

# Rural Migration News

## Blog 251

DECEMBER 2021

### Remittances to LDCs: \$590 billion in 2021

Remittances, which are monies sent to countries of origin by migrants abroad, reached a record \$589 billion to low- and middle-income countries in 2021, up from \$549 billion in 2020. Remittances are three times ODA, and surpassed FDI in recent years. Remittances rose in 2021 despite a decline in the stock of international migrants, as migrants abroad sent more money to relatives at home.

Remittances declined in most world regions in 2020, especially in Europe and Sub-Saharan Africa, and rose sharply in 2021 in all regions, especially in Latin America.

The top six LDC recipients of remittances, India, China, Mexico, the Philippines, Egypt, and Pakistan, received a total of \$295 billion or half of total remittances. The countries most dependent on remit-

tances were island nations, those mired in economic distress, and Northern Triangle Central American countries.

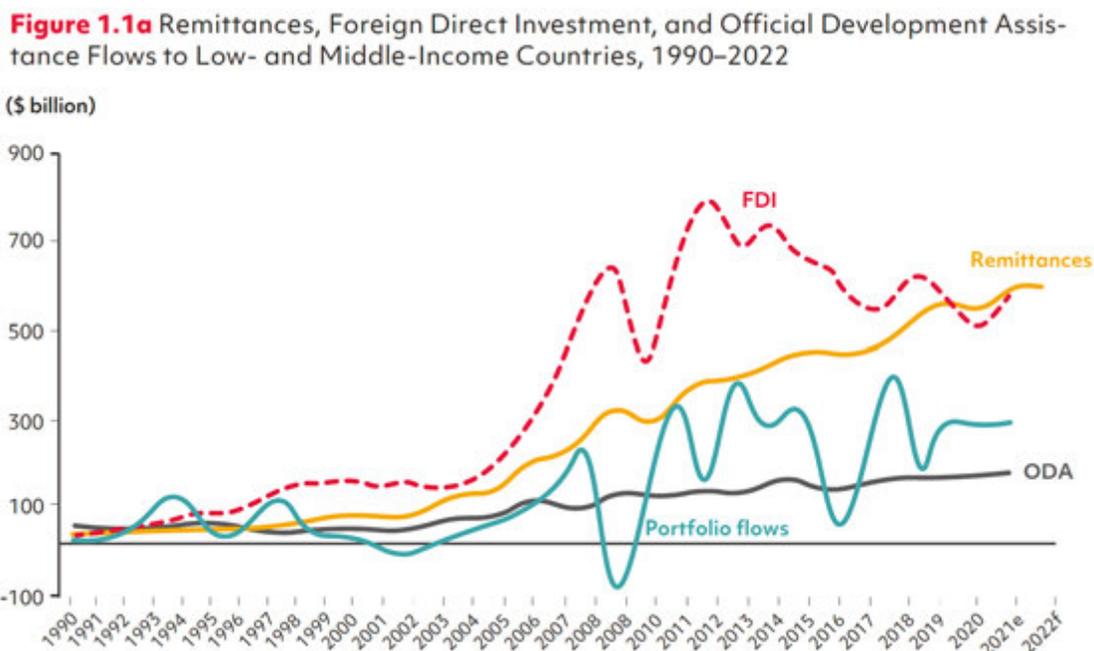
SDG indicator 10.c.1 measures the cost of sending \$200 over national borders and aims to reduce this cost to three percent of the amount sent or \$6 to send \$200. In 2021, remittance costs averaged 6.4 percent of the amount sent, down slightly from 2020, and were highest in sub-Saharan Africa at eight percent of the amount sent.

