

Remittances of Egyptian Migrants in the context of sustainable development goals and COVID-19 Crisis: Challenges and Opportunities

By:

Dr. Waleed Mohammed

National statistical office (CAPMAS), Cairo, Egypt

E-mail: walid_a@capmas.gov.eg

Abstract

In September 2015. The United Nations launched the sustainable development goals (SDGs). Egypt was one of the 193 countries that adopted the SDGs and ratified the related agreements, and starting from 1 January 2016, the 2030 Agenda for Sustainable Development has included the 17 Goals, 169 targets, and 231 indicators.

Unlike the Millennium Development Goals (MDGs), the Sustainable Development Goals (SDGs) framework- especially goal 10-explicitly recognizes the role of international migration in the context of achieving a more just and equitable world, also we can conclude that international migration and remittances have implications for achieving a range of goals such as SDG 1, no poverty; SDG 2 Zero Hunger; SDG 3 Health and Well-Being; SDG 4 Education; or SDG 8 Decent work and economic development.

Remittances in its simplest definitions are money sent back home by migrants, typically representing a share of their earnings in the host country, and this remittances is sourced from balance of payments statistics (which record financial transactions between a country and the rest of the world); so remittances has been considered an important and growing source of foreign funds for several developing countries and achieving the Sustainable Development; So SDG 10.c target commits, by 2030, to reduce to less than 3 percent the transaction costs of migrant remittances and eliminate remittance corridors with costs higher than 5 per cent; and by achieving that, remittance families would save an additional US\$20 billion annually.

Therefore, when the Corona pandemic spread in the world in late 2019, remittances were affected; and Several World Bank reports indicated that COVID-19 not only affected remittances in terms of volume but could also have an impact on the costs of remitting money along different corridors, which were already significantly different from one. Moreover, some of the largest remittance-sending countries - such as United States, Switzerland, Germany, France and Italy - are trapped by the COVID-19 pandemic, and service sector jobs have been hit hard from the outset by the health crisis. Migrants working in hotels, restaurants and salons have lost their jobs.

Based on the above; This paper aims to discuss The Efforts Exerted by NSO in Egypt to Monitor Migration and the current situation for remittances of Egyptian migrants in the context of SDGs and the COVID-19 crisis, The size of the flows of Egyptian immigrants abroad ,The volume of remittances as a percentage of GDP, The Countries most receiving remittances in sub-Saharan Africa, the Middle East and North Africa also at the level globally Focusing on Egypt also the current situation of migration indicators in the context of monitoring Egypt's SDGs, to determine challenges ,opportunities.

Key words: leave no one behind; migration; transfer Money; channels of transaction; Corona pandemic.

Introduction

Remittances mainly represent household income from foreign economies arising primarily from the temporary or permanent movement of persons to those economies. However, the official definitions are a bit broader than this because they are based on balance of payments definitions that are not based on concepts of immigration, employment, or family relations. Remittances include money that flows through official channels (such as banks, post offices, exchange companies...), or through informal channels, such as cash transferred across borders in pockets.

In general, it can be said that the remittances of immigrants abroad may consist almost entirely of money sent by individuals who migrated to a new economy and became residents there, or from net seasonal border compensation, or through temporary workers who work in an economy in which they are not residents and these are called Money transferred from abroad sometimes "Personal payments across borders or what is known as remittances of migrants abroad, which is a vital lifeline for the developing world.

On the other hand, Remittances are of great importance at times of crisis such as the Covid-19 pandemic, which was a strong test for the volume and flow of those remittances, despite the World Bank's expectations of declines of up to 10%. However, expectations did not reach that percentage. also, there is a report issued by the World Bank in May 2021 indicated a decline in remittances by only 1.6% in 2020, to reach \$540 billion in 2020, compared to \$548 billion in 2019. The explanation for this is that remittances are the financial aspect of the social contract. that connects immigrants with their families back home.

Based on the foregoing, the current study aims to address the issue of remittances in the context of the 2030 Sustainable Development Goals and COVID-19 Crisis To identify the opportunities and challenges to produce results that benefit the building of evidence-based policies in this field.

1- The Efforts Exerted by NSO in Egypt to Monitor Migration

1.1- Launched the Egyptian Household International Migration Survey (EGYPT – HIMS) with the support of the International Organization for Migration (IOM).

- Egypt-HIMS is part of the Regional Households International Migration Surveys in the Mediterranean Countries which is originated in the European Commission's MEDSTAT Programme in 2008 involving 9 countries including Algeria, Egypt, Jordan, Syria, Tunisia and others. It has since evolved into a joint initiative of the European Commission, World Bank, IOM, the United Nations Population Fund, the United Nations High Commissioner for Refugees, the International Labor Organization, and the League of Arab States.

