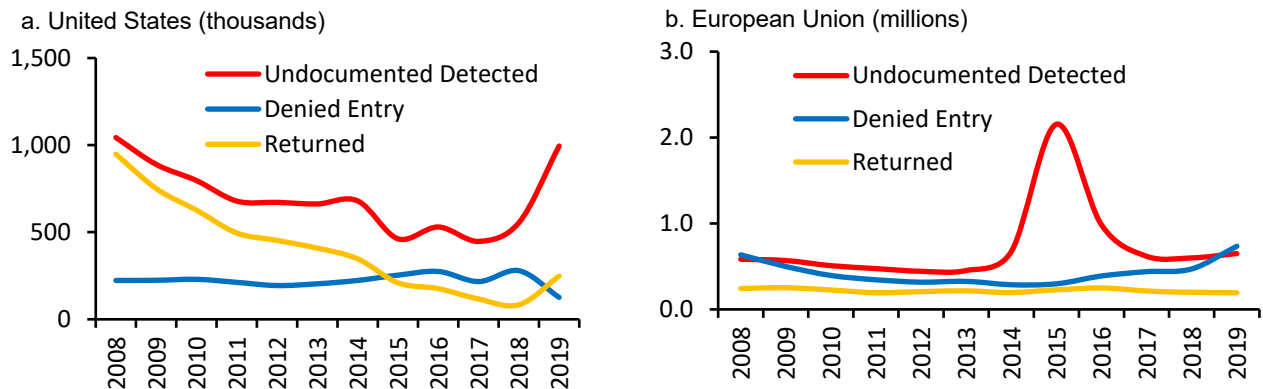
Figure 1.4 Potential Returnees in the EU-28 and United States, 2009–19



Source: Calculations using data from Eurostat and the US Department of Homeland Security.

Note: Asylum seekers are first-time asylum applicants from non-EU-28 countries. The EU-28 included the United Kingdom. Undocumented detected stock_t = undocumented detected stock_{t-1} + new undocumented detected_t - returned_t.

Figure 1.5 Potential Returnees (Undocumented Detected) in the United States (panel a) and EU-28



(panel b), 2008–19

Source: Eurostat and the US Department of Homeland Security. See *Migration and Development Brief 28* for methodological details (World Bank 2017).

Note: Denied entry = third-country nationals refused entry in the European Union and Schengen external border; undocumented detected = illegally present third-country nationals within the European Union; returned = both enforced and nonenforced. The EU-28 countries included the United Kingdom. Data in calendar years.

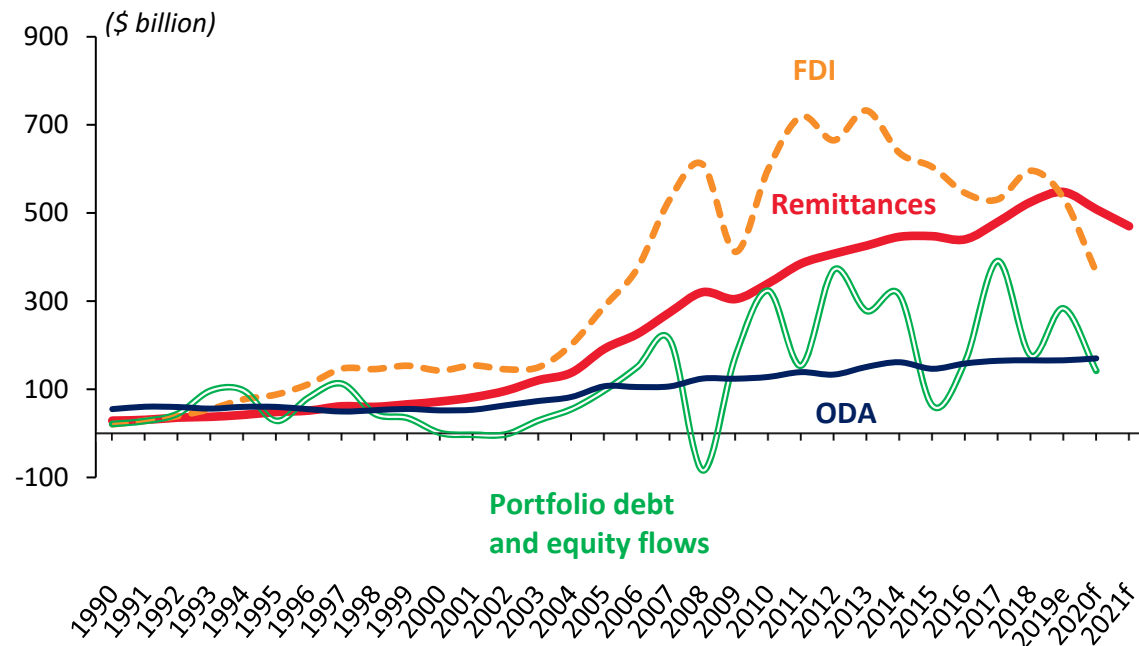
1.2 Remittance Flows Are Expected to Decline in 2020 and 2021

Based on the trajectory of economic activities in many major migrant-hosting countries, especially the United States, European countries, and the GCC countries, remittance flows to low- and middle-income countries (LMICs) are expected to register a decline of 7.2 percent to \$508 billion in 2020, followed by a further decline of 7.5 percent to \$470 billion in 2021 (figure 1.6 and table 1.1). The projected decline in remittances will be the steepest in recent history, certainly steeper than the decline (less than 5 percent) recorded during the global recession of 2009. This outlook for remittances indicates a more gradual but more prolonged decline (continuing into 2021) than our April outlook (see World Bank 2020c), which forecasted a sharper decline in 2020 followed by a modest recovery in 2021.¹⁰

Despite the projected decline, the **importance of remittances as a source of external financing** for LMICs is expected to increase further in 2020.¹¹ Remittance flows to LMICs touched a record high of \$548 billion in 2019, larger than foreign direct investment (FDI) flows (\$534 billion) and overseas development assistance (ODA, around \$166 billion) (figure 1.6).¹² The gap between remittances and FDI is expected to widen further as the decline in FDI is expected to be sharper (box 1.2).

According to these projections, in 2020, in current US dollar terms, **the top remittance recipient countries** are expected to be India, China, Mexico, the Philippines, and Egypt, unchanged from 2019 (figure 1.7). When remittances are calculated as a share of GDP, the top five recipients in 2020 are smaller economies: Tonga, Haiti, Lebanon, South Sudan, and Tajikistan.

Figure 1.6 Remittance Flows to Low- and Middle-Income Countries Projected to Remain Higher than FDI Flows



Sources: World Bank–KNOMAD staff estimates; World Development Indicators; International Monetary Fund (IMF) Balance of Payments Statistics. See appendix in the *Migration and Development Brief 32* for forecast methods (World Bank 2020c).
Note: FDI = foreign direct investment; ODA = official development assistance.

Table 1.1 Estimates and Projections of Remittance Flows to Low- and Middle-Income Regions

| <i>\$ billion</i> | 2009 | 2016 | 2017 | 2018 | 2019e | 2020f | 2021f |
|---|-------------|-------------|------------|------------|------------|-------------|-------------|
| Low- and Middle-Income Countries | 305 | 440 | 480 | 525 | 548 | 508 | 470 |
| East Asia and Pacific | 80 | 128 | 134 | 143 | 147 | 131 | 126 |
| Europe and Central Asia | 35 | 40 | 48 | 55 | 57 | 48 | 44 |
| Latin America and Caribbean | 55 | 73 | 81 | 89 | 96 | 96 | 88 |
| Middle East and North Africa | 31 | 51 | 57 | 58 | 60 | 55 | 50 |
| South Asia | 75 | 111 | 117 | 132 | 140 | 135 | 120 |
| Sub-Saharan Africa | 28 | 38 | 42 | 48 | 48 | 44 | 41 |
| World | 435 | 596 | 642 | 695 | 717 | 666 | 619 |
| <i>Memo items:</i> | | | | | | | |
| LMICs, FY 2019 income classification* | 306 | 446 | 487 | 532 | 556 | 515 | 476 |
| IDA eligible countries | 64 | 103 | 111 | 123 | 128 | 124 | 112 |
| <i>Growth rate, percent</i> | | | | | | | |
| Low- and Middle-Income Countries | -4.9 | -1.6 | 9.1 | 9.4 | 4.3 | -7.2 | -7.5 |
| East Asia and Pacific | -4.8 | -0.5 | 5.1 | 6.8 | 2.2 | -10.5 | -4.2 |
| Europe and Central Asia | -12.8 | -1.6 | 21.7 | 13.5 | 4.0 | -16.1 | -7.5 |
| Latin America and Caribbean | -12.3 | 7.4 | 11.1 | 9.9 | 8.2 | -0.2 | -8.1 |
| Middle East and North Africa | -6.0 | -1.2 | 12.6 | 1.7 | 3.0 | -8.5 | -7.7 |
| South Asia | 4.5 | -5.9 | 6.0 | 12.3 | 6.1 | -3.6 | -10.9 |
| Sub-Saharan Africa | -0.1 | -8.5 | 9.5 | 13.9 | 0.5 | -8.8 | -5.8 |
| World | -5.1 | -1.1 | 7.7 | 8.2 | 3.2 | -7.0 | -7.1 |

Sources: World Bank–KNOMAD staff estimates. See appendix in *Migration and Development Brief 32* for forecast methods (World Bank 2020c).

Note: e = estimate; f = forecast; IDA = International Development Association.

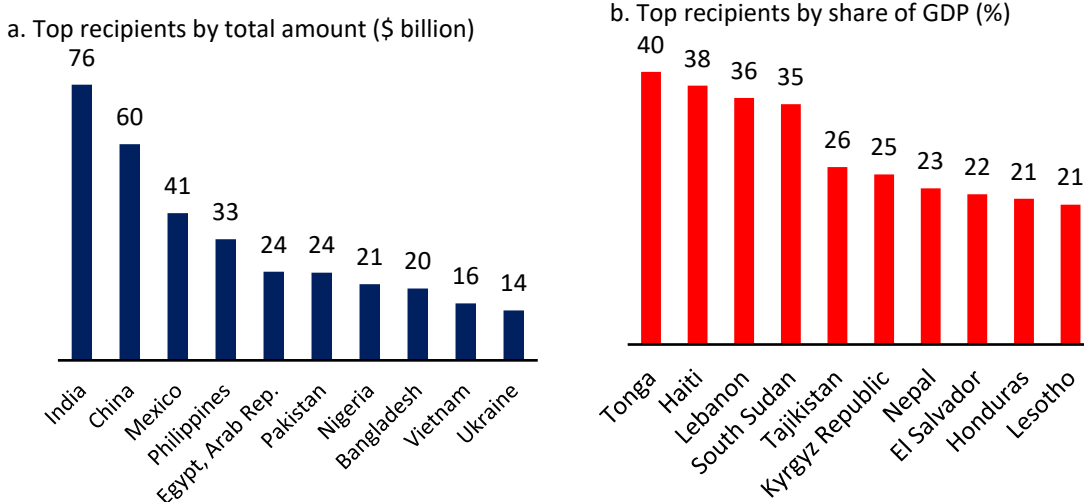
*This group includes countries classified as “developing countries” during FY 2019. It includes Romania and Mauritius.

**IDA-only countries are expected to see a decline in remittance inflows in 2020 and 2021, to \$68 billion and \$63 billion respectively, from \$71 billion in 2019.

Box 1.2 Foreign Direct Investment to Decline in 2020

Foreign direct investment (FDI) flows to low- and middle-income countries are projected to decrease by nearly 32 percent in 2020 in the wake of the global pandemic, from their 2019 volume of \$531 billion. Available data show a decline of 37 percent year-on-year in the second quarter of 2020 and 32 percent in the first half of 2020. Nearly all developing countries, notably China (-17 percent), India (-36 percent), Indonesia (-39 percent), and Russia (-86 percent) experienced a sharp drop in FDI inflows during the first half of 2020. The global lockdown measures affected the implementation of existing investment projects. Lower corporate profits due to the pandemic are likely to have reduced reinvested earnings, which account for a significant portion of FDI. In addition, the prospect of a severe global recession is likely to prompt multinational companies to reassess new projects in developing countries. Indeed, both new greenfield investment project announcements and cross-border mergers and acquisitions declined by more than 50 percent in the first months of 2020 from a year before. FDI flows to developing countries have steadily declined since 2013 (with the exception of 2018), and they could remain below pre-pandemic levels through 2021.

Figure 1.7 Top Remittance Recipients, by Total (panel a) and by Share of GDP (panel b), 2020



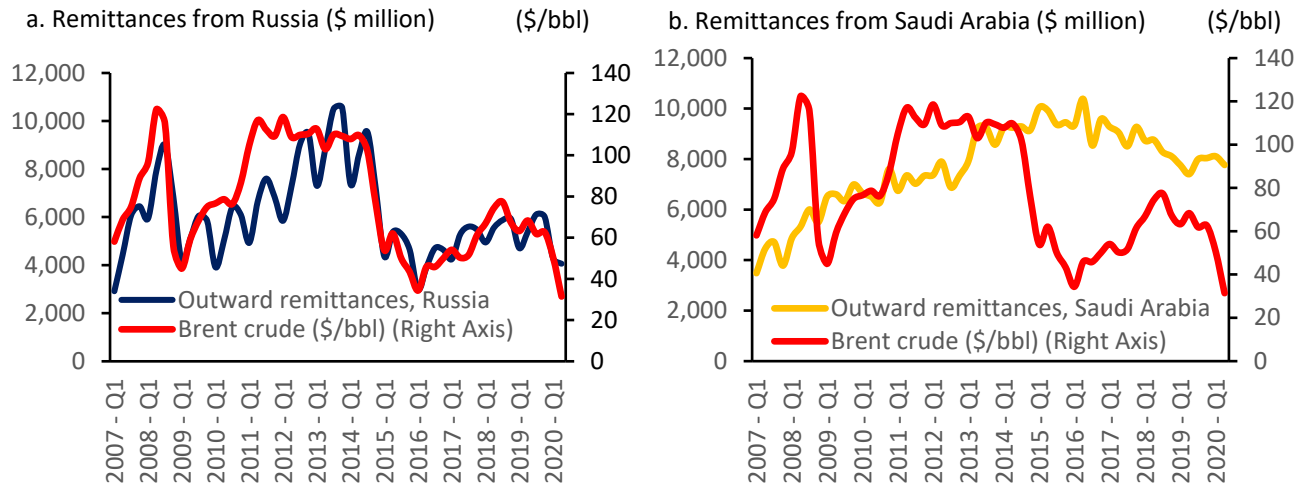
Sources: World Bank staff estimates; World Development Indicators; IMF Balance of Payments Statistics.

Note: The top recipient countries include several high-income countries such as France and Germany (not shown in the figure), but as a share of GDP, remittance flows to these countries are negligible. GDP = gross domestic product.