#### Latin America

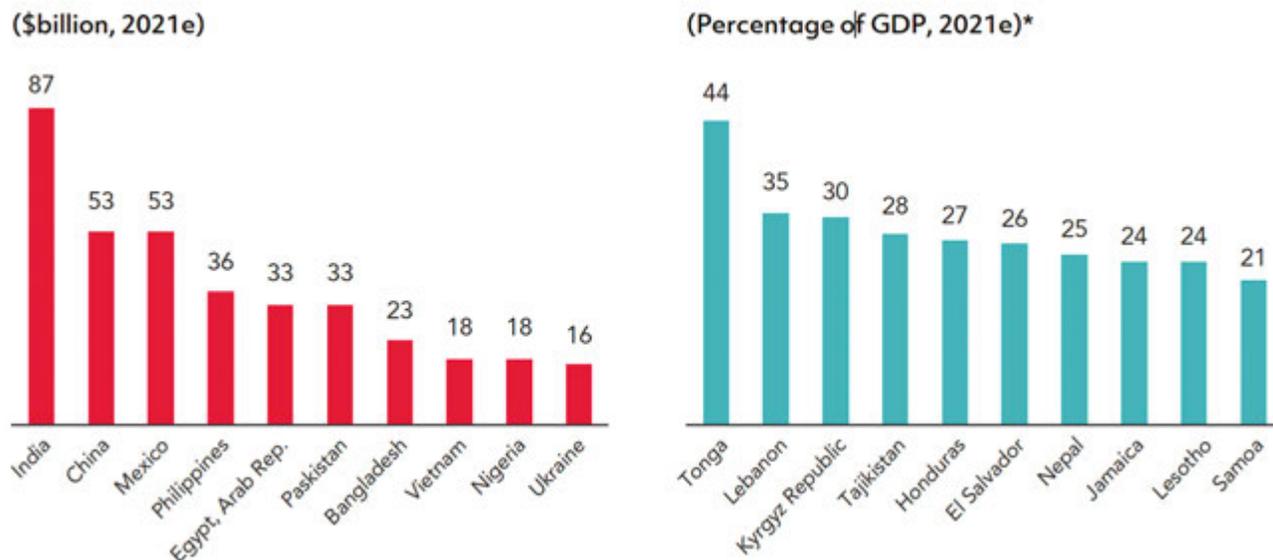
Remittances to Latin America rose 22 percent between 2020 and 2021, more than in any other region. The US is the source of most remittances to Latin America. The difficulty of carrying cash across borders due to covid meant that more remittances flowed through formal channels in 2020 and 2021 and were recorded.

Mexico's \$53 billion in remittances was 42 percent of the region's \$126 billion in 2021. However, Northern

Remittances of \$590 Billion in 2021 were 3x ODA and Higher than FDI to LDCs



**India Received a 15% of LDC Remittances; Remittances were 44% of Tonga's GDP**



Triangle countries and Caribbean islands were most dependent on remittances as a share of their GDPs.

Some of the increase in remittances to Mexico may represent transfers to migrants who are transiting Mexico to apply for asylum in the US; their US-based relatives may send money to them in Mexico to pay their living and smuggling costs. A record 1.7 million foreigners were apprehended just inside the US border in FY21, including over 200,000 each month of July and August 2021.

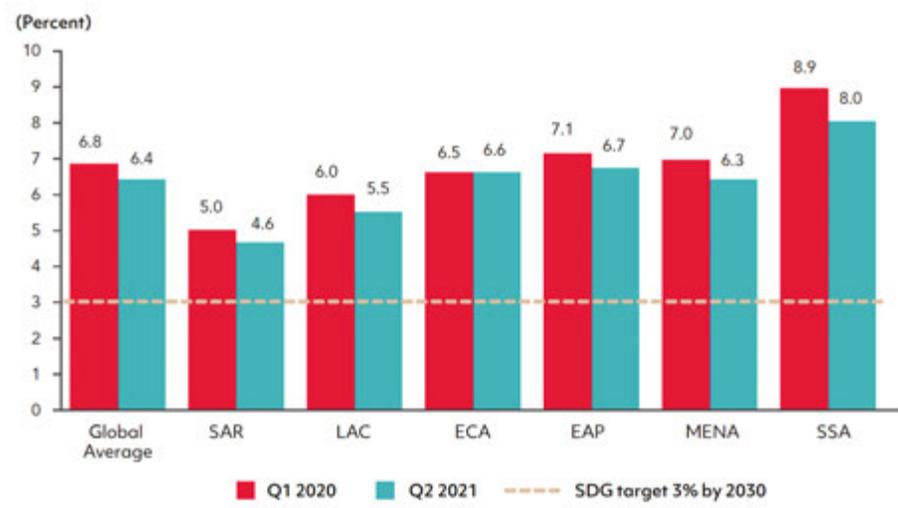
The World Bank estimated that living costs and smuggling fees for migrants transiting Mexico were \$10,000 per migrant, and that total living and smuggling transfers may have added \$4 billion to Mexican remittances to in 2021.