- Project of (MED-HIMS) and is the first of its kind in Egypt. The survey provides the government and other national entities and the international community dealing with international migration and mobility in Egypt with the relevant instruments to formulate, implement and evaluate migration policies and programs in a cost-effective manner.

✓ The objectives of MED-HIMS

1- providing data on the determinants and international migration in Egypt.

2- Collecting representative multi-topic, multi-level, retrospective and comparative data on the characteristics and behavior of four groups of migrants: (Current migrants- Return Migrants-Non-migrants - – Forced migrants (refugees).

3- The Forced Migrant Module has been developed in collaboration with experts from UNHCR.

1.2 Establish sustainable development unit (SDU)-2016 to measure and follow up all SDGs included indicators related migration and to do the following objectives :

- Coordinating between the different statistical departments inside NSO (Members of SDU) to obtain data for SDGs.
- Identify the most important challenges that face monitoring SDGs, and build partnerships for this objective.
- Identify the most important capacity-building programs to meet the needs of SDGs..
- Building an integrated database and update it periodically to serve monitoring and follow up SDGs.
- Preparing statistical reports to monitor and follow up SDGs.
- Raising awareness with SDG (posters - Info-graphic – social media - stories ...etc).
- Developing an action plan for preservation and documentation metadata related to SDG such as the outputs of any participation for members from NSO and SDU at national or international events also National SDG reports – database – document ...etc) to build Institutional Memory and Electronic library.(Sustainability of Experiences)._

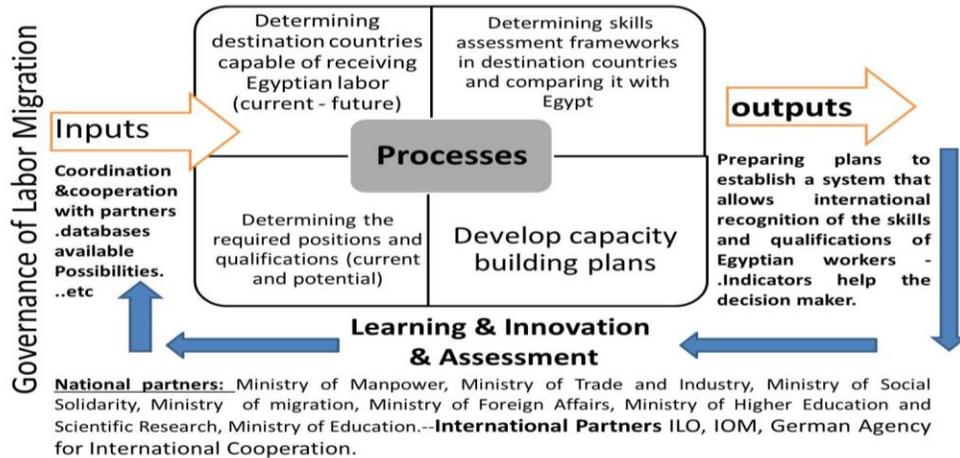
1.3 Establish a Migration Unit: IOM has supported the Central Agency for Public Mobilization and Statistics (CAPMAS) to establish a Migration Unit in November 2016 to do the following objectives:

- Conducting analytical studies based on census, surveys data and administrative records.
- Conducting Household surveys on international migration.
- Designing a Data- based on Egyptian abroad.
- Preparing different international migration indicators to satisfy the needs of different national and international data users.
- Getting the best international practices in the field of international migration statistics through workshops, training programs and study visits.

1.4 updating the data ecosystem for migration data in Egypt in the context of the project “Towards Holistic approach to the governance of labor migration and labor mobility in North Africa “THAMM-: This Project is a sub-regional project funded by the European Union through the “Emergency Trust Fund for Stability and Addressing the Root Causes of Irregular Migration and Displaced Persons in Africa” and the German Federal Ministry for Development (BMZ). It is implemented under two separate contracts, one concerning the ILO and IOM funded by the European Union and one concerning GIZ funded by the EU and BMZ.