The foremost factors driving the decline in remittances in 2020 and 2021 are **weak economic growth and uncertainties around jobs** in several high-income migrant-hosting countries such as the United States and European countries. Uncertainty around work in high-income countries will continue to dampen employment and earning prospects for migrant workers and therefore remittance flows to LMICs.

A second factor affecting remittance flows is the **weak oil price**. The economies of GCC countries and Russia—major sources of remittances to South Asia, Southeast Asia, and Central Asia—are highly dependent on the oil price (figure 1.8). Outward remittances from Russia seem to have a direct correlation with cyclical movements in oil price. In the case of Saudi Arabia, the correlation is less visible at a quarterly frequency, but the long-term effects are present; a continued weakness in oil price has affected economic activities and hence the employment of foreign workers, and outward remittances have been falling since 2015. A more structural factor in the case of Saudi Arabia and other GCC countries is a shift in their employment policies to favor the employment of native-born workers. In the medium term, outward remittance flows from the GCC countries are unlikely to increase significantly.

Figure 1.8 Lower Oil Prices Have Affected Outward Remittance Flows from Russia (panel a) and Saudi Arabia (panel b), Q1 2007 through Q1 2020

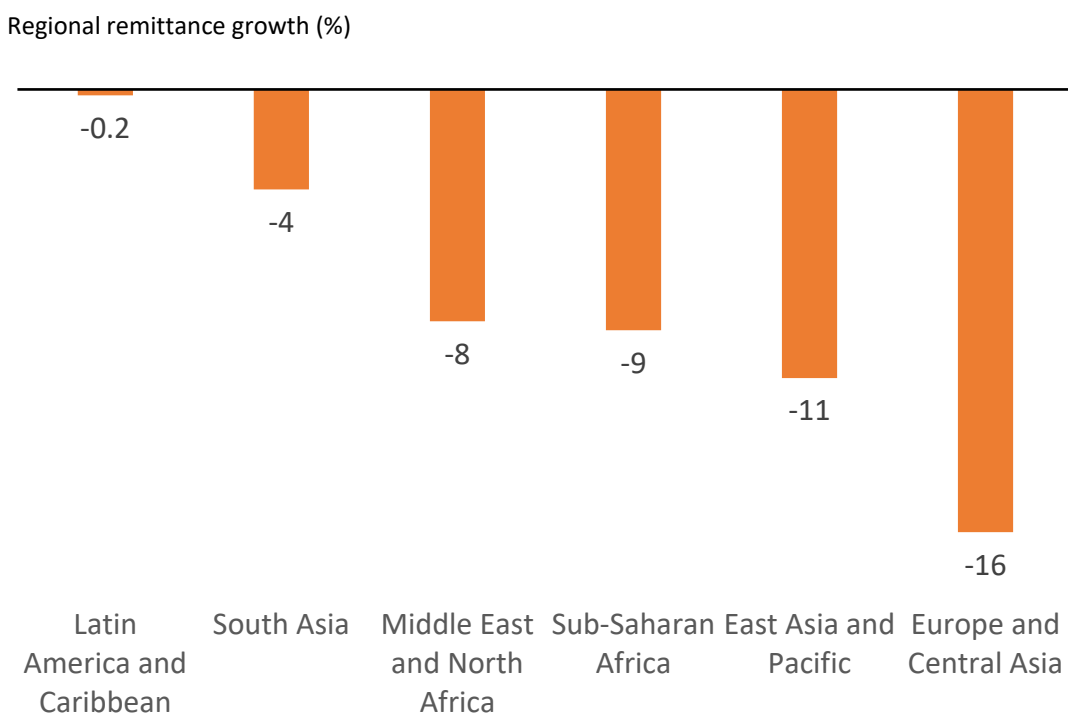


Source: Haver and World Bank-KNOMAD.
 Note: \$/bbl = dollar per barrel; Q1 = first quarter.

A third factor affecting the flow of remittances is the **exchange rate** (vis-à-vis the US dollar) of source currencies for remittances. The weakening of the ruble against the US dollar, by over 26 percent since the beginning of 2020, has reduced remittances from Russia in US dollar terms. Remittances to Central Asia have therefore declined significantly.

Among global **regions**, Europe and Central Asia is expected to register the sharpest decline, by 16 percent in 2020 (figure 1.9 and table 1.1). The weakening of the euro and other currencies against the US dollar will also reduce remittances originating from Europe and other high-income, migrant-hosting countries. (Note that South-South migration is larger than South-North migration, and intraregional migration accounts for over two-thirds of international migration in Sub-Saharan Africa.) Remittance flows to Latin America and the Caribbean are expected to decline by 0.2 percent in 2020. A more detailed description of regional trends in migration and remittance flows is provided in section 2 of this Brief.

Figure 1.9 Projected Growth of Remittances by Region, 2020



Source: World Bank-KNOMAD staff estimates.

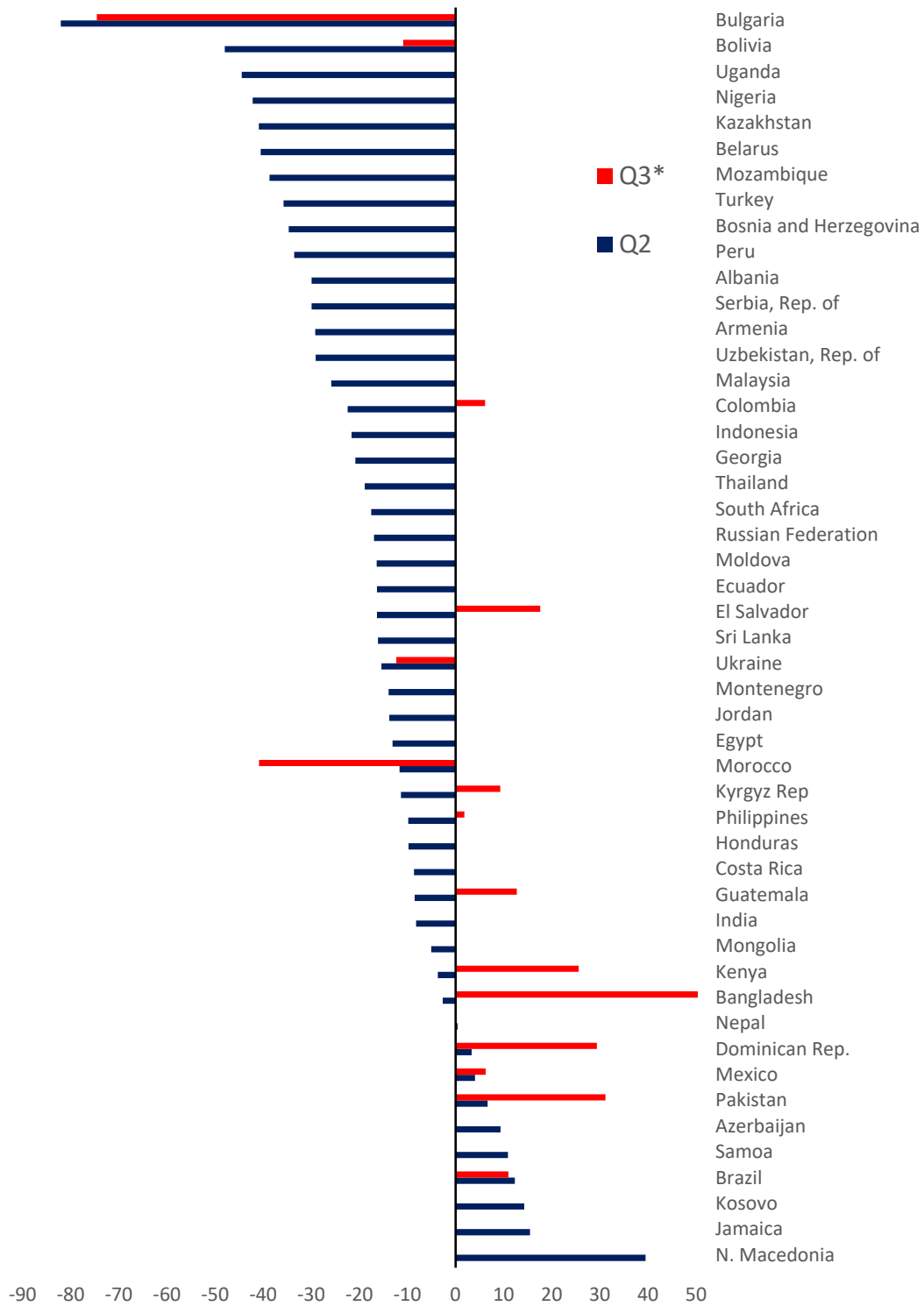
The outlook for remittance flows presented in this Brief indicates that by the end of 2021, remittance flows to LMICs would decline by over 14 percent, only slightly lower than the 15 percent decline projected in April 2020. As noted earlier, the new outlook indicates a trajectory of more gradual but prolonged decline continuing into 2021. Meanwhile, the intra-year variations in remittance flows in 2020 merit further analysis.

1.2.1 Intra-year Patterns in 2020

For most countries where monthly or quarterly data on remittances are available, data reveal a common intra-year pattern in 2020: a sharp decline in April and May (the initial crisis months marked by abrupt, pervasive, and chaotic lockdowns, travel bans, and disruption to remittance services) followed by a slow but *partial* recovery (figure 1.10). Most countries, notably those in Europe and Central Asia, registered steep declines in remittances in Q2. Remittances to Latin America and the Caribbean also dropped abruptly in the first few months after the COVID-19 outbreak. The foremost reason for a recovery in remittance flows starting in June was a catch-up after the hiatus of April and May. Even as migrants (especially lower-skilled or irregular migrants) suffered a loss of income or employment, their families back home needed support. Anecdotally, some migrants drew on their savings to send money home, but that cannot be sustained for long. A second reason is likely to be a shift in flows from informal (unrecorded) hand-carrying to formal (recorded) remittance channels. This is especially true in the case of higher-skilled migrant workers with access to digital remittance services. A third reason is that some migrants were able to access cash transfers offered by some host country governments.¹³ However, while documented migrants would have access to the stimulus support, undocumented migrants would not.

Figure 1.10 High-Frequency Data Indicate Uneven Changes in Remittance Flows during Q2 and Q3, 2020

Year-on-year change in remittances (%)

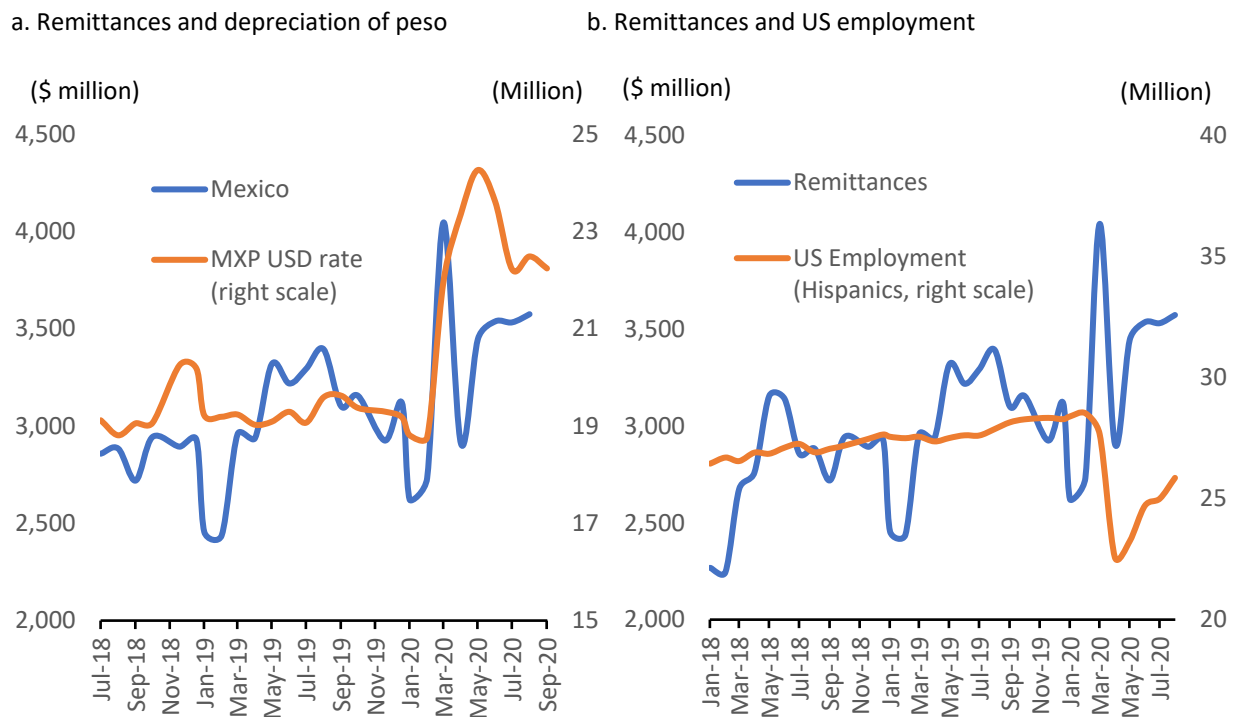


Source: Haver and World Bank-KNOMAD.

*Data for Bolivia, Bulgaria, Mexico, Morocco, the Philippines, and Ukraine are for July and August only.

Three large recipients of remittances—Mexico (\$39 billion in 2019), Pakistan (\$22 billion), and Bangladesh (18 billion)—stand out as **exceptions to the general pattern** mentioned above: these countries escaped a decline in remittance inflows in Q2 and seem to register increases in Q3. In the case of **Mexico**, a sharp rise in remittance flows observed in Q1 2020 may have been triggered by a 25 percent depreciation of the peso against the US dollar (figure 1.11, panel a). For Mexican migrants in the United States, a weaker peso provided a strong incentive to remit more to take advantage of lower prices (in US dollar terms) of goods and assets in Mexico.¹⁴ Over 90 percent of Mexican migrants are in the United States and many of them who have resident status or a legal work permit may have had access to social protection measures offered by the United States. However, a weak employment situation in the United States—employment of Hispanics declined by 5 million in April—is likely to dampen remittance flows in the near future (figure 1.11, panel b).

