

Worker Remittances: An International Comparison

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Introduction

Millions of migrant workers send remittances to their families and communities of origin. Worldwide, annual remittances may amount to more than one hundred billion dollars, primarily sent from the industrial to the developing world.

This study looked at the impact of remittances on nine countries in Southern Europe, Asia, and Africa, and at the cost of transferring money to them from six major sending countries. It also compared these costs with sending remittances to Latin America. The report is based on interviews with experts and businesses, a review of the literature on remittances, and data gathering and analysis of pricing, sending methods, and technologies employed by more than fifty money transfer businesses including banks, ethnic stores, and international money transfer corporations.

Three significant findings are reported. First, Latin America is the region receiving the most remittances. Second, transfer costs are lowest when remittances are sent through regulated financial institutions, such as banks and credit unions. Significantly, when financial institutions offer these services to immigrants, they also sell other products. Third, the costs of sending remittances to the nine countries studied are significantly lower than sending remittances to Latin America. This is mainly due to the greater involvement of banks in conducting money transfers for those countries.

1. Global trends in family remittances

Conservative estimates indicate that around 200 million people migrate annually (Harris 2002). In many countries, the demand for foreign labor has increased. Moreover, migration flows are not unidirectional, from the South to the North. For example, Greeks migrate to Germany and the United States, while Albanians migrate to Greece. South Africans move to Australia and England, while Malawians, Mozambiqueans, and Zimbabweans work in South African mines and the service industry.

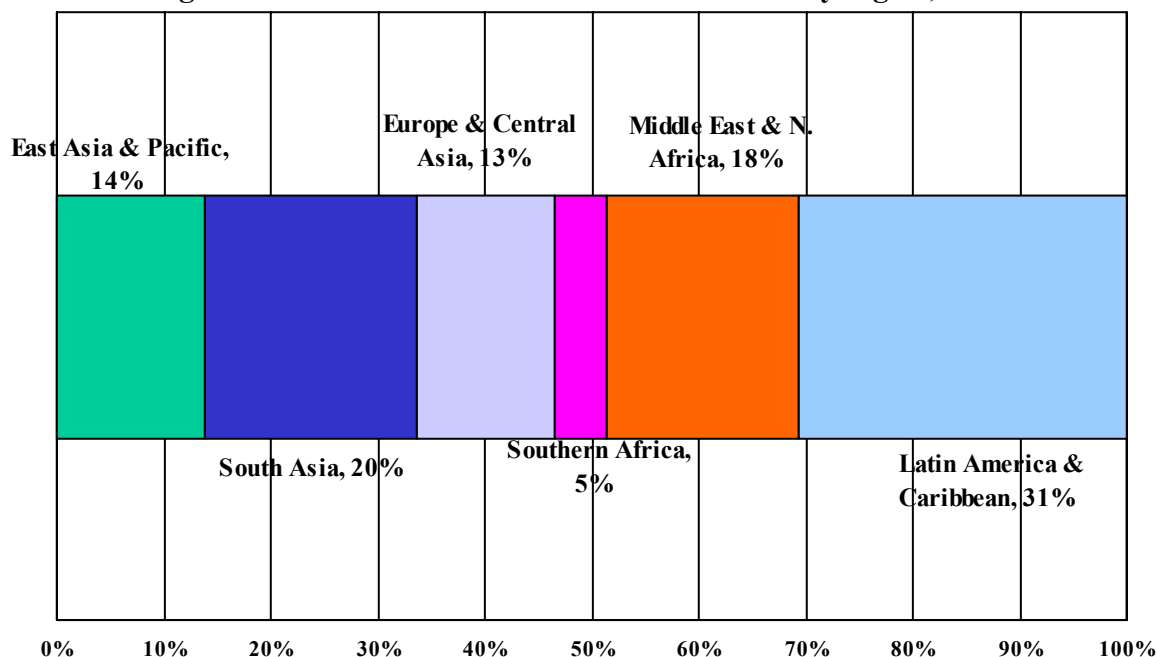
Global migration flows may be greater than those estimates. Both skilled and unskilled workers emigrate. As Held, McGrew, Goldblatt and Perraton (2000) stress “there has

been a steady movement of highly skilled, highly trained professionals, that is, elite migration” (304).