- ✓ THAMM project was launched in Egypt at (October, 2020) - extends for three years - to improve management of knowledge and data related to migration in the field of legal migration and mobility. The shape (1) shows that main component that NSO working in it to updating the data ecosystem for migration in Egypt in context this project.

shape (1) towards building an ecosystem of data related to the governance.
of labour migration in Egypt

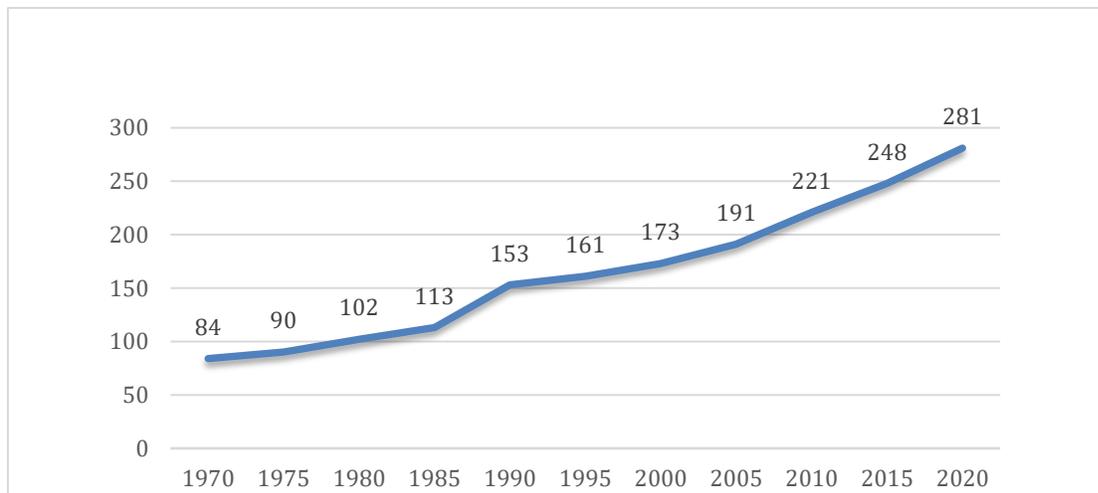


2- The flows of Egyptian migrants abroad

2.1 International migrants in the world

Figure (1) shows that the estimated number of international migrants which has increased over the past five decades, the total estimated 281 million people living in a country other than their countries of birth in 2020 (3.6% of the total world population which is approximately 7.7 billion) this number was 153 million and over three times the estimated number in 1970 (84 million).

Figure (2) estimated number for international migrants in all over the world 1970-2020



Source: world migration report 2022

2.2 The flows of Egyptian migrants abroad

Table (1) shows that:

- ☐ The total number of Egyptians residing abroad which has increased from 6,011,564 million at the end of 2013 until it has reached to 11,176,522 million at the end of 2021.
- ☐ The majority of Egyptians who residing abroad reside in the Arab countries, where their number reached 4,085,710 million at the end of 2013, (68%), and this number rose to

7,007,190 million, (68.4%) at the end of 2017, and continuing to rise until it has reached to 7,124,038 million, (63.7%) at the end of 2021.

☐ The African region recorded the lowest number of Egyptians residing there, as their number reached 54,221 thousand that represent 0.5% of the total number of Egyptians residing abroad at the end of 2021.

Table (1): distribution of Egyptians who residing abroad According to the region of residence from 2013 to 2021

Region	2013		2017		2021	
	Number	%	Number	%	Number	%
Arabic	4085710	68.0	7007190	68.4	7124038	63.7
European	671050	11.2	1047842	10.2	1640460	14.7
Asia and Australia	103373	1.7	311097	3.0	183060	1.6
The Americas	1115481	18.6	1835693	17.9	2174743	19.5
African	35950	0.6	45481	0.4	54221	0.5
Total	6011564	100	10247303	100	11176522	100

Source: Ministry of Foreign Affairs, Statistical Yearbook

3- The current situation for remittances in context SDGs and COVID-19 Crisis.

3.1- Evaluation the Current Situation for SDGs in Egypt.

- Egypt has two statistical reports for monitoring and following SDG indicators; The first one was launched in May 2018; **The results of it indicated that 106 indicators were available, representing 43.4%** ,The second report has launched in (December 2019)and **The results indicated that 116 indicators were available, or 47.5%**
- For migration indicators the results of the two reports 2018 and 2019 indicated the availability of only one indicators, out of the total indicators related to migration (7 indicators), namely the indicator 2-3-17, the volume of remittances as a percentage of the GDP and the indicator

Table (2) :The current situation for SDGs that related to Migration

Indicators	Availability/Notes
17.3.2: Volume of remittances (in United States dollars) as a proportion of total GDP	Yes
10.7.1, Cost for the employment of the employee in relation to the monthly income achieved in the destination country	Not available
10.7.2, Number of countries with migration policies that facilitate migration and orderly, safe, regular	Not available
10.c.1, Costs of remittances as a percentage of the amount remitted	Not available
16.2.2, Number of victims of trafficking in human beings per 100,000 inhabitants, by sex, age, and form of exploitation.	Not available
8.8.1 Frequency rates of fatal and non-fatal injuries, by gender and migrant status	The indicator not available according to migrant status.
8.8.2 National compliance level of labour rights (freedom of association and collective bargaining), by gender and migrant status	Not available