Figure 1.11 Remittance Flows to Mexico Rose in Q2 in a Response to a Depreciation of the Peso (panel a), but a Sharp Drop in Hispanics’ Employment Rate in the United States Is Likely to Dampen These Flows (panel b)

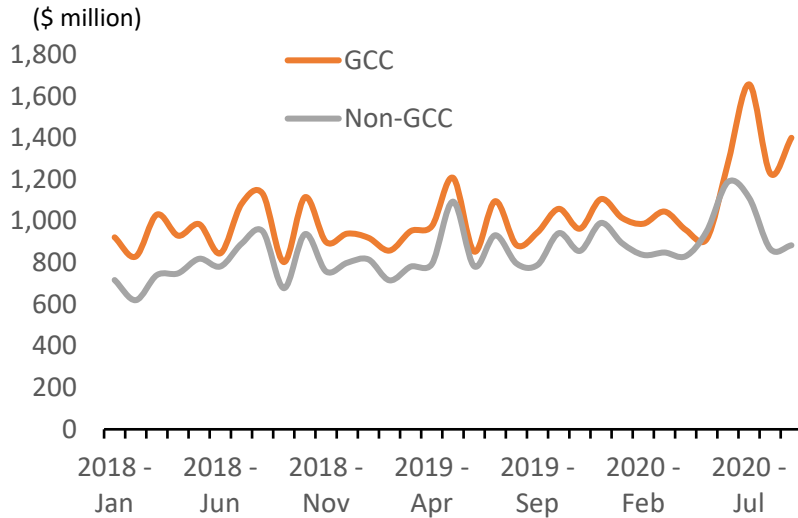


Source: Haver and World Bank-KNOMAD; US Bureau of Labor Statistics.
 Note: MXP = Mexican peso.

In the case of **Pakistan**, there was a sharp increase in remittances in July, mostly from the GCC countries, particularly from Saudi Arabia (figure 1.12). Arguably this spike in remittances could be at least partially attributed to the “Haj effect”—Pakistani migrants remitting home the money saved for pilgrimage to Mecca due to a sharp reduction in the number of Haj visas to contain the pandemic. In 2019, more than 1.8 million foreigners made the Haj, whereas this year only local residents (formally 1,000) were permitted. In addition, the government’s efforts to attract remittances and migrants’ savings through tax incentives may be working, although these are yet to be evaluated.¹⁵

The “Haj effect” seems to have affected remittance flows to **Bangladesh** as well in July 2020. But perhaps a more important reason for a whopping 53.5 percent year-on-year increase in remittance flows in Q3 was the damage from the floods that inundated more than one-quarter of the country’s landmass, affecting nearly 1 million homes and 4.7 million people. Other plausible explanations include pent-up remittances after the shutdown in Q2 and a shift in flows from informal to formal channels.

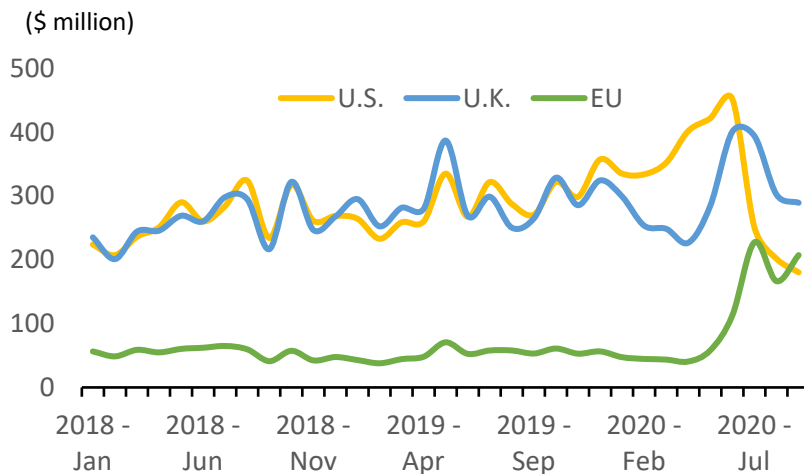
Figure 1.12 Remittances from GCC Countries to Pakistan Rose in Q2 and Q3 of 2020



Source: Haver and World Bank-KNOMAD.

Note: GCC = Gulf Cooperation Council.

Figure 1.13 Remittances from the United States to Pakistan Fell in Q2 and Q3 of 2020



Source: Haver and World Bank-KNOMAD.

A closer look at data on remittances to Pakistan, disaggregated by source country, reveals that even remittances from the GCC countries—in particular, Saudi Arabia—have been either flat or declining for the past three years, perhaps reflecting the indigenization policy mentioned earlier. A second interesting trend is a decoupling of flows from the United States and the United Kingdom this year and a sharp

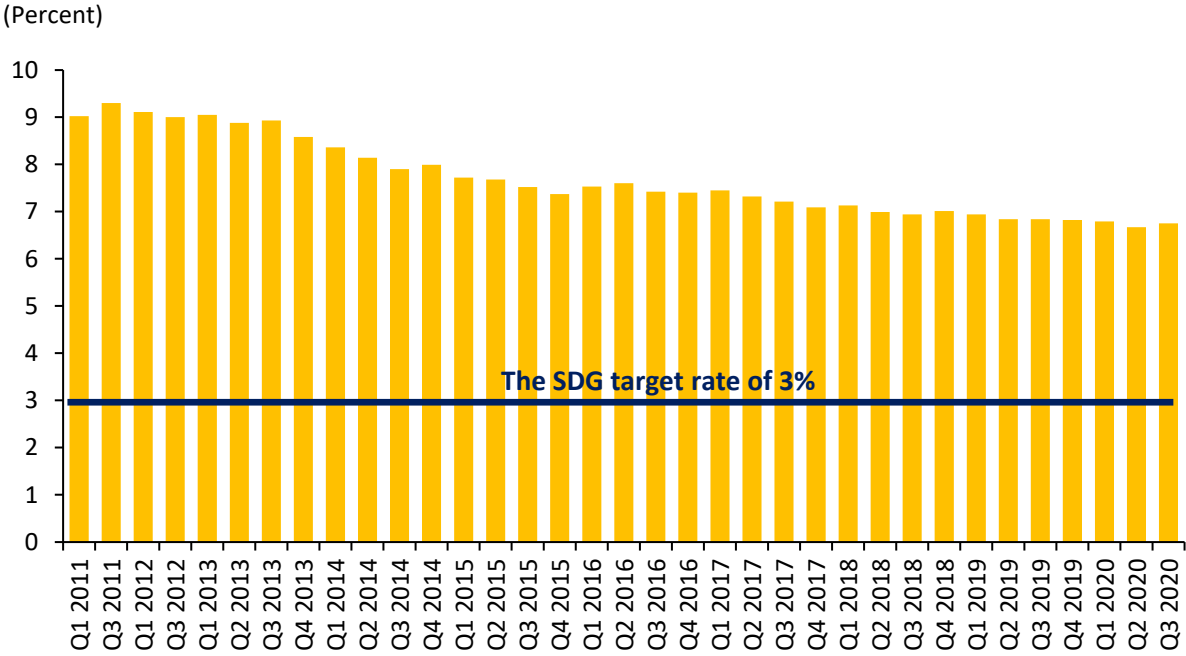
increase in flows from Europe starting in Q2, perhaps reflecting the relocation of money transfer operators to outside the United Kingdom after Brexit (figure 1.13). More recently, remittance inflows from the United States declined sharply in Q3, reflecting the weak employment situation in the country.

1.3 Recent Progress toward Migration-Related Sustainable Development Goals

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

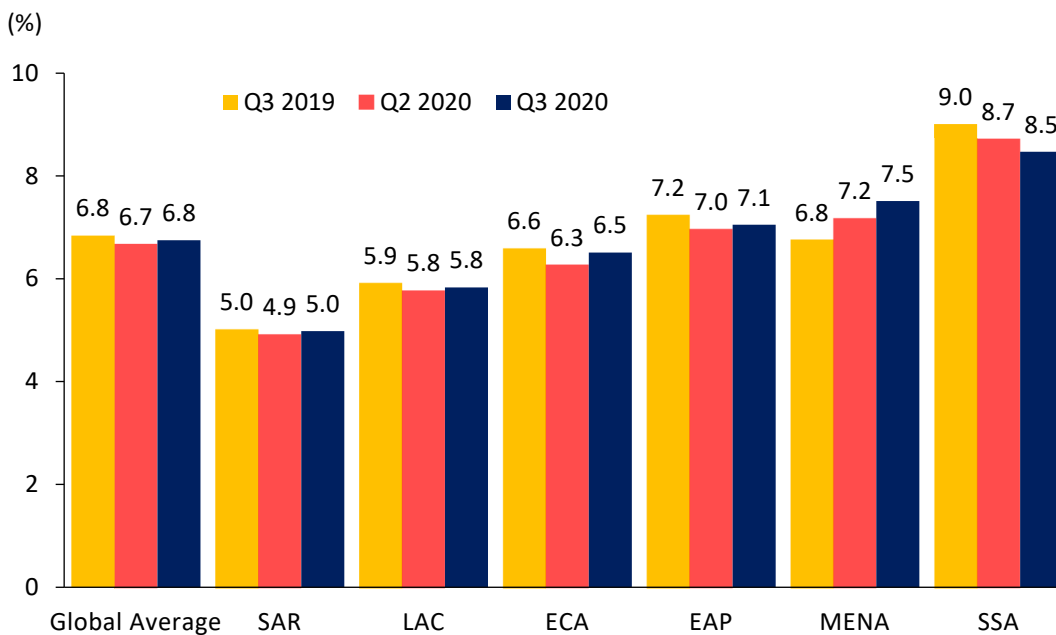
According to the World Bank’s Remittance Prices Worldwide Database, the average cost of sending \$200 to LMICs was 6.8 percent in Q3 2020. This cost has remained below 7 percent since Q1 2019 (figure 1.14), yet remains more than double the Sustainable Development Goal (SDG) target of 3 percent by 2030 (SDG target 10.c). The World Bank initiated a weekly survey of remittance costs in several vital corridors to assess the effects of the COVID-19 crisis on the remittances sector. Findings show mixed results in terms of costs.¹⁶

Figure 1.14 Global Average Cost of Sending \$200, 2011–20



Source: Remittance Prices Worldwide database, World Bank.

Figure 1.15 How Much Does It Cost to Send \$200? A Comparison of Global Regions in 2019 and 2020



Source: Remittance Prices Worldwide database, World Bank.

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

Money transfer companies have experienced a significant increase in their transactions through formal channels in the wake of the global pandemic. MoneyGram’s digital transactions surged 106 percent in 2020 Q2 compared to the previous year, while Western Union’s rose 50 percent for the same period.

The cost was the lowest in South Asia, at around 5 percent, while Sub-Saharan Africa continued to have the highest average cost, at about 8.5 percent (figure 1.15). Remittance costs across many African corridors and small islands in the Pacific remain above 10 percent.

Banks continue to be the costliest channel for sending remittances, with an average cost of 10.9 percent in 2020 Q3, while post offices are recorded at 8.6 percent, money transfer operators at 5.8 percent, and mobile operators at 2.8 percent.

1.3.2 Developments in De-Risking Practices

Before COVID-19, several countries had seen a reduction in the number of correspondent banks for financial services, including remittances. In several instances, this reduction was linked to “de-risking,” with banks closing bank accounts of money transfer operators under the justification of avoiding risks of money laundering or terrorist financing. From 2011 to 2018, the number of correspondent banking relationships around the world declined by 20 percent. Some countries, such as Somalia and countries in the Caribbean and Pacific Islands, have few correspondent banking relationships.¹⁷

Financial institutions continue to perceive remittances as more vulnerable to risks of noncompliance or weak compliance with the anti-money laundering/countering the financing of terrorism (AML/CFT)

regulations (G-20, FSB).¹⁸ While digital payments have thus become more desirable and convenient than cash payments, it remains important that mobile money service providers do not face extra difficulties in partnering with correspondent banks.

Strengthening mobile money regulations and ID systems is expected to reduce the risks of money laundering and the financing of terrorism, by improving the transparency and traceability of transactions. The World Bank is supporting countries in implementing department of financial services as well as AMF/CFT policy reforms in the financial sector, including by strengthening their financial reporting centers as well as AML/CFT regimes by undertaking national risk assessments; strengthening the supervisory functions of central banks; and enhancing payment system infrastructure, provision of financial services, and digital IDs.

1.3.3 Progress on the Recruitment Cost Indicator (SDG Indicator 10.7.1)

SDG indicator 10.7.1 calls for global efforts to reduce recruitment costs. The high recruitment costs faced by many low-skilled migrant workers reduce the overall benefits from migration and its impact on reducing poverty in poor countries. The objective of SDG indicator 10.7.1 is to monitor the burden of costs incurred by migrant workers in obtaining jobs abroad. The World Bank and ILO are co-custodians of this indicator.

Data collection by national statistical agencies on the recruitment cost indicator has seen relatively more progress in Asian countries, where such costs are a salient issue among policy makers and where labor migration is mostly organized through a complex and well-established system of private recruitment agencies (formal and informal). In Vietnam, a new SDG module added to the country's Q4 2019 Labor Force Survey (LFS) found average recruitment costs to be the equivalent of 8.7 months of foreign wages. By contrast, reported costs incurred by migrants from Lao People's Democratic Republic (PDR), who mostly obtain jobs in Thailand through informal channels, was less than a month's worth of overseas earning.¹⁹ Cambodia, Indonesia, and the Philippines have also recently fielded recruitment cost questions in their latest LFS, and Myanmar will be including a module in its Q1 2021 LFS. A noteworthy development from the East Asia and Pacific region is a landmark settlement by a private firm in Malaysia facing a sales ban in the United States, in which the firm agreed to reimburse its foreign workers for (illegal) recruitment fees that they had paid manpower agencies to obtain their jobs.

In Africa, a 2019 pilot survey on recruitment costs completed in Ghana found costs paid by Ghanaian migrants to average \$1,370 or the equivalent of two months of foreign earnings with substantial variation across receiving regions, ranging from 0.7 months for ECOWAS countries²⁰ to 4.4 months among low-skilled migrants to Asia, where costs averaged almost \$1,800.

Recruitment costs remain high due to lack of opportunities at home and the relatively small number of work visas available overseas, owing to restrictive immigration policies. The difficulties of navigating complex migration processes have created a market for brokers and recruitment agencies. Moreover, the illegal practice of "visa trading" and excess demand for foreign jobs combine to create an exploitative setting. The development community should endeavor to eliminate illegal recruitment fees (in excess of genuine costs related to airfare, visas, and training). This would require effective regulation and monitoring of recruitment agencies, implemented in constructive collaboration between the sending and the receiving countries.

1.4 Policy Responses Should Be Inclusive of Migrants and Their Families

The pandemic has left migrants deeply vulnerable to joblessness, abuse or breach of contract by employers, as well as risks of contagion. Beyond humanitarian considerations, providing migrants access to housing and health care is necessary to keep host communities safe from the pandemic. Migrants are on the frontline, saving people from COVID-19 in hospitals and science labs. They are on the frontline in stores and restaurants, farms and factories, keeping these businesses running. Also, it is worth noting that every dollar spent on supporting a migrant is likely to increase remittances and thereby support many poor people in distant countries.