The benefits of migration are significant for both sending and receiving countries. Remittances are one important benefit for immigrant-sending countries. Total remittance flows continue to increase over time, nearly doubling in a period of ten years, “with an annual average in the previous decade of US\$700-1000 per worker” (Harris 2002, 87). Estimates of remittances vary significantly.

Moreover, data, is incomplete and represents only an estimate of the total flow. First, in some cases, IMF and World Bank figures are smaller than the official figures offered by central banks. For example, the World Bank reports fewer than two billion dollars in remittances to the Philippines, but the Philippines’ central bank reports over six billion (BSP 2002). Second, remittances are often not reported at all. In Guyana, for example, whose diaspora is almost as large as its country’s population (there are 700,000 Guyanese in Guyana and over half a million abroad), remittances represent at least 10% of the country’s GDP. However, this data is not available anywhere. Third, there is significant underreporting. In most cases, central bank accounts do not necessarily account for transfers in the informal sector, which for South Asian countries represent a significant share of the total market. Fourth, many immigrants make direct deposits into accounts in their home countries. Central banks do not register these transfers as remittances, even though immediate relatives are the main beneficiaries in those accounts. These shortcomings largely reflect government neglect of emigrants and their economic contributions. The IMF and World Bank, for example, only reports on eighty countries receiving a total of nearly eighty billion dollars. Despite the lack of significant data, these figures offer a preliminary map of remittances (see Figure 1).

Figure 1. Worldwide flows of worker remittances by region, 2002



As Figure 1 shows, Latin America is the main remittance recipient area in the world, receiving about 31% of the flows. Following Latin America are South Asia, Europe & Central Asia, and East Asia & Pacific with twenty, twenty-one and eighteen percent of the flow, respectively. One interesting feature of the data is that one or two countries comprise over 50% of the total flow in each region. For example, India, the world's largest remittance recipient country, accounts for 73% of the flow to South Asia. Mexico represents 34% of Latin America and the Philippines 43% of East Asia and the Pacific. It is also worth noting that sixteen countries share three quarters of the total flows (see Table 1).

Table 1: Remittances to Major Remittance Recipient Countries (2000)

Country in region	Share	
	Region	Worldwide
India ^a	73%	15%
Mexico ^a	34%	8%
Philippines ^a	43%	8%
China ^b	43%	8%
Turkey ^a	27%	6%
Egypt ^a	35%	5%
Spain ^a	20%	4%

Portugal ^a	19%	4%
Morocco ^a	20%	3%
Bangladesh ^b	12%	2%
Jordan ^b	17%	2%
El Salvador ^a	9%	2%
Dominican Rep. ^a	9%	2%
Greece ^a	10%	2%
Nigeria ^b	65%	2%
Yemen ^b	12%	2%
Main countries		75.00%

Source: ^a Central banks of each country. ^b World bank, *World Development Indicators 2002*

In most cases, with the exception of Latin America, remittances are not sent from a single country, but rather from a combination of areas. For example, immigrants from India, Pakistan, Egypt and Bangladesh who work in the Arab oil-producing region send money from at least four different countries. Table 2 shows some of the major remittance recipient countries (excluding Latin America) and the countries where migrants find work.

Table 2: Immigrants and the places where they migrate (Most recent year available)

Home country								Mozambi que ^g	Zimbabw e ^g	
Host Country	Egypt (2000) ^a	Greece (1992) ^c	India (1995) ^{a, b}	Pakistan (1998) ^a	Philippines (1999) ^a	Portugal (1992) ^c	Turkey (1996) ^a			
Saudi Arabia	923,000		269,600	1,552,350 ^d						
UAE			77,100							
Oman			29,100							
Kuwait	190,000		27,000							
Jordan	226,000									
Iraq	65,000									
Libya	332,000									
Bahrain Arabia								120,000		
Germany		345,902			934,068 ^e	7,411	101,600	2,107,426		
France							798,840	274,747		
Netherlands								284,902		
Austria								142,231		
Sweden		20,000								
Switzerland							142,950			
Belgium		25,000					23,000			
UK							52,000			