Source: author of this paper depending on statistical reports of SDGs in Egypt

- ✓ Situation of indicator “17.3.2: Volume of remittances (in United States dollars) as a proportion of total GDP” for Egypt.
- The volume of remittances in 2015/2016 has reached to 17.1 billion dollars, which represents 5.61% of the total GDP, then increased to 21.8 billion dollars, which represents 11.55% of the total GDP, then it has reached to 26.4 billion dollars, which represents 10.89% of The GDP in the year 2017/2018, ,and decreased slightly to reached 25 billion dollars in the year 2018/2019 (the year of spreading of corona pandemic) , and became increase again to be 27.8 billion dollars (8.03% of GDP) in 2019/2020 (see table 3).

Table (3) volume of Remittances of Egyptians abroad in billions of dollars
(In billions of dollars)

year	Remittances (Billions of dollars)	remittances as a percentage of the GDP
2016/2015	17.1	5.61
2017/2016	21.8	11.55
2018/2017	26.4	10.89
2019/2018	25.2	8.13
2020/2019	27.8	8.03

Source: Ministry of Planning and Central Bank of Egypt.

3.2-The impact of the Corona pandemic on the volume of remittances of Egyptians abroad

Remittances are a global lifeline for people all over the world, especially in low- and middle-income countries. Sometimes it exceeds the importance of foreign aid, private capital flows, and foreign direct investment in developing countries. For Egypt, remittances from Egyptians abroad are one of the most important sources of foreign exchange for Egypt. They come on top of them and exports, along with tourism revenues and the Suez Canal. It is considered one of the important means that mitigate with the crisis of a shortage of foreign currencies considering the impact of the repercussions of the Russian war on Ukraine, global monetary tightening and raising interest rates. Table (4) shows an increase in remittances of Egyptians who working abroad during the fiscal year 2021-2022, it has reached to \$31.9 billion, compared with \$31.4 billion during the fiscal year 2020-2021, and also compared with the year of the spread of the Corona virus 2019/2020, which reached to \$27.8 billion.

This pattern of increase also applies to the level of comparison between the four quarters between the three years referred to in Table (4). For example, the volume of transfers during the fiscal year 2019/2020 amounted to about \$6.7 billion, then it has increased during the same quarter in the year 2020/2021 to reach \$8.0 billion. Dollars, then it has reached to \$8.1 billion in 2021/2022, which is the same pattern for the remaining fourth quarter approximately, which indicates that during the spread of the Corona virus and during the two years following the spread of the pandemic, the remittances of Egyptians abroad continued to increase.

Table (4) Transfers of Egyptians abroad during the quarters of fiscal years 2019
2020, 2020/2021 and fiscal year 2021/2022 (in billions of dollars)

fiscal year	2019/2020	2020/2021	2021/2022
First Quarter	6.7	8.0	8.1
Second Quarter	7.0	7.5	7.4
Third quarter	7.9	7.8	8.0
The fourth quarter	6.2	8.1	8.4
Total	27.8	31.4	31.9

Source: Central Bank of Egypt

Also Egypt ranked as a first country in sub-Saharan Africa and the Middle East and North Africa region in 2021; the volume of remittances has reached to 31.5 billion dollars. Followed by Nigeria, 19.2 billion (see table (5))

Table (5): top ten countries that receive the most remittances in sub-Saharan Africa and the Middle East and North Africa region in 2021.

	country	remittances (in billions of dollars)
1	Egypt	31.5
2	Nigeria	19.2
3	Morocco	6.6
4	Ghana	4.5
5	Kenya	3.7
6	Jordan	3.6
7	Senegal	2.7
8	Tunisia	2.2
9	Zimbabwe	2
10	Algeria	1.8
Source: world bank 2021		

3.3 The cost of sending remittances.

- ✓ The cost of sending remittances is one of the important issues addressed by the 2030 Sustainable Development Goals; It is monitored by calculating the cost of sending 200 dollars according to the different transmission channels, such as (bank, exchange company, post office...etc.).
- ✓ The table indicates that there is a slight decrease in the average cost of sending remittances in all regions of the world, including the Middle East and North Africa region (6.4%), in which Egypt is located; However, the average cost of sending (\$200) is still far from the target in the Sustainable Development Goals by more than double (the target is to reach 3% in 2030). , which requires more efforts in this field.