Government policy responses should be inclusive of migrants in host countries and their families in origin countries. A more detailed list of policy measures that governments and the global development community could consider was published in April in the *Migration and Development Brief 32*. This includes:²¹

- i. **Support to stranded migrants** in host or transit countries: Facilitate evacuation of stranded migrants, grant temporary protected status to foreign nationals, support informal businesses employing migrant workers, and protect migrants from abuse or wage theft by unscrupulous employers.
- ii. **Extension of cash transfer programs** to support internal and international migrants in host countries: Support social services and provide cash transfers to migrants' families left behind in the origin countries.
- iii. **Provision of access to health care, housing, and education** for migrant workers in host countries and their families back home in origin countries.
- iv. **Support to returning migrants** in resettling, finding jobs, or opening businesses in origin countries.
- v. **Support to remittance infrastructure**: Declare remittance services as essential; subsidize the cost of sending money to reduce the burden of remittance fees, incentivize online and mobile money transfers, following a risk-based approach to AML/CFT and KYC regulations; mitigate factors that prevent customers or service providers of digital remittances from accessing banking services.

Supporting migrants at a time of crisis and fiscal difficulties can raise thorny political issues. Cash transfers to support foreigners is one such issue. Even for provision of health care, most countries use residency criteria to determine eligibility (World Bank 2020c). Many host countries, especially LMICs, however, may require grants or concessional financing from third parties to provide support to migrants from other countries.²²

1.4.1 Call to Action to Keep Remittances Flowing

The United Kingdom and Switzerland, in partnership with World Bank, have launched a Call to Action (CtA) to Keep Remittances Flowing (KNOMAD 2020). Separately, in response to a call for global solidarity in addressing the COVID pandemic by the United Nations Secretary General, the International Fund for Agricultural Development launched the Remittance Community Taskforce to come up with immediate and short-term measures to address the impact of COVID-19 on remittances.²³

The CtA has organically grown into a coalition of 47 stakeholders on remittances.²⁴ This coalition can be leveraged for facilitating and increasing the flow of remittances worldwide, explore measures to provide relief to migrants (such as reducing remittance transaction costs), invest in financial education, and promote interoperable, open systems that can be used as a basis for migrant-centric financial products.

It is important for remittance service providers and authorities to work together to mitigate the effects of the crisis and encourage the adoption of digital payments, greater use of regulated channels, and wider availability of cost-efficient services. In the meantime, the World Bank will continue to monitor and report on the availability of remittance services worldwide, and work with stakeholders to improve the transparency and efficiency of the remittances market.

1.4.2 Improving High-Frequency Data

The crisis has exposed significant data gaps that have prevented real-time monitoring of remittance flows and migratory movements, including of stranded migrants and returning migrants. The World Bank, through the Global Knowledge Program on Migration and Development (KNOMAD), is launching an International Working Group on Improving Data on Remittances (see box 1.3).

Box 1.3 International Working Group on Improving Data on Remittances

More than a decade has passed since the publication of *International Transactions in Remittances: Guide for Compilers and Users* (IMF 2009). The growing importance of remittances as a source of external financing in developing countries as well as the growing importance of data on remittances in the global payments industry has revealed a need for more granularity in the collection of data. The COVID-19 crisis has exposed major lags in the availability of data. For example, data on outward flows, bilateral flows, and remittance channels and instruments need improvement. Data collection practices and scope may vary from country to country. The potential use of Big Data would also be explored.

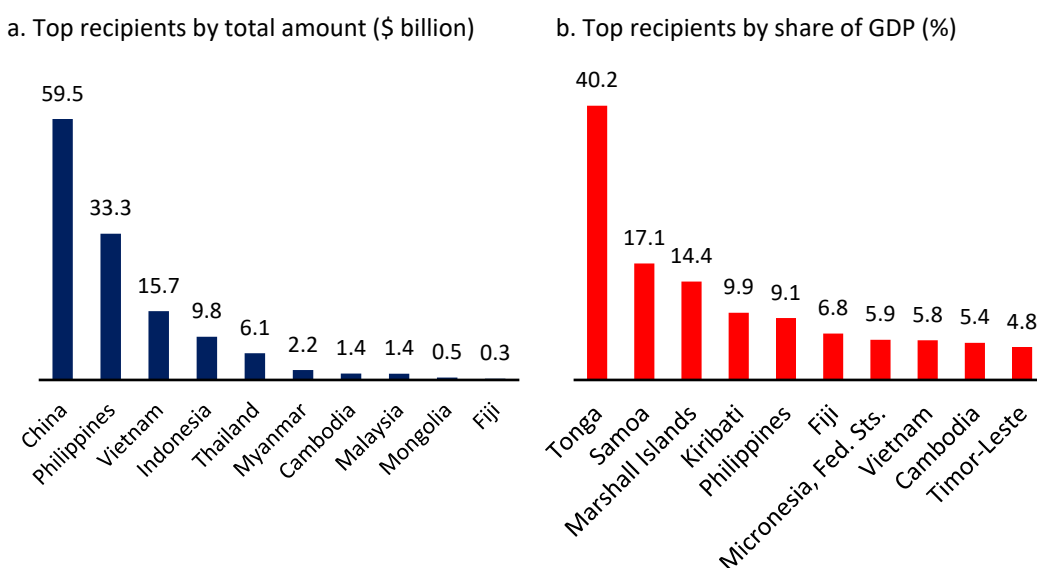
The Working Group will invite national statistical offices, central banks, the World Bank, and selected international organizations to recommend measures to improve data on remittances and international cooperation in the collection and dissemination of data.

2. Regional Trends in Migration and Remittance Flows

2.1 Remittances to East Asia and the Pacific Held Steady in 2018

Remittance trends. Formal remittances to the East Asia and Pacific region are projected to fall by 10.5 percent in 2020 to \$131 billion due to the adverse impact of COVID-19. Remittances to the Philippines are estimated to drop by 5 percent in 2020 with over 300,000 of that country's displaced migrant workers expected to return home by the end of the year. By far, the United States remains the primary source of remittances for the Philippines (about 38 percent in 2019), followed by the Kingdom of Saudi Arabia (7 percent), Singapore (6.3 percent), Japan (6 percent), the United Arab Emirates (5.3 percent), and the United Kingdom (5.2 percent). Remittance flows from the United States remain somewhat resilient, growing by 5.8 percent in the first eight months of 2020 compared to the same period in 2019.²⁵ In contrast, year-on-year remittances over the eight months have declined from sources in the Middle East and Europe by 13.2 percent and 16.1 percent respectively.²⁶ This likely reflects the absence of formal safety nets available to migrant workers in many host countries in the face of the pandemic and the large repatriation of overseas Filipino workers (OFWs). Double-digit declines are also anticipated for Indonesia in 2020, driven by falling remittance inflows from Malaysia and Saudi Arabia, which together contributed to over 60 percent of its inflows in 2019.

Figure 2.1 Top Remittance Recipients in the East Asia and Pacific Region, by Total Amount (panel a) and Share of GDP (panel b), 2020



Sources: World Bank-KNOMAD staff estimates; World Development Indicators; International Monetary Fund (IMF) Balance of Payments Statistics.

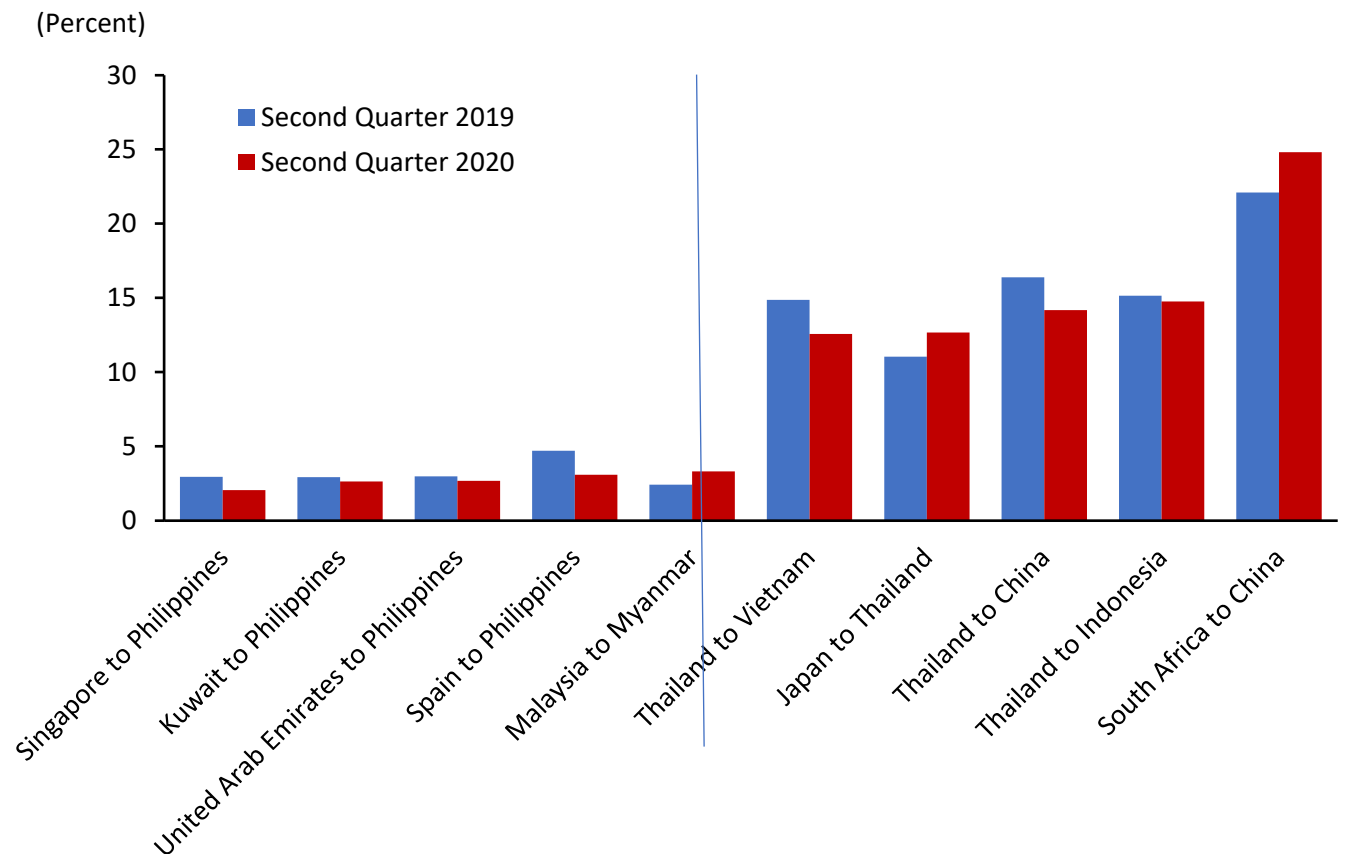
Note: GDP = gross domestic product.

Remittance costs. The average cost of sending \$200 in remittances to the East Asia and Pacific region increased slightly to 7.05 percent in 2020 Q3, compared with 6.96 percent in 2020 Q2. In 2020 Q2, the five lowest-cost corridors in the region (figure 2.2, panel a) averaged 2.5 percent for transfers primarily to the Philippines, while the five highest-cost corridors (figure 2.2, panel b), excluding South Africa to China, which is an outlier, averaged 13.3 percent. Money transfer costs from Thailand to neighboring countries in Southeast Asia remained among the highest, averaging 13.1 percent in the second quarter (Q2) of 2020, up from 12.9 percent in Q1.

Figure 2.2 Remittance Fees to the Philippines Are among the Lowest in the East Asia and Pacific Region

a. Five least expensive corridors

b. Five most expensive corridors



Source: World Bank Remittance Prices Worldwide database.
 Note: Cost of sending \$200 or equivalent.

Migration trends. Top Glove, the world’s largest disposable glove company, based in Malaysia, saw its sales to the United States banned since July due to allegations of forced labor. It will pay roughly \$40 million to more than 10,000 of its employed foreign workers to cover illegal recruitment fees paid to agencies in their home countries.²⁷ Workers from Nepal will receive about \$1,500 while those from Bangladesh will get \$4,800. These reimbursements represent an industry record.²⁸

In a bid to eliminate recruitment fees paid by workers, the Indonesian government introduced new regulations in July that prohibit recruitment agencies from charging migrant workers placement and training fees, placing the onus on employers.²⁹ Prior legislation introduced in 2012 placed limits on agency fees but many workers continued to pay excessive amounts, leading some advocates to question the viability of implementing and enforcing the new ruling, including workers' access to justice if violations occurred.

Over 1,400 Vietnamese workers in the Republic of Korea risk losing their deposit of about \$4,239 each for staying illegally in the country or fleeing their workplace. The pre-departure deposit is a requirement of the country's Employment Permit System (EPS)—the primary channel for bringing in foreign workers—in order to compel their return home after expiration of their employment contract. Employment under the EPS was suspended in mid-February due to COVID-19 and has recently resumed. The EPS will create more vulnerabilities to migrant workers during the COVID-19 pandemic, since workers are only allowed to change workplaces with an employer's consent. The number of foreigners illegally in the country was reported to have reached an all-time high of nearly 400,000 in June 2020, up by 8.7 percent from 2019. The rising number may be partly due to desperate measures taken by stranded workers after losing their jobs during the pandemic, given limited and costly repatriation options.³⁰

Return migration. Migrant workers are returning in large numbers at least to several countries in the region due to layoffs induced by the global pandemic. Over 230,000 OFWs were repatriated to the Philippines as of early October 2020, representing almost 50 percent of workers who lost their jobs, according to data from the Philippine Overseas Labor Office. This is the equivalent of 10.5 percent of workers who were abroad as of September 2019.³¹ Among the displaced OFWs, 22 percent of them, mostly residing in Europe, preferred to remain abroad.³² Over in Cambodia, about 120,000 migrant workers are said to have returned from Thailand, which is estimated to host over a million Cambodian workers in mostly low-skilled occupations, many of whom are undocumented.