Spain									
Holland						699			
US ^f	98,158	144,432	1,109,061	265,884	1,337,357	207,748			
Canada		300,000			133,187	523,000			
Australia		400,000			77,160	65,000			
Japan					44,291				
South Africa						600,000	91,228	63,561	

Sources and Notes: ^a International Labour Organization, "International Labour Migration Database," <http://www.ilo.org/public/english/protection/migrant/ilmdb/index.htm>

^b Yearly outflow of employed nationals, i.e. temporary workers, instead of total number of nationals abroad.

^c Karafolas, Simeon. 1998. "Migrant Remittances in Greece and Portugal: Distribution by Country of Provenance and the Role of the Banking Presence," *International Migration* 36, no. 3, pp. 357-381.

^d Number of Pakistani nationals in entire Middle East.

^e Number of Pakistani nationals in all of Europe.

^f All figures for the US—except Turkey, Zimbabwe, and Mozambique—reflect the place of birth of the foreign born population in the US according to the 2000 United States Census.

^g McDonald, David A., Ed. *On Borders: Perspectives on International Migration in Southern Africa*. New York: St. Martin's Press, 2000

International worker migration represents 3% of the global population of six billion, an insignificant figure at first glance. Most migration is in fact internal; rural to rural and rural to urban. Migration often progresses from rural to urban and then to international. Rural migration predominates in many countries, including India and China, which together comprise 25% of the world's rural population. However, international migration gains greater relevance in light of the significant volume of remittances worldwide.

Although there is no direct relationship between remittances and human development, they have an important impact on the economies of receiving countries. Migration and remittances do not necessarily relate to the level of development in a country (not only the poor migrate, nor is migration only from poorer to wealthier countries). Countries receiving remittances come from low, medium and even high human development cohorts. The connection of remittances to development is related rather to a) the receiving country's regional economic position and its relationship to a more economically salient country and b) the macroeconomic impact remittances have on the receiving country.

The flow of remittances raises important questions about transfer methods. Specifically, what are the most common sending practices to traditional remittance recipient countries like India, Greece, Portugal, Turkey, Egypt, Mozambique, Pakistan or the Philippines?

2. Global trends: payment systems, distribution networks and costs

When deciding how much and how often to remit, senders must consider available mechanisms and costs. Prevailing infrastructures, information about the market, cultural practices, educational and income status of the recipient and sender, level of competitiveness, and level of government intervention influence the choice of transfer method. Costs and methods have remained largely unaddressed by business, academic research and policy studies. Therefore, little information exists on the impact of transfer methods on senders, recipients and economies. This issue is important, as research on Latin America has shown that benefits to economies and households vary depending on transfer method (Orozco 2002 “Remittances and Markets”). This section analyzes sending methods and costs.

Types of payment systems

How do people remit? What methods do they employ? Immigrants utilize a wide array of mechanisms to send remittances: banks, credit unions, small and large money transmitter companies (such as MoneyGram and Western Union), postal services, hand delivery by the actual sender or by a third party (encomendero, mula, or viajero), and lesser regulated mechanisms like *hawala* or *hundi*.

The oldest and most traditional method of sending remittances is hand-delivery through a courier. In Africa and among the poorest nations of the developing world, this method persists. In Asia, in addition to the entrepreneurial traveler, many countries use traditional money transfer mechanisms. These systems are known as *hawala* in Pakistan and Bangladesh or *hundi* in India. Hawala is a kind of transaction in which money is not physically or electronically transferred. The Hawala system is an “operation that consists of making a financial transfer between principals located in countries A and B, using intermediaries, hawaladars (HA) and (HB), who operate in the informal sector . . . HA

receives funds in one (hard) currency and asks HB to advance the equivalent of the paid amount to a designated beneficiary in the local currency” (El-Qorchi, Maimbo, and Wilson 2002, 6). The main feature of Hawala is that, although the remittance is immediately transferred, the intermediaries settle their debt through various mechanisms of compensation that occur at different moments and do not necessarily involve direct payment between the two hawaladars. This system is popular because it is relatively inexpensive (less than 2% the value of the principal), well-organized on the receiving end, and because senders do not need to provide identification.