**Migration**

The number of migrants, defined as persons outside their country of citizenship a year or more, fell by two million in 2020, and is likely to have fallen further in 2021 as some migrants left and new migrants were

**The Cost of Remitting \$200 Averaged 6.4% or \$12.80 in 2021**

**Figure 3.1** How Much Does It Cost to Send \$200? Regional Remittance Costs, 2020–21



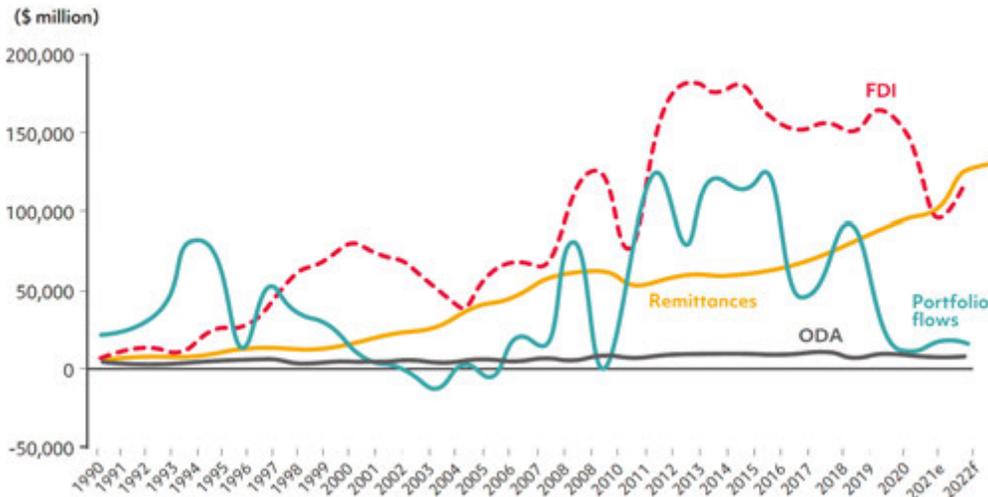
unable to enter due to covid-related border closures.

average 60,000 workers a month abroad in 2021, down from 185,000 a month in 2019.

The number of foreign workers declined by 500,000 in Saudi Arabia in 2020. Saudization policies that aim to have native workers substitute for foreign workers may limit the rebound in foreign worker employment when covid restrictions are eased. There were sharp decreases in the number of temporary foreign workers admitted into most OECD countries in 2020 and 2021. The Philippines sent an

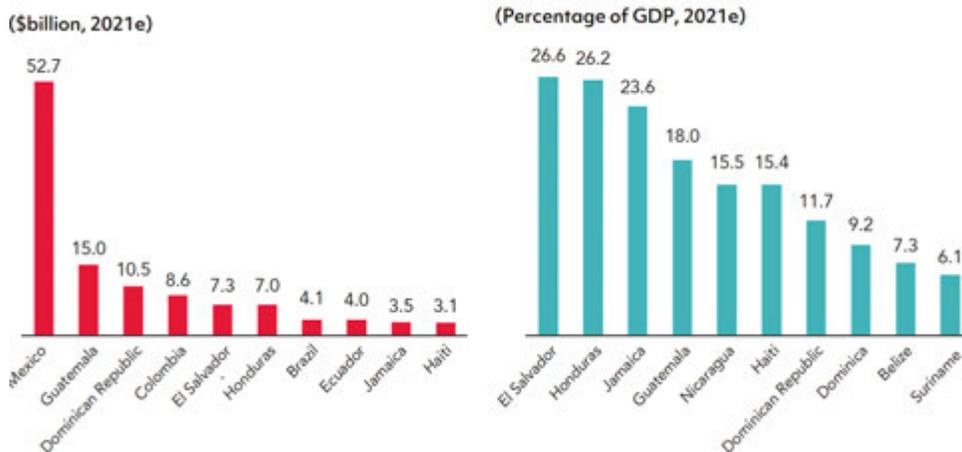
### Remittances to Latin America rose 22% Between 2020 and 2021