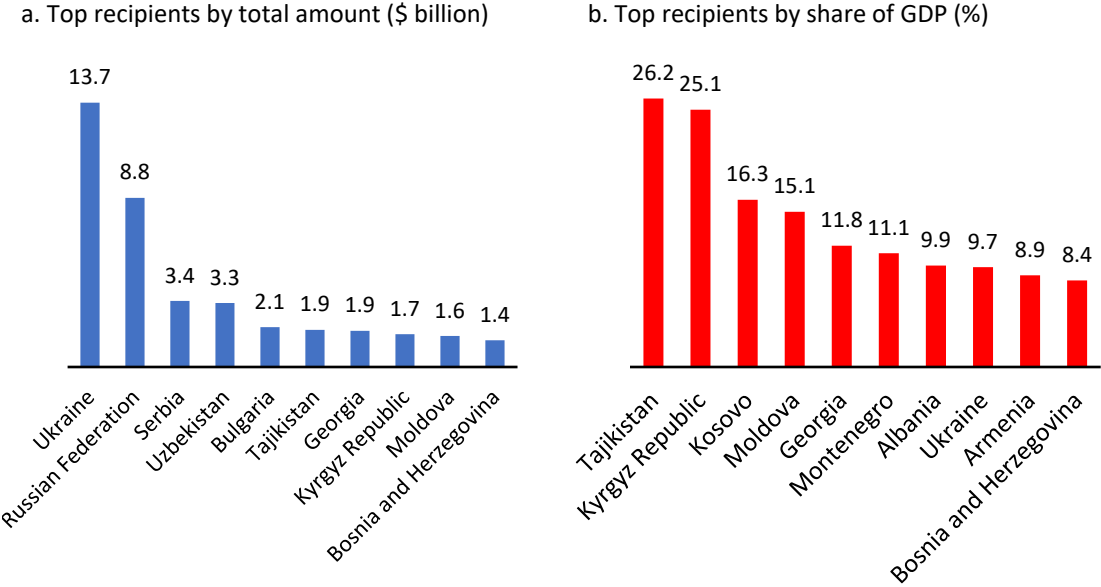
Under increasing pressure to stem the tide of falling remittances and rising unemployment rates, several sending countries in the region are anxious to resume overseas placement of their workers. Toward the end of July, the Indonesian government announced its readiness to deploy workers abroad, lifting a four-month-long suspension in place since March 20 due to COVID-19 containment efforts.³³ The Philippines is also exploring alternative labor markets for its workers, including China and Eastern Europe. Within the region, the Thai government indicated a willingness to allow more than 100,000 migrant workers to return, though entry is conditioned on more stringent health requirements, including a compulsory two-week quarantine period at state centers. This is expected to cost at least 20,000 baht (about \$640)—a prohibitive amount for most migrants, the majority of whom originate from neighboring Cambodia, Lao PDR, and Myanmar. These additional costs may compel some to resort to irregular means of entering the country.

2.2 Remittances to Europe and Central Asia Tumbled in 2020

Remittance trends. Inward remittances to Europe and Central Asia (ECA) are estimated to fall by 16 percent as the COVID-19 pandemic and the plunge in oil prices are likely to have wide-ranging impacts on economies across the region. The ECA region is projected to be the most affected by the pandemic among low- and middle-income regions, with nearly all the countries in the region posting double-digit

declines of remittances in 2020.³⁴ Recessionary pressure in host countries along with the oil price drop and movement restrictions is likely to result in high levels of unemployment among migrants, hurting remittances. Consequently, a sharp drop in remittances could have negative effects on personal consumption and the labor market in ECA economies, as well as pressure on the foreign exchange market.

Figure 2.3 Top Remittance Recipients in the Europe and Central Asia Region, by Total Amount (panel a) and Share of GDP (panel b), 2020

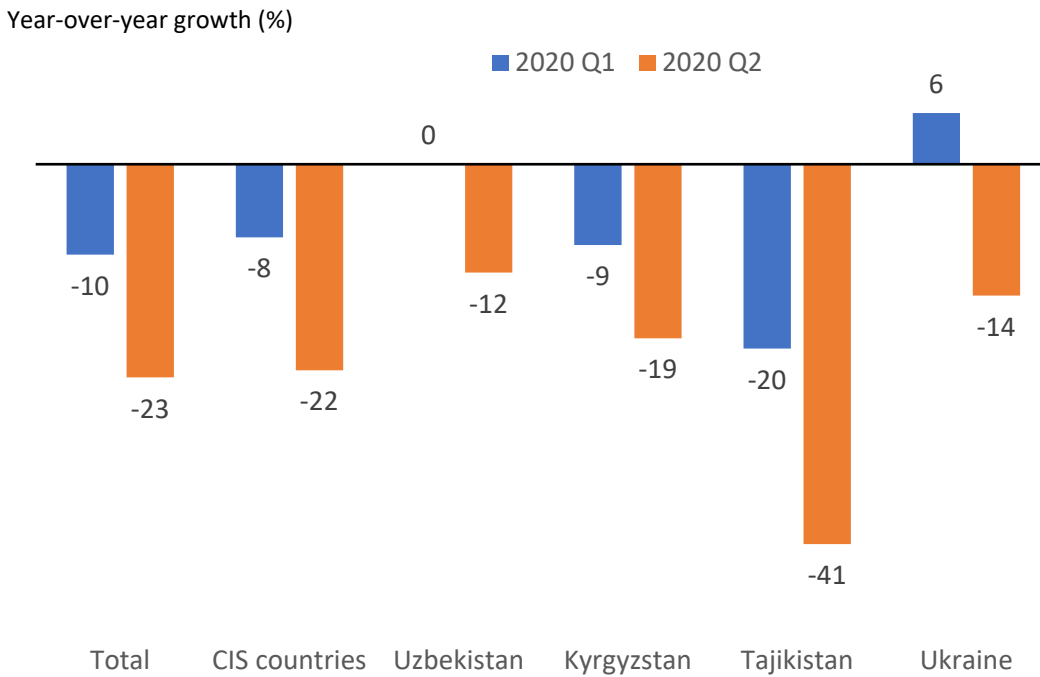


Sources: World Bank–KNOMAD staff estimates; World Development Indicators; International Monetary Fund (IMF) Balance of Payments Statistics.

Note: GDP = gross domestic product.

Ukraine, the region’s largest recipient of remittances, received an estimated \$14 billion in remittances in 2020, a negative growth of about 13 percent over 2019 (figure 2.3, panel a). Russia is the second-largest recipient of remittances in the region, with an estimated \$9 billion after a negative growth rate of 15.8 percent. Meanwhile, remittances from Russia to Central Asia dropped by 23 percent in Q2 2020 (figure 2.4) compared to 2019, a decline similar to that seen during the 2009 financial crisis. The fall in the income of Central Asian workers in Russia appears directly linked to the lockdown measures to curb the spread of COVID-19, since labor activity among migrants tends to pick up in the second quarter of most years due to seasonal factors. The sharp depreciation of the Russian ruble, slumping 22 percent against the US dollar in 2020, is also likely to weaken outward remittances from Russia.

Figure 2.4 Remittances* from Russia Declined during 2020



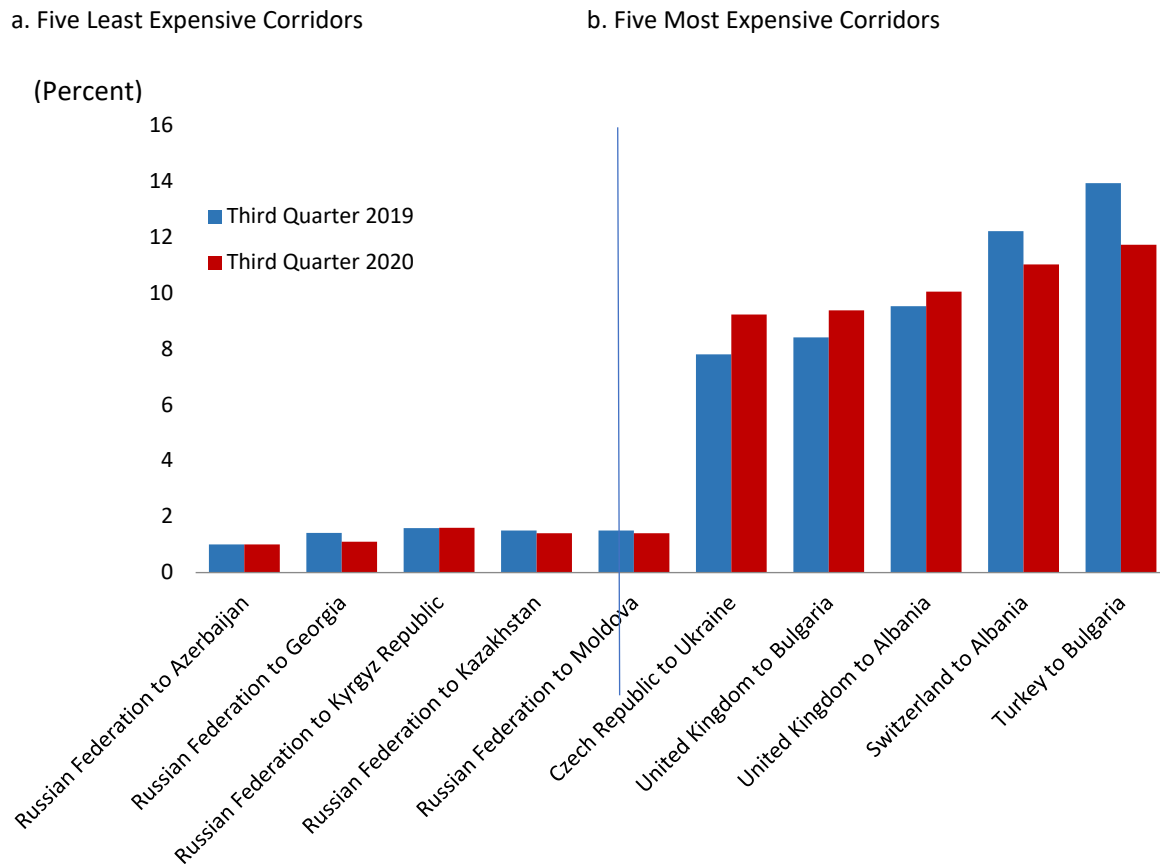
Source: Haver and World Bank–KNOMAD staff estimates.

Note: CIS = Commonwealth of Independent States.

*Personal remittances from Russia.

Remittance costs. The average cost of sending \$200 to the ECA region fell slightly, to 6.5 percent in Q3 2020 from 6.6 percent a year earlier. Excluding Russia, the average cost also fell from 7.0 percent to 6.9 percent for the same period. Russia remained the lowest-cost sender of remittances globally, but the total cost of remitting from the country rose from 1.54 percent to 1.94 percent, mostly reflecting the increased costs of sending money to Armenia and Tajikistan. The highest cost for sending remittances was from Turkey to Bulgaria (figure 2.5, panel b), while the lowest cost for sending remittances was from Russia to Azerbaijan (figure 2.5, panel a).

Figure 2.5 Russia Remained the Least Expensive Country from Which to Send Money in Europe and Central Asia



Source: World Bank Remittance Prices Worldwide database.
 Note: Cost of sending \$200 or equivalent.

Migration trends. According to data released by European Asylum Support Office, the number of first-time asylum applicants in the European Union fell by 68 percent in Q2 2020 compared with Q2 2019, reflecting the strict lockdown measures deployed across the region. The number of asylum applicants decreased in all EU countries, with France being the country with the largest decrease in the number of first-time applicants (23,400 fewer), followed by Spain (21,000 fewer) and Germany (18,900 fewer). Reduced migrant arrivals via irregular means in the European Union are also reflected in data from the UN High Commissioner for Refugees (UNHCR), which showed a decline of 59 percent in Q2 2020 from a year previous. Depressed irregular migration flows to the European Union are likely due in part to the consequences of movement restrictions in sending and transit countries to battle COVID-19 crisis, and Europe’s rise as an epicenter of the pandemic. Migratory movement, however, is likely to pick up once restrictions are lifted and the COVID-19 pandemic has passed, since the pandemic has not changed the structural causes of irregular migration.

In the wake of a global pandemic, many migrants have returned to their home countries. The Ukrainian government claimed in April that 2 million Ukrainian working abroad had returned to the country due to the pandemic (this figure may include returning students). The government has temporarily prevented

migrant workers from leaving the country during the lockdown period. However, limited job prospects at home and lack of financial assistance for returnees have prompted them to seek employment opportunities across EU countries despite this official position. Tajikistan also reported that the number of returning migrant workers rose sharply in February and March from Kazakhstan and Russia, which account for more than 90 percent of Tajik migrants abroad.

Many migrant workers from Central Asia were left stranded in Russia in the wake of the pandemic, with three-fourths of foreign workers losing their jobs or going on unpaid leave during the COVID-19 lockdowns in April and May, according to a survey conducted by the Russian Presidential Academy of National Economy and Public Administration.

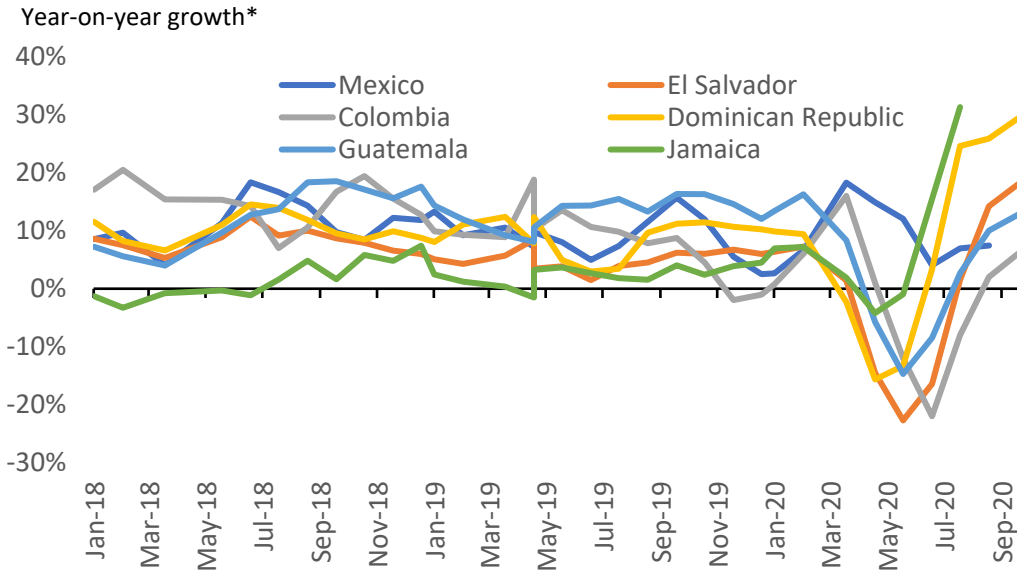
Migrants have faced irregular and ad hoc repatriation measures after border closing. The Tajikistan government begun repatriation flights in June, but temporarily suspended the waiting list in July due to a larger-than-expected number of applicants. Migrant workers from other Central Asian countries have also faced difficulties.

2.3 Remittances to Latin America and the Caribbean Are Expected to Fall Slightly

Remittance trends. Officially recorded remittance flows to Latin America and the Caribbean region are expected to reach \$96 billion in 2020, a decline of -0.2 percent over the previous year. This is the first negative growth rate since the financial crisis in 2009. Growth in remittances is projected to decrease by about 8 percent in 2021.

Remittances to Colombia, El Salvador, and the Dominican Republic plummeted in April and May, then turned positive in terms of year-on-year growth in June, July, August, and September (figure 2.6). Remittances to Jamaica declined in March, April, and May and then were positive in terms of year-on-year growth from June until September 2020.