In contrast to the relative informality of couriers and hawaladers, international money transfer companies are licensed regional or global businesses. Money transfer companies are authorized to engage in activities that do not involve the receipt of money on current accounts subject to withdrawal by checks. Western Union has the largest worldwide presence in the money transfer industry. Other companies like Thomas Cook and MoneyGram also operate globally, though with a lesser presence than Western Union. Western Union is said to have one quarter of the global market.

In addition to these global companies, regional and country specific businesses and post offices in some countries offer competition. On the sending side, competitors are known as ethnic stores. They tend to transfer smaller amounts, but in combination could account for thirty percent or more of the total sent. U.S.-based ethnic stores transmitting remittances to Pakistan, India or Bangladesh complain, however, of unfair treatment and competition from the informal sector. They are unable to compete against the hawala system (which operates outside the U.S. regulatory environment) when their companies have to comply with regulations in order to operate legally. They also have to compete with major companies like Western Union, which has a far greater ability to shape market conditions. Analysts estimate that these types of informal businesses are gradually declining, with a loss in global market share from 50% in 1996 to 45% in 2001 (Bezard, 2002, 10).

Post offices are also involved in money transfers. The US Post Office has its own transfer system, Dinero Seguro, that has been in place for more than five years. In Europe, EuroGiro system operates in direct cooperation with European postal systems in international money transfers to more than 30 countries including China, Israel and Brazil.

The global marketplace for remittances is significantly diffuse; market shares differ in each region and among the sending countries. In some regions, such as Southern Europe, the most important players are banking institutions. In other places, like the Philippines and El Salvador, the main competitors are banks that operate as money transfer agencies and ethnic stores.

Worldwide costs and distribution mechanisms

This study looked at an array of licensed businesses including banks and national money transfer companies, as well as large international money transfer businesses like Western Union.

The costs varied from country to country and also among type of institution. They reflected the level of involvement of the banking industry and other businesses and the extent to which government involvement facilitated less expensive transfers. Table 3 shows the sending and receiving countries and the number of companies covered per country. A database was created consisting of information about fees, exchange rate applied, sending method, and type of currency delivered (retention of sending currency or conversion to local country currency). The study considered the costs of sending \$200.

Table 3: Countries and Companies Studied

Receiving country	Remittance sent from	Number of companies reviewed			All businesses
		Banks	MTO	Other	
Philippines	United States	5	14	5	24
Egypt	United States		2		2
Greece	Germany & U.S.	4	2		6
India	Saudi Arabia, U.S., U.K.	7	11		18

Pakistan	Saudi Arabia, U.S., U.K.	7	1		8
Portugal	France, U.S.	3	2		5
Turkey	Germany, U.S.	3	2		5
Mozambique	South Africa, U.S.	1			1
Zimbabwe	South Africa, U.S.		7		7
Bangladesh	U.K.	1	3		4
Ghana	U.K.		7		7

Because of the difficulty in obtaining information about market shares within countries, only unweighted mean values are reported in the analysis. The costs of sending \$200 are shown in Table 4. The data reflects information about costs to send money to the recipient countries from the main country of emigration. Costs incurred reflect two charges: fees and the commission charged to convert the remittance into local currency. As the table shows, sending money through banks was the least expensive method. For comparative purposes, data was calculated when information existed for at least three countries.

The mean value of sending through banks was 7.0%, compared to 12.0% for businesses like Thomas Cook or Western Union. Notably, charges declined significantly when sending three hundred dollars.

Table 4: Average costs of sending money to selected Non-Latin American countries

	\$200		
Type	FX %	Fee %	Total %
Bank	1.0%	6.5%	7.0%
Major MTO	1.7%	10.9%	12.0%

Source: data compiled by the author.