**Figure 4.10** Remittances, Foreign Direct Investment, and Official Development Assistance Flows to Latin America and the Caribbean, 1990–2022



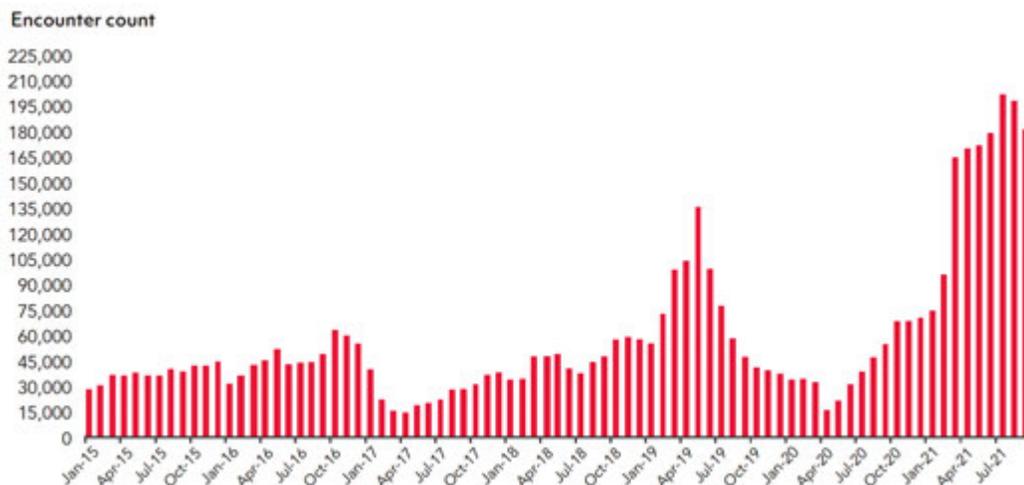
### Remittances are ¼ of GDP in Northern Triangle Countries

**Figure 4.11** Top Remittance Recipients in Latin America and the Caribbean, 2021



### There were 1.7 Million Apprehensions in FY21

**Figure 4.14** Border Patrol Southwest Border Apprehensions/Inadmissibles, FY15–21



## Mexican Remittances in 2021 May Include \$4 Billion for Migrants Seeking to Enter the US

**Table B4.1.1** Back-of-the-Envelope Calculation of Remittances Sent to Transit Migrants and Mexican Returnees in Mexico in 2021 (January–September)

	# of Persons	Per person cost assumed (US\$)	Cost (\$, millions)
Living costs for temporary residents, regional visitors, and undocumented migrants in Mexico	388,272	2,400	932
Payments to smugglers by undocumented migrants in Mexico (assuming 70% of undocumented paid fees)	185,340	10,000	1,853
Payments to smugglers by single adult Mexicans apprehended (assuming 70% of them paid such fees)	111,599	10,000	1,116
<b>Total living and smuggling costs</b>			<b>3,901</b>

## The Number of Foreign Workers in Saudi Arabia Fell by Over 500,000 in 2020

**Figure 2.1** The Number of Foreign Workers in Saudi Arabia Continues to Decrease

Number of employed foreign workers (million)



### References

World Bank. 2021. Recovery: COVID-19 Crisis Through A Migration Lens.  
<https://www.knomad.org/publication/migration-and-development-brief-35>

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