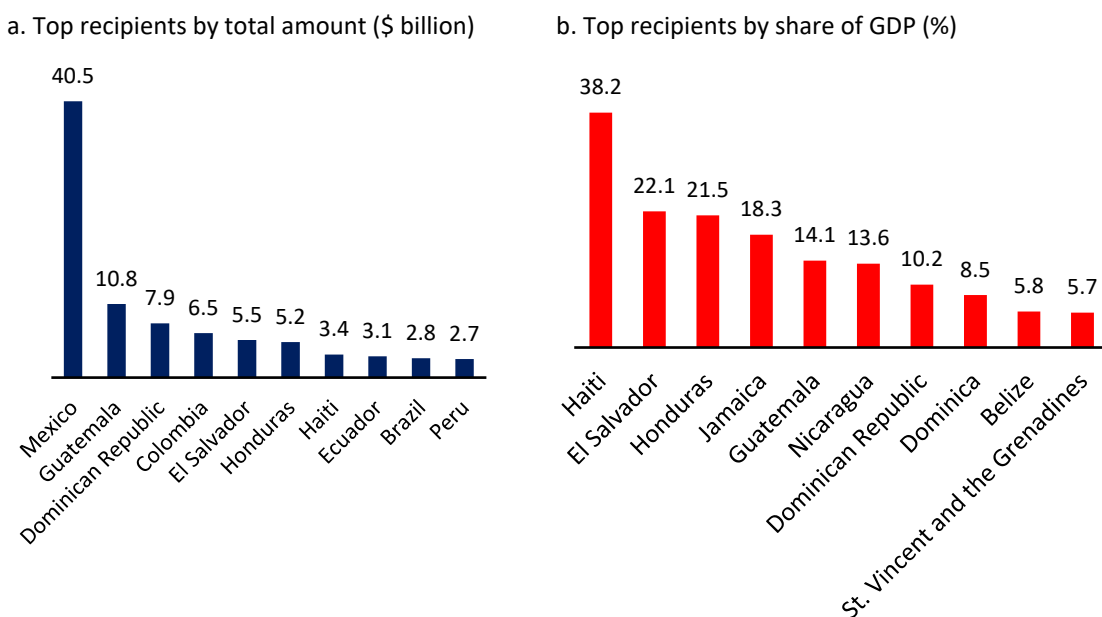
Figure 2.6 Remittance Flows to Latin America and Caribbean Started Partially Recovering in June 2020



Source: Central banks of the respective countries.
 Note: *Year-on-year growth of 3-month moving averages.

Remittances flows to Mexico held up, in part because migrants were employed in essential critical categories in the United States. According to the Center of Migration Studies, about “69 percent of all immigrants in the labor force and 74 percent of undocumented workers are essential infrastructure workers, compared to 65 percent of the US native-born labor force” (Kerwin et al. 2020). In addition, documented migrants to the United States also benefitted from stimulus payments to low-income households, which helped them to continue sending remittances back home (World Bank 2020e). Remittances to Mexico saw a large increase in March due to the depreciation of the peso against the dollar (see figure 1.11 in section 1 of this Brief). Mexico receives the largest amount of remittances in the region (figure 2.7, panel a).

Figure 2.7 Top Remittance Recipients in Latin America and the Caribbean, by Total Amount (panel a) and Share of GDP (panel b), 2020



Sources: World Bank–KNOMAD staff estimates; World Development Indicators; International Monetary Fund (IMF) Balance of Payments Statistics.

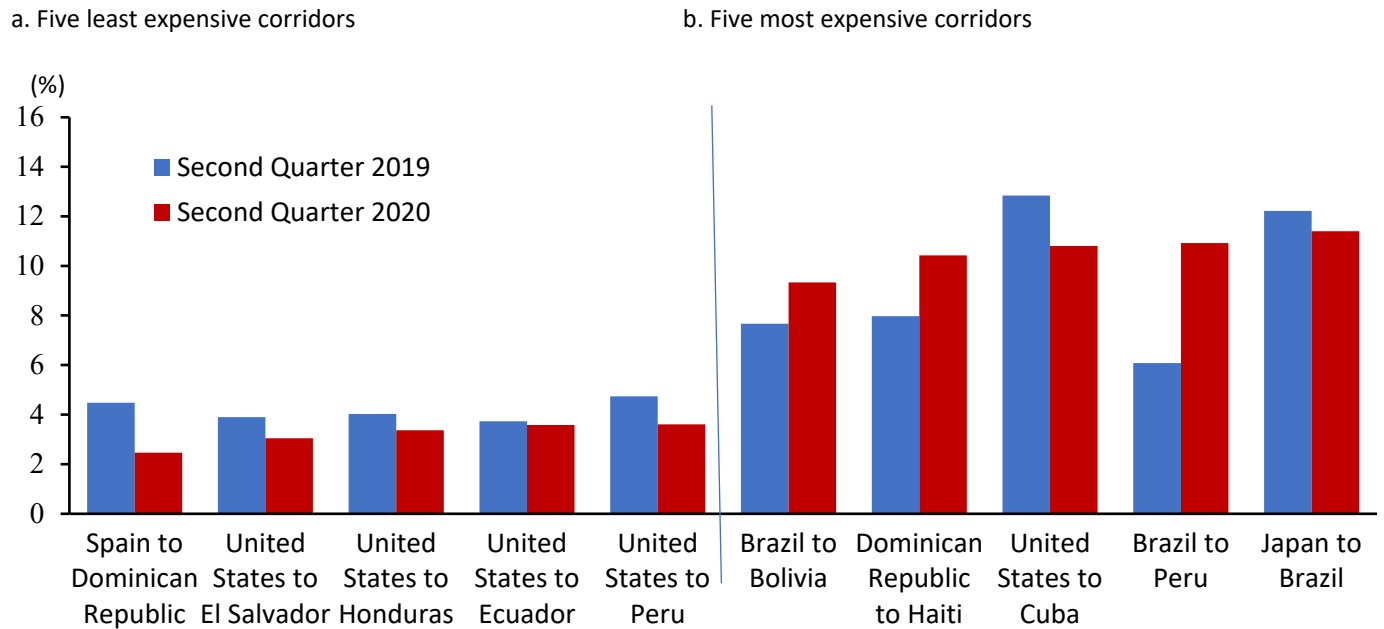
Note: GDP = gross domestic product.

As mentioned in section 1 of this Brief, the weak employment situation in the United States is expected to dampen remittance flows to Mexico in the near future (see figure 1.11). Similarly, the poor economic situation in Spain, which is experiencing a second wave of COVID-19 infections, will further affect remittance flows to Argentina, Bolivia, Ecuador, Colombia, Paraguay, and Peru (Spain hosts one-tenth of all migrants from Latin America and the Caribbean). Remittances from Italy will also be affected.

Remittance costs. According to Remittance Prices Worldwide, the United States experienced no increase among G8 countries in the price of sending remittances in Q3 2020. In Latin America, the cost of remittance transfers rose slightly in Q2 2020 to 5.83 percent in Q3 (World Bank 2020d).

Although there was an expansion of remittance service providers (mainly internet-based products), the imposition of regulations to transfer remittances appeared to have an impact on prices. In many smaller remittance corridors, however, costs continued to be exorbitant. For example, the cost of sending money to Haiti and the Dominican Republic exceeded 8 percent (figure 2.8, panel b). Sending money from Japan to Brazil and Peru was also expensive.

Figure 2.8 Cost of Sending Money to Latin America and the Caribbean Remained Stable



Source: World Bank Remittance Prices Worldwide database.

Note: Cost of sending \$200 or equivalent.

Migration trends. According to data from US Customs and Border Protection, apprehensions of unaccompanied children, family units, and single adults trying to cross into Texas increased during July and August 2020. Monthly border apprehensions returned to pre-COVID levels for unaccompanied children and doubled for single adults since dropping significantly during April and May 2020 (figure 2.9). The number of single adults caught also doubled compared to August 2019.

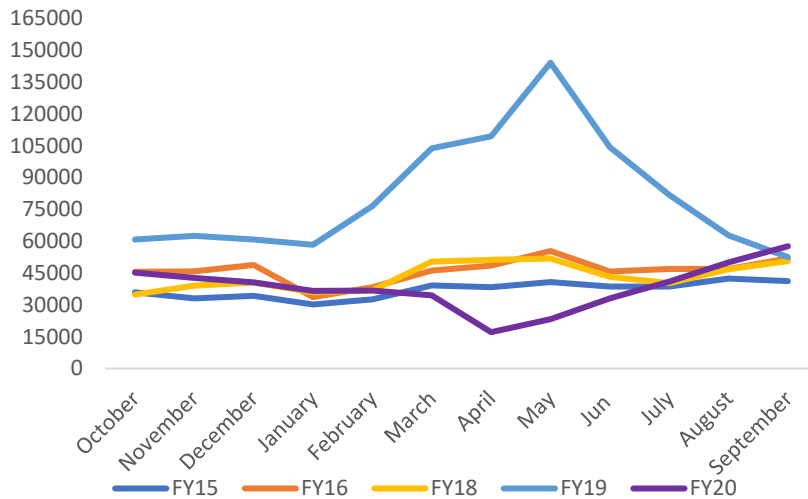
The increased number of apprehensions of single adults is due to repeat crossings, as several of the people apprehended had previously been deported. In July, about 34 percent of people apprehended were repeat crossings compared to 7 percent in 2019 (*Wall Street Journal* 2020a).

This year, Mexican migrants accounted for most illegal border crossings for the first time since 2016, when they reached 175,353 individuals. Data through August indicate that 194,986 Mexican single individuals were apprehended in FY20 (US Customs and Border Protection 2020). Several attempts by migrant caravans to cross to the United States have dissolved since 2018. The latest one, which just formed in October 2020, did not reach Mexico (*Wall Street Journal* 2020b).

Other developments in relevant migration policies include the continuation of land and ferry border restrictions that allow only essential travel across the US-Mexico border, and a shortening of the

Deferred Action for Childhood Arrivals (DACA) renewal period from two years to one (Infobae 2020). There is also a proposal by the Department of Homeland Security to change the time from of visas for international students (F) and exchange visitors (J) from duration of stay to a fixed period of stay in the United States. Colombia announced a new special temporary permit for Venezuelans who entered the country before August 2020. This new permit is in addition to the Special Permit of Permanence introduced in 2017. The many Venezuelans without this permit cannot work, study, and access health care in Colombia.

Figure 2.9 US Border Patrol Southwest Border Apprehensions/Inadmissibles, FY15–FY20



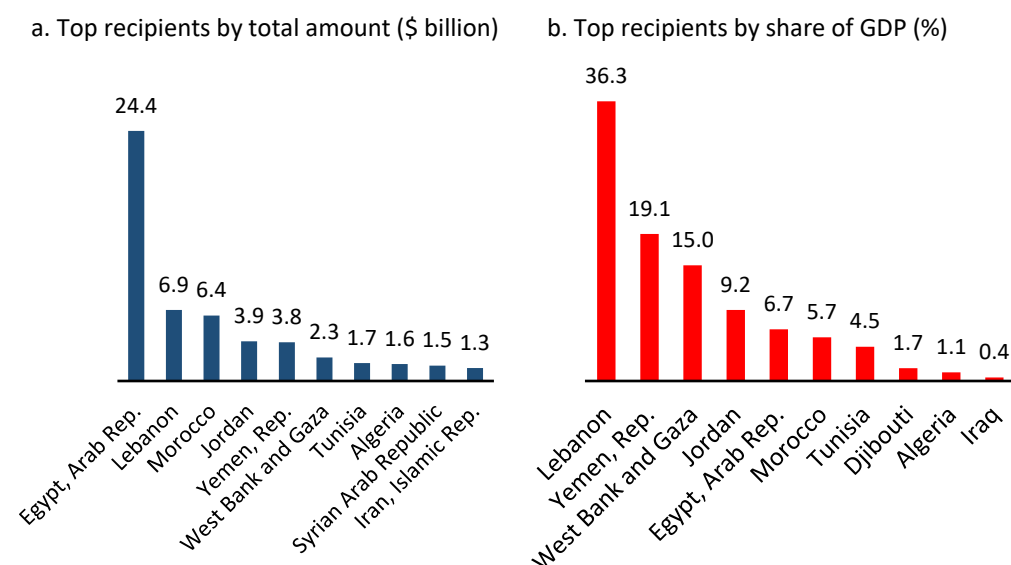
Source: U.S. Customs and Border Protection.

Due to the pandemic, Venezuelans are returning to their country. Official numbers from Colombia stated that 113,000 Venezuelans had returned home from Colombia in early October. Yet desperate measures are still being taken by individuals seeking to migrate. Smugglers are using new routes, including the Panama-Colombia border and Brazil-Bolivia-Chile border, to go to the United States. A number of migrants from Haiti, Cuba, and African and Asian countries have been detained along these new routes (Cronkite News 2020; BBC News 2020).

2.4 Remittances to the Middle East and North Africa Posted a Sharp Drop

Remittance trends. Remittances to the Middle East and North Africa (MENA) region are projected to fall by about 8 percent in 2020, and 8 percent in 2021 (figure 2.10). The projected decline in remittances to the region can be attributed to the projected persistence of the global slowdown due to the novel coronavirus. All major remittance-receiving countries will likely see a decline of remittances. In 2020, Egypt is projected to see around -9 percent growth, Lebanon -7 percent, Jordan -12 percent, Morocco -5 percent, and Tunisia -15 percent.

Figure 2.10 Top Recipients of Remittances in the Middle East and North Africa Region, by Total Amount (panel a) and Share of GDP (panel b), in 2020



Sources: World Bank–KNOMAD staff estimates; World Development Indicators; International Monetary Fund (IMF) Balance of Payments Statistics.

Note: GDP = gross domestic product.

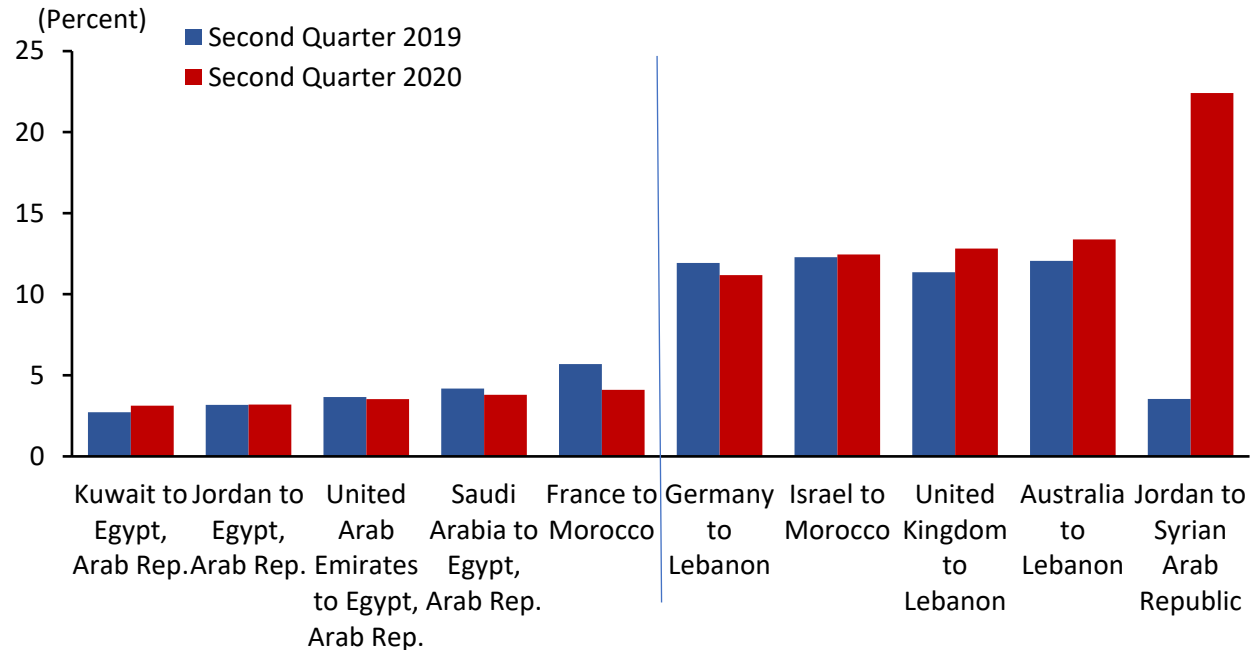
Remittance costs. The cost of sending \$200 to the MENA region increased in Q3 2020, to 7.5 percent, compared with 6.8 percent in the same quarter of the previous year. This may be due to COVID-induced disruptions, especially in cash-based transactions. Costs vary greatly across corridors: the cost of sending money from high-income countries of the Organisation for Economic Co-operation and Development to Lebanon continues to be in the double digits (figure 2.11, panel b). On the other hand, sending money from GCC countries to Egypt and Jordan costs around 4 percent in some corridors (figure 2.11, panel a).

