

International Nurse Migration and Remittances



International Centre on Nurse Migration



Remittances, the personal earnings international migrants send back to their families and friends, have become an important source of external finance for many low-income and developing countries.¹ International nurse migrants have long been recognised as faithful senders of remittances and important contributors to the national economies of their home countries.² Nurses' remittances represent an important source of added income and stability for individuals, families and communities around the world. These funds lessen the burden on health systems by improving access to food, housing, and education — all three significant social determinants of health. Importantly, remittances play a significant role in reducing the level and severity of poverty and contribute to the economic development in many low- and middle-income countries.

Global estimates and trends

- ▶ In 2005, there were an estimated 191 million migrants worldwide, nearly half of them women.³
- ▶ The total amount of remittances sent home by international migrants via formal channels in 2005 amounted to an estimated US \$232 billion⁴, with US \$167 billion going to developing countries.⁵ This figure does not, however, take into account remittances passed through informal channels, which suggests the actual figure may be doubled, or by some estimates, tripled.
- ▶ Remittances are the second most important source of external funding for developing countries after foreign direct investment and ahead of overseas development assistance.⁶ The World Bank reports remittance flows to be twice the size of international foreign aid flows.⁷
- ▶ Remittances of overseas Filipinos are expected to reach US \$14.7 billion in 2007, up \$1.9 billion from 2006.⁸ In many low-income countries, remittances represent a significant percentage of the gross domestic product (eg, 26.5% in Lesotho; 16.2% in Nicaragua; 5.8% in Burkina Faso).
- ▶ In Sri Lanka, remittances surpass earnings from tea export and exceed income gained through tourism in Morocco.
- ▶ US \$1 in remittances generates US \$2 in local economic activity.⁹
- ▶ In 2004, the top five remittance-receiving countries were: India, China, Mexico, France and the Philippines.¹⁰
- ▶ The United States, Saudi Arabia and Belgium were among the top three remittance-sending countries in 2001.¹¹
- ▶ Remittances are a lucrative income-generating activity for banks worldwide.

Nursing facts and figures

- ▶ Research carried out in the South Pacific suggests that nurses are more likely to be remitters and remit a higher portion of their income than other migrants.¹²
- ▶ The estimated cumulative value of remittances sent home by Tongan and Samoan nurses working in Australia is likely to surpass the costs associated with their initial training.¹³
- ▶ Findings from a recent survey of international nurses working in London indicate that over half of respondents regularly send a portion of their earnings back to their home country.¹⁴ Approximately half of the respondents from the Philippines and South Africa indicated they were sending between 26% or more of their earnings home.¹⁵
- ▶ The generation of remittance income is a major stimulus for countries that produce nurses for export, such as the Philippines, India, and China.
- ▶ Evidence suggests that remittances more than adequately make up for the economic losses associated with the migration of health professionals.¹⁶



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- Remittances have been associated with reductions in the poverty head count ratio in a number of low-income countries, which are exporters of nurses — 11% in Uganda, 6% in Bangladesh, and 5% in Ghana.¹⁷
- In major source countries of nurses, remittances represent a substantial share of Gross Domestic Product (GDP) (eg, 10% for the Philippines; 14% for Jamaica and 8.5% for Uganda).¹⁹
- High commission fees charged by providers of remittance transfers (sometimes up to 25% of the amount being remitted)²⁰ are a major financial challenge for many nurse migrants.

Measures to enhance the impact of remittances

Below are a number of measures that may contribute to enhancing the impact of remittances:

- Lower the remittance transaction costs and improve accessibility of remittance transfer services to increase the percentage reaching families in source countries.
- Strengthen the availability of literature so migrants can make knowledgeable financial decisions and effectively manage their savings.
- Provide a range of banking services and special accounts to guarantee the value of deposited funds against devaluation and facilitate investments by local banks enhancing economic and labour market opportunities.
- Encourage channeling of a percentage of remittances to public sector projects that support such activities as building new schools, improving infrastructures, etc.
- Raise awareness on the significant contributions made by remittances to national economic growth, GDP, poverty alleviation/reduction, international currency and trade balances, debt relief, development efforts, including the Millennium Development Goals, general well-being of individuals, families and communities and health systems.

An electronic version of the fact sheet is available at www.intlnursemigration.org/research.shtml

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