These averages do not, of course, demonstrate specific trends. Notice, for example, in Table 5 that for European countries the costs were significantly lower. They were also lower for countries like Pakistan. In the case of Mozambique and Swaziland, the low cost results from services offered by Theba Bank, a miners' bank that transfers remittances from South Africa to migrants' families who have bank accounts in the recipient countries. For all recipient countries studied, major MTOs were on average the

most expensive method and banks the least expensive. There are exceptions, such as India, which has a higher mean cost because banks offer both SWIFT (which costs \$40) and a three day remittance service at a low \$10 cost.

Table 5: Charges to Send \$200 to Selected Countries by Type of Business

Type of Business	Bank	Ethnic Store /Exchange House	Major MTO
Country			
Egypt			13.8%
Philippines	8.0%	10.1%	10.3%
India	6.0%	2.5%	13.8%
Greece	6.8%		9.5%
Pakistan ¹	0.4%	3.0%	13.0%
Portugal	3.4%		12.3%
Turkey	3.1%		9.5%
Mozambique	1.0%		
Mean	7.0%	6.0%	12.0%

Source: data compiled by the author.

Banks in some countries have identified the significance of remittances and migrant capital. In addition to offering lower fees to transfer remittances, banks may offer special deposit, investment, and loan programs to emigrants. The entrance of these banks into the remittance market results from a combination of factors, including government restriction of money transfer businesses (such as in the German case), government incentives to banks to join the money transfer business, and private sector banks becoming interested in the transfer market themselves. It is important to note also that banking operations are more common in countries with a longer history of exporting migrant labor, which translates into a more established process of remitting.

Banks offer at least four money transfer services: wire transfer via SWIFT, credit to a specific recipient's bank account of the same institution, credit to a different bank, or credit to an account and cash pick up. When money is deposited into an account in the same bank, charges decline to 5%. In some cases, banks charge even less for intrabank transfers or if the customer picks up the money at the bank.

Table 6: Bank charges to transfer remittances to home countries

Receiving Country	Credit to specific bank account	Credit to bank account or cash pick up
	200	200
Philippines	7.7%	7.7%
Greece	3.5%	7.5%
Pakistan		0.4%
India	4.9%	
Portugal	3.0%	3.0%
Turkey	7.5%	2.6%
Mozambique	1.0%	

In the Indian case, state and private banks offer special programs to Indian customers abroad. In 1998, the government announced that in conjunction with the State Bank of India (SBI), it would allow foreign banks to sell Resurgent India Bonds to Non-Resident Indians (NRIs), encouraging Indians living in the U.S. and elsewhere to invest in their home country. The SBI has allowed foreign banks to sell the bonds, assuming that they are better located to tap into the Indian diaspora (India Abroad 1998).

The SBI, with branches in the U.S., also issues SBI credit cards to the Indian diaspora. State banks and private banks of Indian origin also offer NRI accounts. These accounts are only open to Indian citizens currently residing outside of India, and they offer incentives to expatriates to keep their money within the Indian banking system. The NRI accounts offer higher interest rates than normal bank accounts, as well as tax exemptions on portions of interest earned. They can be denominated in foreign currency and NRI account holders can designate beneficiaries within India (Central Bank of India).

Portuguese banks have also tailored several services to the Portuguese diaspora. Special accounts are designated for Portuguese nationals residing abroad. These accounts are backed by government legislation that declares special rights for Portuguese nationals who establish themselves overseas for certain periods of time (Karafolas 1998). These

¹ In the case of Pakistan, the majority of remittances go through the Hawala system. Formal money transfer businesses struggle to compete with the traditional hawaladers.

accounts offer numerous benefits such as lower tax rates, holdings in various foreign currencies, lower interest loan packages, and programs specifically attracting emigrants to take out loans to build or buy homes in Portugal. According to some analysts, deposits from emigrants during the 1990s represented almost 20% of total deposits in the Portuguese banking system. In addition, while annual remittances to Portugal neared USD \$3 billion, emigrants' deposits by the end of the 1990s had reached USD \$14 billion (Pedro Bello).