Return migration, stranded transit migrants, and displaced populations. As the coronavirus crisis ravages the world, countries such as Egypt face the specter of growing return migration, with estimates suggesting up to 1 million returning (Cairo Review 2020; OECD 2020b). On the other hand, Egypt is itself a major transit country and has a high rate of COVID-19 infection. This has resulted in many transit migrants getting stranded there as the country shut down to combat the virus. At the same time, the MENA region continues to bear the burden of widespread forced displacement due to conflicts in Syria, Iraq, and Yemen. As of June 2020, UNHCR recorded 6.6 million persons of concern from Syria, including asylum seekers, refugees, and internally displaced persons (IDPs).

Figure 2.11 Sending Money within the Middle East and North Africa Is Less Expensive than Sending Money from Outside

a. Five Least Expensive Corridors

b. Five Most Expensive Corridors



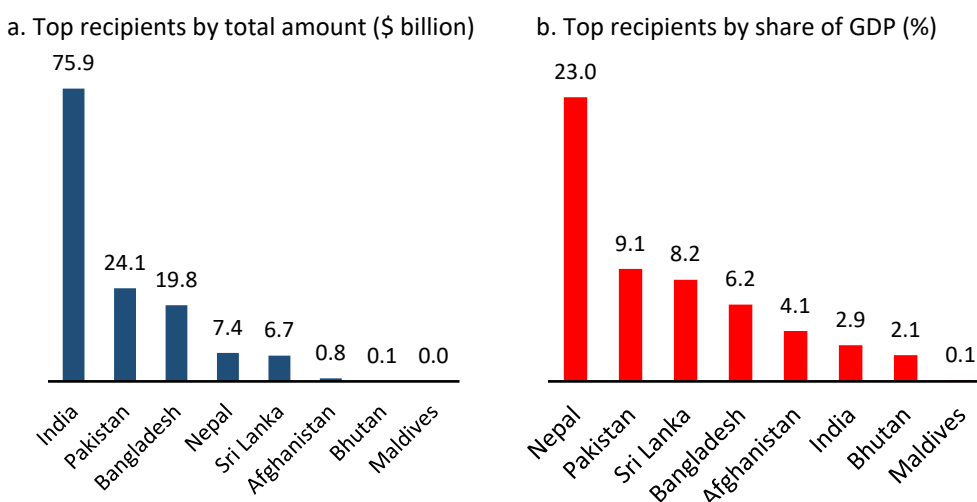
Source: World Bank Remittance Prices Worldwide database.

Note: Cost of sending \$200 or equivalent.

2.5 Remittances to South Asia Projected to Decrease in 2020

Remittance trends. Remittances to South Asia are projected to suffer a protracted decline of around 4 percent in 2020 and 11 percent in 2021. The deceleration in remittances to the South Asian region is driven by the prolonged global economic slowdown due to the coronavirus outbreak. Given that the pandemic is likely to persist through 2021, the earlier anticipated V-shaped recovery now seems implausible. This is likely to directly affect remittance outflows from the United States, the United Kingdom, and the GCC and EU countries to South Asia.

Figure 2.12 Top Remittance Recipients in South Asia, by Total Amount (panel a) and Share of GDP (panel b), in 2020



Sources: World Bank–KNOMAD staff estimates; World Development Indicators; International Monetary Fund (IMF) Balance of Payments Statistics.

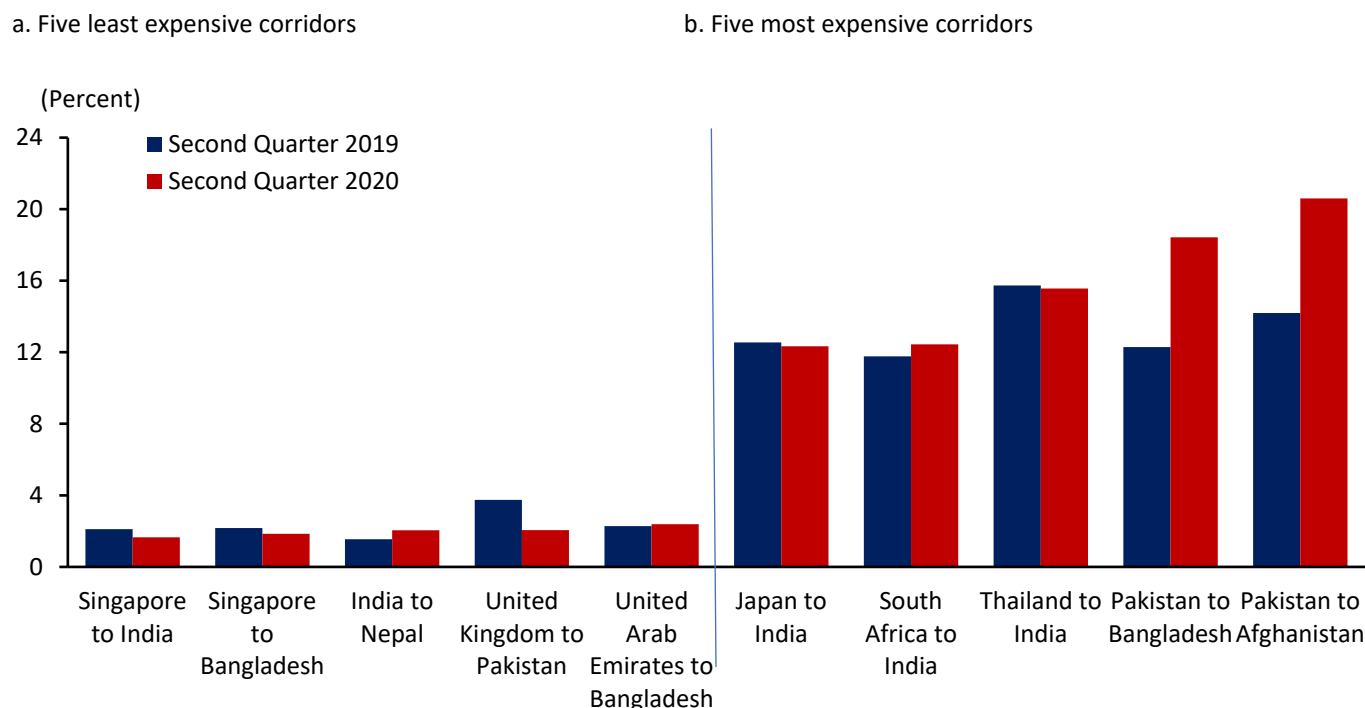
Note: GDP = gross domestic product.

In India, remittances are projected to fall by about 9 percent in 2020, to \$76 billion (figure 2.12). In Pakistan, remittances would grow at about 9 percent, totaling about \$24 billion. In Bangladesh, remittances are projected to grow at about 8 percent to around \$20 billion. In both Pakistan and Bangladesh, the negative impact of the COVID-19–induced global economic slowdown has been somewhat countered by the diversion of remittances from informal to formal channels due the difficulty of carrying money by hand under travel restrictions as well as the incentives to transfer remittances. For example, Pakistan introduced a tax incentive in July 1, 2020, whereby withholding tax was exempted from cash withdrawals or the issuance of banking instruments/transfers from a domestic bank account. The tax incentive is capped by the remittance amounts received from abroad into that account in a year. Remittances to Nepal and Sri Lanka are expected to decline by 12 percent and 9 percent, respectively, in 2020. The coronavirus-related global slowdown and travel restrictions will also affect migratory movements, and this is likely to keep remittances subdued even in 2021.

Remittance costs. South Asia was the least-costly region to send \$200 to (at 4.98 percent) in Q3 2020. Some of the lowest-cost corridors—including those originating in the GCC countries and Singapore, and the India-Nepal corridor—had costs below the SDG target of 3 percent (figure 2.13, panel a). This is probably due to high volumes, competitive markets, and deployment of technology. But costs are well over 10 percent in the highest-cost corridors (Pakistan to Afghanistan, Pakistan to Bangladesh, Thailand to India, South Africa to India, Japan to India) (figure 2.13, panel b) due to low volumes, little competition, and regulatory concerns (related to AML/CFT).

Migration trends. The coronavirus crisis has affected both international and internal migration in the South Asia region. Many international migrants, especially from the GCC countries, returned to countries such as India, Pakistan, and Bangladesh. Some migrants had to be evacuated by governments. For instance, India repatriated over 600,000 stranded migrants using special flights and shipping vessels. This has affected migrant-sending states like Kerala, where around 400,000 have returned, putting pressure on household finances and health services.

Figure 2.13 The Costs of Sending Remittances to South Asia Varied Widely across Corridors



Source: World Bank Remittance Prices Worldwide database.

Note: Cost of sending \$200 or equivalent.

Migrant outflows from the region have also been affected adversely. In Pakistan, the number of emigrants was only 179,487 for January–September 2020 compared to 625,203 for the year 2019 (Bureau of Emigration & Overseas Employment, Pakistan). In Bangladesh, the number of emigrants was only 181,218 for January–May 2020 compared to 700,159 for the year 2019 (Bureau of Manpower, Employment, and Training, Bangladesh).

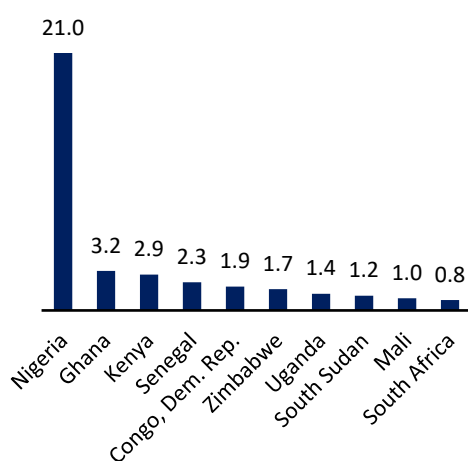
2.6 Remittances to Sub-Saharan Africa Continued to Accelerate in 2018

Remittance trends. Remittances to Sub-Saharan Africa are expected to decrease significantly by around 8.8 percent between 2019 and 2020, from \$48 billion to \$44 billion due to the COVID-19 pandemic, restrictions in movement, and their devastating impacts on the global economy. This declining trend is expected to continue in 2021, when remittances are projected to decrease by around 5.8 percent to

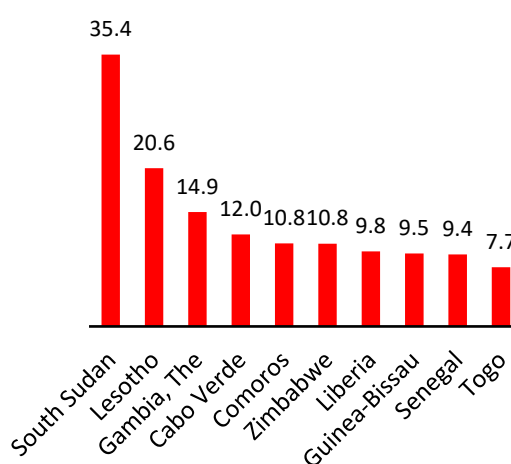
reach \$41 billion. The decline in remittance flows is attributed to a combination of factors, all driven by the COVID-19 crisis in major destination countries, including EU countries, the United States, China, and GCC countries. Sub-Saharan migrants are disproportionately affected in host countries as many are in precarious working conditions and informal jobs, with high vulnerability to contagion and loss of employment. In addition, these migrants are often excluded from social protection systems, health care, and government stimulus measures. As the COVID-19 pandemic affects both destination and origin countries of Sub-Saharan migrants, the decline in remittances in origin countries is expected to further lead to a decline in foreign exchange revenue, an increase in food insecurity and poverty, and a decline in the overall GDP, which are jeopardizing the hard-won development gains of the past few decades.

Figure 2.14 Remittance Inflows to Sub-Saharan Africa to Decline, by Total Amount (panel a) and Share of GDP (panel b), in 2020

a. Top recipients by total amount (\$ billion)



b. Top recipients by share of GDP (%)



Sources: World Bank staff estimates; World Development Indicators; International Monetary Fund (IMF) Balance of Payments Statistics.

