

論文名 : Remittances as a Catalyst for Economic Growth and Development of Bangladesh

新潟大学大学院現代社会文化研究科

氏名 AKTER Shirin

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International migration is an inherent characteristic of globalization, growing in terms of number, scope and significance. At the advent of this globalization process, international trade and factor mobility have accelerated international migration from developing countries. Remittances income through migration has become an alternative livelihood means at individual level and development strategy at the national level of the home country. A large number of migration (75% of international migrants) from low-income to high-income countries results in large share of remittances flow (74% of global remittances flow) towards low-income countries, and this trend rose sharply last decades. The magnitude of this remittances inflow on the economy of receiving countries could not be denied.

Bangladesh is a developing country with an average 6% growth rate of GDP; even struggling with hunger, poverty, poor governance, corruption, human rights etc. Being a country with high population growth and abundant labor forces, Bangladesh is one of the topmost labor-exporting countries as well as among the leading remittances earner countries globally. Remittances flow is significantly larger than other foreign capital flow, which has significant contribution in maintaining the country's foreign exchange reserves, favorable trade balance, credit worthiness, strong liquidity position etc. Although remittances inflow and its impacts have risen gradually, macroeconomic studies ended-up with mixed results. Therefore, the studies of this dissertation have been undertaken to observe the extensive impact of remittances on major

macroeconomic determinants of growth in Bangladesh.

Theoretical and empirical research using long time series data employing different popular growth models have been analyzed to explain the significance of remittances to the economic growth of Bangladesh. Time series data used in this study has been collected from different credible national international organization database. Initially, Chapter 1 briefly highlighted the overview of Bangladesh economy focusing output growth, sources of growth, workforce situation and economic progress in poverty reduction, human development and governance. This section also described pattern and trends of migration and remittances as well as development impacts of remittances. Then, Chapter 2, emphasized on investigating the contribution of remittance to GDP under demand side and supply side growth model. The partial effect of a change in remittances to the change in GDP under basic Cobb–Douglas production function approach has been investigated taking remittances as an exogenous variable. Regressions result based on this relationship showed a positive relationship between remittance and GDP. Secondly, to check the long term viability of this relationship a demand side economic growth model based on the circular flow relationship. Remittance was inserted as an independent variable with other determinants of growth. The cointegration regression showed a significant positive long-run relationship. This model also tested sensitivity by including other variables and found robust result including financial development variables. But the growth impact of remittances was negative in the presence of other foreign capital inflows.

Additionally, addressing savings as a principal determinant of long-term economic growth, Chapter 3 investigated the long-run impact of remittance to stimulate savings. This section includes a comparative study on Bangladesh, India and Philippines. This section includes a comparative study on India, Philippines and Bangladesh. Under the

Harrod-Domar growth model, a remittance driven savings equation was formulated. The Johansen cointegration test suggested long-run positive cointegrating relationship in the presence of foreign aid on gross savings for Bangladesh and Philippines, but insignificant negative effect for India. So, remittances have been found to gear up savings and investment for capital accumulation.

Later on, empirical analysis in Chapter 4 tested the long-run impact of remittances on domestic labor productivity under Solow-Swan growth model adding human capital as an indicator of labor productivity. This model is also an expanded supply side growth model. The model starts with the neoclassical production function under the Solow-Swan growth model with exogenous savings rate, population growth and human capital including remittances as a source of physical capital. Co-integration tests yielded a linear and positive relationship in the presence of human capital. Lastly, as an important dimension of financial development, the importance of remittances for enhancing financial inclusion (FI) was discussed in Chapter 5. This study formulated a combined FI index for Bangladesh and developed a Vector Auto-Regressive (VAR) model to show the effect of remittances and per capita income, along with population density on financial inclusion. The VAR equation shows insignificant positive effect of remittances. Remittances impact should be enhanced through proper mobilization of remittances money into the formal financial system and reduction of transaction cost for remittances through formal financial system to benefit FI.

Finally, the results of the empirical analysis suggest direct positive relationship of remittances for growth. The indirect effect was also captured through savings mobilization and financial inclusion. Overall, remittance was observed to contribute towards long-run economic growth in Bangladesh. This is the first comprehensive study as per our knowledge, on the growth impact of remittances from different dimension

including GDP growth, Gross savings, labor productivity and financial inclusion using well-established growth models which is important for policy options. Further extensive research warrant based on the household survey, employing growth models considering governance and human development indicators. Additionally, investigation of the impact of immigration, labor outputs and sending remittances on the economy of the developed and industrialized country's perspective is necessary.