Examples of banks offering special programs for non-resident Portuguese citizens are *Caixa Geral de Depositos*, *Credito Predial Portugues*, *Banco Portugues do Atlantico*. The *Caixa Geral* offers two types of accounts, one in Euros and one in foreign currencies. Each account has reduced tax rates on the interest earned. They also offer investment schemes in national and foreign capital markets that are targeted at emigrants. *Credito Predial Portugues*, on the other hand, offers three different types of loans for Portuguese living overseas. Finally, *Banco Portugues do Atlantico* offers special financing programs for Portuguese citizens abroad to build or buy homes in Portugal.

Pakistani banks also offer accounts in foreign currency to emigrants. The Overseas Pakistanis Foundation, a government agency, has launched the "Remittance Book" program, an official government program to provide incentives to remit through financial banking channels. Under this program, non-resident Pakistanis receive a gold card if they remit \$10,000 or more and a silver card if they receive \$2,500 or more. The cards offer the sender specific benefits, such as special lounges at airports, free issuance and renewal of passports on an urgent basis, exemption from import duties, special quotas to be reserved in public colleges and universities for relatives of remitters, and public housing at attractive prices (Arab News, August, 2001; Overseas Pakistanis Foundation).

Another interesting case is Morocco. According to some analysts, at least 60% of remittances go through Groupe Banques Populaires (BP) (Iskander 2002). BP is a

majority state-owned bank which has branches and agents in several European countries.

Moroccans in Europe can open joint checking accounts at the local BP branch for themselves and for family members in Morocco. The Moroccan living abroad deposits funds that a relative can withdraw at no cost to either party. In addition to checking accounts, BP offers emigrants a number of ways to wire money to Morocco. For example, they can wire money to a BP account, where the account holder in Morocco can withdraw at a fee of 0.1% of the amount transferred, provided it is over 100 USD. They can also wire money to a person in Morocco, to be picked up at any BP branch for a fixed fee of 90 Moroccan dirhams – about 9 dollars – regardless of the amount wired (BP).

BP also provides subsidized credit for real estate and entrepreneurial investments in Morocco. In addition, BP offers a variety of insurance options specifically for emigrants, covering everything from repatriation of one's body after death to airplane fare in the case of a family emergency. BP has even created a foundation to meet some of the cultural and educational needs of emigrants and their families, establishing, for example, special schools for the children of returning emigrants in Tangier and Agadir, and organizing competitions for cultural presentations (Iskander 2002).

4. Transfers from the United States to main recipient countries

The United States is the major recipient of international migrants. Over thirty million immigrants reside in the United States and the majority of them send remittances to their home countries. Amounts sent vary depending on income level and degree of commitment to the home country household. Latin Americans, for example, tend to send between \$200 and \$250 a month, except for Mexicans who send at least \$300.

Immigrants from other regions exhibit different sending patterns, with those from Pakistan and India sending, on average, three times those amounts.² See Table 9.

² The frequency of sending varies from regions and countries. For Latin America, immigrants send on average 7 - 8 times a year. For other regions the frequency is lower, but amounts larger.

Table 7: Remittance Averages Sent by Immigrants in the U.S. (US\$, selected countries)

Country	January-December
Bangladesh	562
Egypt	307
India	1104
Pakistan	790
Philippines	397
Mexico	385
Dom. Rep.	203
El Salvador	280

Source: NMTA, January 2003.

Immigrant remittances from the United States

Despite the fact that the United States is the largest sending country in the world and many companies compete in this market, the costs of sending are relatively higher than from any one of the countries studied here. This is principally because few foreign or domestic banks in the United States offer money transfers. The few foreign banks transferring remittances, like the State Bank of India, Espiritu Santo of Portugal or the Bank of the Philippine Islands, offer a range of options. One of these is direct deposit in an account in the home country, at a cost below 5%. The Philippines has one of the most competitive markets for remittances with significant participation of Philippine banks. Overseas bank branches and remittance centers operated by Filipino banks include the Philippine National Bank (PNB), PNB Remittance Centers, Rizal Commercial Banking Corp. (RCBC Telemoney), Bank of the Philippine Islands, Metrobank, LBC, Far East Bank and Trust (Speedcash), and Philippine Commercial International Bank (Padala Express). Table 8 shows that costs are significantly lower to send from banks than from money transfer companies, and somewhat lower to send from ethnic stores.