Table (6) The average cost of sending remittances (\$200) according to the region. Between the fourth quarter 2020 and the fourth quarter 2021

Regions	Fourth Quarter 2020	Fourth Quarter 2021
East Asia and the Pacific	6.9	5.9
Sub-Saharan Africa	8.2	7.8
Europe and Central Asia	6.4	6.1
Latin America and the Caribbean	5.6	5.6
Middle East and North Africa	6.6	6.4
South Asia	4.9	4.3
overall average	6.5	6.0
Source: Global Remittance Prices Database, World Bank.		

and if we look at the average cost of sending 200 dollars according to the transmission channels (table 7); We also find that it is still far from the target in the 2030 Sustainable Development Goals (reaching 3%); and Transfers from (bank to bank) ranked first as the highest channels for money transfer; 6.52% , followed by Transfers using money transfer partnerships (cash) in second place; 6.41 and Money transfers using a credit or debit card ranked third in terms of being one of the highest cost channels for sending remittances during the second quarter of 2022, it has reached to 5.15%,

- ✓ for transfers via mobile phones, it has recorded a significant decrease during the second quarter of 2022 (3.67%) compared to the same quarter of 2021 (3.90%) and compared to the same quarter of 2020 (4.42%).

Table (7) average cost of sending remittances in the world, according to transmission channels during the second quarter for years 2020, 2021 and 2022

Transmitter channels	second quarter 2020	second quarter 2021	second quarter 2022
Banks (from bank to bank)	6.71	6.95	6.52
Use a credit or debit card	5.19	4.98	5.15
Money transfer partnerships (cash)	7.09	6.89	6.41
mobile	4.42	3.90	3.67

Source: World Bank, International Monetary Fund Worldwide Remittance Rates - Issue 42, June 2022

✓ **Discussion and Conclusion:**

The lockdowns, border closures, and general fear as a result of the Covid-19 outbreak have brought tourism to a complete halt; And the revenues of the Suez Canal decreased significantly with the slowdown in trade, production, and global demand, so remittances for Egyptians working abroad were the only outlet for the Egyptian economy during that period (the period of the Corona pandemic); Because, contrary to expectations, and despite the health crisis (Covid 19 crisis) that swept the world in late 2019, Egyptians working abroad continued to send their remittances, and even increased significantly, in conjunction with expectations of a decrease in remittances to the Middle East and North Africa region at the beginning of the crisis by up to 10%, but contrary to expectations, remittances to developing countries in the Middle East and North Africa increased by 7.6% in 2021 to reach \$61 billion (World Bank: press release, November 5, 2022). The factors supporting these flows were the high economic growth in host countries in the European Union, as well as transit migration that boosted inflows to temporary host countries such as Egypt, Morocco and Tunisia, in addition to the immigrants' sense of social responsibility towards their families in Egypt, Based on above mentioned and the results of this paper conclude some Lessons learned from the Corona crisis can **summarized it in the following points** :

- ✓ It is important for NSO Conducting specialized surveys targeting the uses of remittances of Egyptian immigrants abroad, current or returnees, and the channels they prefer to send their remittances, and why? So that investment schemes and development projects can be found for those financial transfers that enable them to benefit from them for the state and at the same time benefit the immigrant and his family.
- ✓ It is important Expanding the digital infrastructure related to sending remittances via mobile phone between the countries of origin and destination, and studying the restrictions related to its expansion, especially regarding small amounts transferred;

Where the results showed that it is one of the means that is close to the target in terms of reducing the cost of sending remittances and to be less than 3% in 2030.

- ✓ Work on improving data monitoring of remittance flows, in particular timeliness of data and improved data collection on remittances (frequency, pathways, channels, types of senders and recipients) to serve the purposes of monitoring remittance indicators in the context of the 2030 Sustainable Development Goals
- ✓ Adopting policies that maximize the contributions of Egyptian migrants in economy, such as reducing or canceling customs values for some commodities such as importing cars, some electrical appliances... and other commodities, and providing banking facilities for the establishment of investment projects.
- ✓ Increasing cooperation between data collection systems and there is need to develop administrative records related to migration.
- ✓ The need to create an integrated migration governance framework that ensures on integrated dealing with the topic of migration and sustainable development (Institutional capacity – Migrant rights – Safe and orderly migration – Labour migration managements – Regional and international cooperation. this aligns with (target 10.7) which focuses' on facilitate orderly, safe, and responsible migration and mobility of people, including through implementation of planned and well-managed migration policies.

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