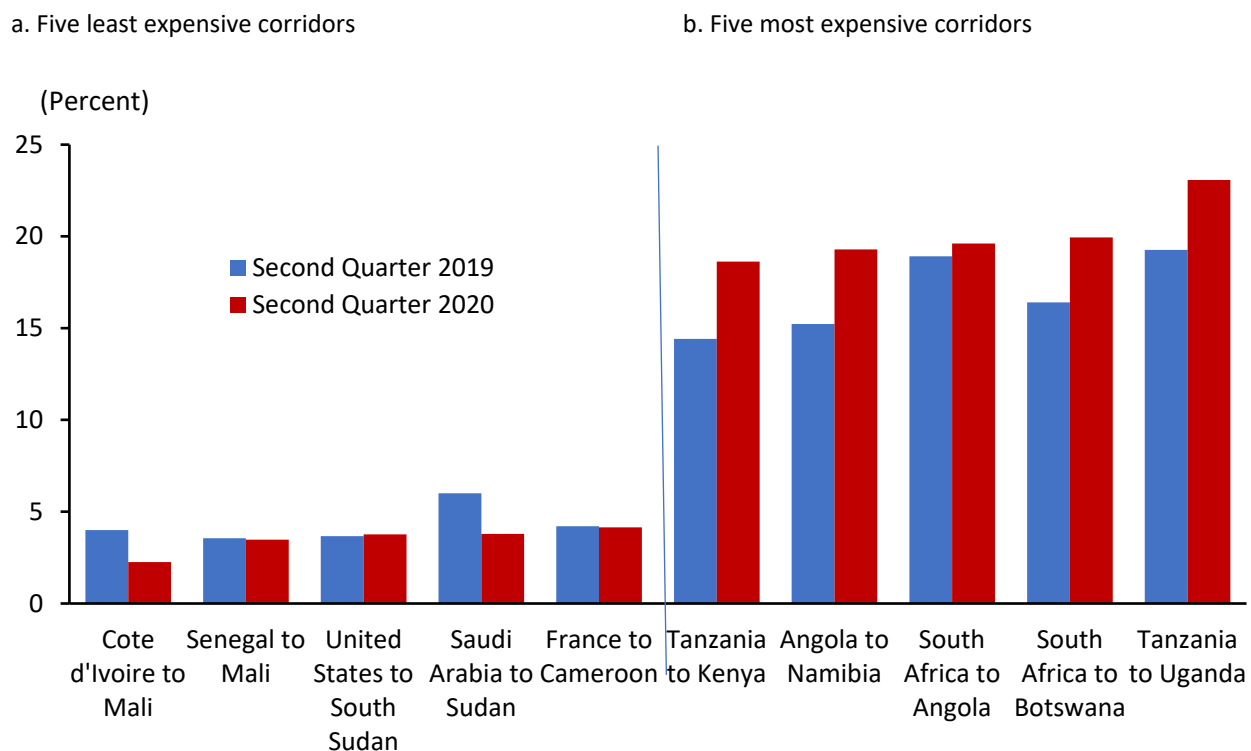
Note: GDP = gross domestic product.

Flooding and swarms of desert locusts have aggravated the challenges of the COVID-19 pandemic for the Sub-Saharan region. Remittances are helping to address the impact on African households. Nigeria remains the largest recipient of remittances in the region, and is the seventh-largest recipient among LMICs, with projected remittances to decline to around \$21.7 billion, a more than \$2 billion drop compared with 2019 (figure 2.14, panel a). Ghana, Kenya, and Senegal are ranked a distant second, third, and fourth in the region, with an estimated amount of \$3.2 billion, \$2.9 billion, and \$2.3 billion received, respectively. South Sudan has reported the region's highest share of remittances to GDP, at more than 35.4 percent (panel 2.14, panel b), followed by Lesotho (20.6 percent), the Gambia (14.9 percent), Cabo Verde (12.0 percent), and Comoros (10.8 percent). According to data from the Central Bank of Somalia, remittances declined less than expected in Q2, and recovered after. Similarly,

remittances to Zimbabwe decreased in April and recovered from May onwards. Kenya is the only country in the region where remittance inflows have so far been countercyclical to the crisis, though flows are likely to eventually decline in 2021. For countries where remittances account for a large share of GDP, a sharp decline in remittance inflows is expected for 2020 and 2021, as many migrant workers have seen their income plummet, especially in OECD countries. Governments efforts to facilitate remittance inflows in these economies would be needed in addition to more efforts to support household remittance recipients who will be facing a significant decline in remittances. In this regard, many countries have registered a significant increase in remittances transfer through digital channels. In April 2020, the Central Bank of South Sudan launched its first international mobile money service (m-Gurush) to facilitate remittance inflows and outflows within and beyond the African region (EABW NEWS 2020).

Remittance costs. Sending \$200 in remittances to Sub-Saharan Africa cost on average 8.5 percent in Q3 2020. This is a modest decrease compared with the average cost of 9 percent a year before. Sub-Saharan Africa is the costliest region to which to send remittances.

Figure 2.15 Five Least (panel a) and Most Expensive (panel b) Remittance Corridors in Sub-Saharan Africa



Source: World Bank Remittance Prices Worldwide database.
 Note: Cost of sending \$200 or equivalent.

The relatively less expensive corridors are in West Africa (respectively Côte d'Ivoire to Mali and Senegal to Mali) while the most expensive corridors are in the southern African region: Uganda to Tanzania, South Africa to Botswana, and South Africa to Angola (latest data available only for Q2 2020). However, with digital services, Sub-Saharan Africa is doing relatively better than the MENA region with an average cost of less than 7 percent compared to over 7.5 percent respectively. The COVID-19 pandemic has made it more difficult for migrants to remit money to Sub-Saharan Africa using traditional or informal channels as most payments are still in cash and some money transfer operators are closed due to the crisis.³⁵ The promotion of digital technology, which is cheaper than nondigital services, combined with a regulatory environment promoting competition in the remittances market, and relaxing money-laundering regulations, are essential for Sub-Saharan countries to achieve the SDG target of 3 percent by 2030.

Migration trends. Amidst the COVID-19 pandemic, most Sub-Saharan African countries have imposed some level of mobility restrictions. This included suspending international and domestic flights—with the exception of humanitarian, cargo, and repatriation flights—closing land and sea border points as well as adopting restrictions on movement such as curfews and lockdowns. However, in the past few months, several countries in the region started reopening their air borders and resumed air travel.³⁶ So far, the spread of the COVID-19 pandemic has been less prevalent in Sub-Saharan Africa compared to the rest of the world. There are several reasons that could explain the region's relatively low rates of contagion and deaths, including lower rates of noncommunicable diseases and early mitigatory measures, coupled with low population density and mobility, testing limitations, younger population, and hot and humid climate.

Displaced populations and irregular migration. Africa is facing a record number of IDPs amidst the COVID-19 pandemic. According to the International Organization for Migration (IOM) Displacement Tracking Matrix, as of October 2020, 15 countries out of a total of 18 in the world that had registered significant displacements were in Sub-Saharan Africa (IOM 2020a). These include Nigeria (2,406,604), Sudan (2,399,433), Ethiopia (1,735,481), South Sudan (1,600,254), Democratic Republic of Congo (1,342,884), Burkina Faso (848,329), Central African Republic (528,140), Somalia (436,817), Cameroon (297,380), Mali (258,017), Chad (236,426), Uganda (132,345), Niger (104,565), and Mozambique (95,338). The number of IDPs due to violence exploded by more than 100 times in Burkina Faso over the past year, from just 10,292 in September 2019 to more than 1 million in September 2020. According to the country's National Council for Emergency Relief and Rehabilitation (CONASUR 2020), the majority of these IDPs are women and children who have fled their homes under the threat of armed attacks.

Irregular migration. The COVID-19 pandemic and resulting border closures led to a significant decline in the number of irregular migrant arrivals to Europe from 128,536 in 2019 to fewer than 68,000 as of October 2020. The number of deaths in the Mediterranean Sea has also declined significantly from 1,885 in 2019 to less than 270 in October 2020. But over 2,900 irregular migrants were reported stranded throughout the region, including 1,100 waiting at IOM transit centers (IOM 2020b). High densities of forcibly displaced populations residing in camps and the mobility of migrants make both groups highly vulnerable to the COVID-19 contagion.

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Endnotes

¹ In June 2020, the World Bank projected a global economic growth rate of -5.2 percent for 2020 (World Bank 2020b). More recently, in October 2020, the International Monetary Fund projected a global growth rate of -4.4 percent for 2020.

² In Japan, 50,000 (3 percent of 1.7 million) foreign workers lost their jobs between October 2019 and August 2020 (*Japan Times* 2020).

³ In the United States, the Center for Disease Control and Prevention (CDC) estimates death statistics standardized by age and accounting for differences in the geographic distribution. Forty-one percent of all COVID-19–adjusted deaths involved Hispanic people. The expected percentage based on their population share—again adjusted for age and geographical distribution—was 33 percent (as cited in OECD 2020b).

⁴ A total of 5.5 million Venezuelans left their country and a number of them are included under the refugee and asylum seeker categories.

⁵ Colombia has 6 million IDPs and 1.8 million Venezuelan migrants.

⁶ For example, the government of Kerala (a state in India) estimates that nearly a half million workers may return from the GCC countries by the end of 2020 (*Washington Post* 2020). These returns have compounded the social challenges and fiscal pressures faced by the Kerala state government, which faces both declining revenues and rising social expenditures. In response, the state government constituted an Expert Committee to conduct a study on the impact of COVID-19 and the consequences of lockdown on the different facets of the state’s public finance. A resulting report estimated a revenue loss of around \$4.6 billion. Of this, about 59 percent is from losses of goods and services tax (GST) revenues, another 22 percent due to central tax devolution, and the remaining 19 percent due to the state’s own revenue receipts. The Expert Committee proposed a COVID-19 Income Support Fund (CISF) to fund COVID-19–related expenses and relief packages to the needy. The state government instituted an economic package of around \$600 million.

⁷ Potential returnees include other-country nationals refused entry at the border, and “undocumented detected,” that is, other-country nationals “illegally” present within the borders of the jurisdiction. See World Bank (2017) for a methodology and explanation of these data.

⁸ Every year, close to half a million foreign nationals are ordered to leave the European Union because of their irregular status. However, only one-third of them return to their country of origin. On September 23, 2020, the European Commission proposed a new pact on migration and asylum.

⁹ The COVID-19 crisis has raised concerns about the health of the potential returnees, especially when they are placed in detention facilities where social distancing may be difficult to maintain.

¹⁰ For the largest host countries for migrants, such as the United States, Saudi Arabia, Germany, and Russia, in October 2020, IMF’s World Economic Outlook sharply revised upward the economic growth forecasts it had published in June 2020. It is worth noting that migrants tend to be more vulnerable to unemployment and income loss during an economic crisis. In that sense, a low-case growth scenario is more applicable to the outlook for migrant remittances than a base-case growth scenario.

¹¹ Increasing the volume of remittances has been recognized as SDG indicator 17.3.2 under the means of implementation of SDGs.

¹² The World Bank's country classification changed in 2020—Romania is now classified as a high-income country and excluded from the category of LMICs. Using the older definition of LMICs—that is, including Romania—remittance flows to LMICs reached \$556 billion in 2019, larger than our earlier estimate.

¹³ This is likely to be the case for a large number of Mexican migrants working in the United States with residency permits.

¹⁴ Currency depreciation may have affected remittance flows to Brazil and the Dominican Republic as well.

¹⁵ Also, Bangladesh and Pakistan are offering tax incentives to attract remittances. Such incentives can potentially lead to more illusory than real increases in remittance inflows. Flows can shift from informal to banking channels to take advantage of the tax incentives. And for the same reason, cross-border payments for goods, services, and investments could be reclassified as remittances. The administrative costs of implementing a tax incentive program have to be evaluated against the economic benefits of additional foreign exchange inflows.

¹⁶ Since remittance service providers (RSPs) were not classified as essential services at the beginning of the pandemic, their services have been interrupted or their working hours reduced. The use of digital channels for sending money is increasing due to the closure of brick-and-mortar services. Also, digital channels are favored because of avoidance of the use of cash. Meanwhile, a large percentage of migrant workers and their families back home are unbanked or underbanked and are facing challenges in meeting the due diligence requirements of digital channels.

¹⁷ An analysis of challenges in correspondent banking in the small states of the Pacific is available at Alwazir et al. (2017).

¹⁸ The Financial Stability Board (FSB) report to the G-20 is available from: <http://www.fsb.org/wp-content/uploads/P160318-3.pdf>.

¹⁹ Results from the country's Labor Force Survey, conducted in September 2017 and that introduced questions on recruitment costs.

²⁰ The Economic Community of West African States (ECOWAS) is a regional political and economic union of 15 countries in West Africa of which Ghana is a member.

²¹ See also Mohieldin and Ratha (2020).

²² World Bank has launched the KNOMAD-Migration Umbrella Multi-Donor Trust Fund to support operational activities relating to migration, including COVID-19 crisis response, supporting remittance flows, safe and regular labor migration, and migration-related SDG indicators.

²³ The Call to Action (CtA) and the Remittance Community Task Force (RCTF) have contributed to the discussion of remittances within the UN Financing for Development Process launched by the Prime Ministers of Canada and Jamaica.

²⁴ As of October 2020, more than 30 countries and 17 organizations, including the UN Capital Development Fund (UNCDF), United Nations Development Programme, International Organization for Migration, International Association of Money Transfer Network, International Chamber of Commerce, United Nations Children's Fund; regional development banks; foundations; the private sector; civil society; and diaspora organizations have joined the CtA.

²⁵ By contrast, year-on-year remittances from Saudi Arabia, the United Arab Emirates, and the United Kingdom fell across the same period, by 22.4 percent, 26.4 percent, and 11.8 percent, respectively.

²⁶ The Middle East and Europe respectively contributed to 19.8 percent and 13.2 percent of remittances to the Philippines in 2019.

²⁷ Another major Malaysian glove maker had its ban from the previous year lifted in March after committing to upgrade housing for its foreign workers.

²⁸ The amount was more than three times what the company indicated it would initially pay in August, which was dismissed as paltry by labor activists.

²⁹ The move was met with opposition from placement agencies, claiming it would drastically raise the costs of employing Indonesians abroad (in particular, domestic and care workers) and discourage their hiring.

³⁰ Migrants workers under the Employment Permit System (EPS) are permitted to change employers up to three times but only under exceptional cases, often requiring the consent of their current employer.

³¹ The Philippines Department of Statistics estimated that 2.2 million OFWs were abroad during the period April to September 2019 based on results from the 2019 Survey on Overseas Filipinos. According to the country's Department of Foreign Affairs, as of October 7, 10,849 OFWs had tested positive, of which 6,905 had recovered and 800 had died.

³² With domestic unemployment soaring due to the pandemic, sending governments in the region have yet to articulate a strategy to manage returnees, resorting instead to a patchwork of initiatives. The Philippines government is offering free retraining programs for select jobs such as call center agents, teachers, and contract tracers, while migrant worker groups are lobbying for major construction projects that could help employ some of the repatriated workers.

³³ Indonesia's Ministry of Manpower stated that it will initially focus on 14 economies that are prepared to welcome migrant workers back, namely Algeria; Australia; Hong Kong SAR, China; the Republic of Korea; Kuwait; Maldives; Nigeria; the United Arab Emirates; Poland; Qatar; Taiwan, China; Turkey; Zambia; and Zimbabwe.

³⁴ A steep decline was seen in the second quarter of 2020, followed by modest improvement, but a substantial downward trend appears to be continuing in the second half of the year.

³⁵ According to Ernst and Young (2020), about 95 percent of transactions in Nigeria are currently cash based and 60 percent of adults are without bank accounts. Only 43 percent of adults in Sub-Saharan Africa had either a bank or mobile money account in 2017.

³⁶ As of October 5, 2020, Sub-Saharan countries that are the most affected by the pandemic with the highest contagion and deaths include: South Africa (681,289/16,976), Ethiopia (77,860/1,222), Nigeria (59,345/1,113), Ghana (46,829/303), (Kenya (39,427/731), Cameroon (20,875/418), Côte d'Ivoire (19,849/120), Madagascar (16,558/232), Senegal (15,094/312), and Zambia (15,052/333).