Table 8: Cost of Sending \$200 from the U.S.

U.S. to	Bank	Ethnic Store /Exchange House	Major MTO
Philippines	8.0%	10.1%	10.3%
Greece			13.8%
India	7.0%	8.3%	12.2%
Pakistan	0.2%	16.8%	14.0%
Portugal	0.8%		13.8%
Turkey			13.1%
Zimbabwe			11.9%
Bangladesh	8.0%	9.2%	
Ghana		7.5%	

In general, foreign banks operating in the U.S. have limited options for transferring remittances. Germany and France are exceptions, as several banks offer transfers to Greece, Turkey and Portugal. This difference is partly due to the stiff regulations restricting foreign banks from opening branches in the U.S. Other factors, however, explain these variations. One is that the United States is not the principal country of destination for the groups studied. Therefore, there is a smaller demand for and volume of transfers, which tends to increase costs.

Foreign currency conversion costs must also be considered. Companies use foreign exchange differentials to increase revenue and share commissions. Except in the Philippine case, where there is significant competition, foreign exchange differentials are relatively high for the other countries studied.

Why Latin America is costlier than other regions

The cost of sending money from the primary remitting countries to the nine countries studied was compared to the cost of remitting from the U.S. to Latin America. In all cases, the average cost of remitting to countries outside Latin America was cheaper than remitting to Latin America, principally because of the greater use of financial institutions.

Additionally the use of bank transfers to these countries is also always cheaper than such transfers to Latin America presumably because of the higher level of competition among financial institutions.

Until recently, Latin American and U.S. banks were not involved in the transfer of remittances. Latin American banks (primarily from El Salvador, Guatemala, Honduras, the Dominican Republic and Mexico) opened U.S. branches but to operate only as money transfer agencies. On average, these banks offer the most competitive rates. U.S. banks have only become involved in the money transfer process very recently, within the past two years. By November 2002, more than fifty U.S. banks offered transfers to Mexico, some issuing ATM cards to recipients at low costs. However, these are early developments and their costs are still high (Orozco 2003). When compared to the options offered by banks in Europe to India and Pakistan for example, costs from the United States to Latin America are significantly higher (compare with Table 7).

In contrast, however, money transfer organizations charge less to remit from the U.S. to Latin America than to other parts of the world. This is because increased competition among companies in the U.S. targeting the Latin American market has probably driven prices down faster than to other regions. Costs to Latin America have declined in the past three years and appear to continue to do so among most companies, large or small.

Interest among U.S. banks in attracting new customers is increasing. Banks have realized that the pool of remittance money leaving the United States for Latin America and the rest of the world is not negligible. They have also recognized that a significant number of senders could be potential clients of their institutions, either because they are unbanked or because banks and credit unions could better serve them.

Perspectives on the global context

Remittances are likely increase on the global level. As globalization deepens, so does the movement of people. Trade, transportation, telecommunication, transfer of remittances, tourism and nostalgic trade intensify the links between migrants and their home countries. Remittances have become a part of the human face of globalization.

The marketplace for remittances reflects certain tendencies. First, Latin America receives a significant proportion of the worldwide total. Second, flows of remittances and the market for them varies across regions depending on the involvement of private banking institutions, government outreach to immigrants, informality of transfers, and competition among money transfer businesses. These variations show that the marketplace is diffuse. Second, those countries with a longer history of migration tend to rely on banking institutions. This suggests that governments and banks learn to capitalize on the benefits of migration by extending financial links between diasporas and their home country relatives. Third, these links significantly reduce transaction costs and increase benefits to senders and recipients. Fourth, countries with a more recent remittance sending pattern undergo a process of maturation as the market grows more competitive. This competition is reflected in a relationship between price decline and a reduction in the number of intermediaries.

New experiments take place every day. Banks are becoming interested in money transfer and governments are exploring policies to address these trends. From a policy perspective, alliances between governments, civil society and private sector institutions must be formed in order to share best practices and coordinate strategies to improve the flow of transfers.

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