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Effect of worker remittances on Poverty Reduction in Asian Countries

by

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Abstract

Background: The globalisation is a concept that has driven diversification but at the same time brought many disparities among the regions. This signifies that remittances sent by migrant workers might have a substantial positive influence on consumption or income and a substantial negative influence on poverty. At the level of household, reliance on remittances leads to productive activities of neglecting families whereas, at a regional and community level, it might also result in an upsurge in inequality among families receiving remittances.

Aims: The study aims to investigate the impact of workers' remittances on poverty levels in Asian countries because most of the existing literature is found in the context of European countries or other developed states, and emerging countries have received a lack of concern.

Method: The researcher employed a secondary quantitative approach under which data of 12 emerging economies in Asia for the years 2001 to 2020 were collected.

Results: Through regression analysis, it was seen that remittances had an important impact on reduction on poverty in countries of Asia. Therefore, it was recommended for the officials to look for ways through which they can attract for foreign remittances such as providing tax reliefs on these remittances.

Keywords: *poverty, poverty elimination, remittance, emerging economies of Asia*

Introduction

Poverty remains as one of the major concerns in the majority of Asian states, creating discomfort for millions of people and slowing down the development of the entire economy. With the process of globalization in place, worker remittances have become one of the considerable factors that can contribute to the drive down poverty. These include the international migration flows also known as the capital transfers through migrant remittances that vitally contribute to increasing the household income, consumption, and hence standard of living (Cui et al. 2023).

Nevertheless, the distribution effects of those remittances for poverty reduction in Asian countries are relatively uninvestigated, which calls for further research on this issue.

This is because worker remittances continue to be seen for what it is, a potent weapon in the war on poverty. In the case of households, such sum may increase income and expenditure and improve the living standards within the household. On a more macro level, they serve in the overall improvement of the respective regions and communities in which the migrants originate, though there are worries over heightened disparities between the families of migrant workers with recipients of the above-mentioned remittances. It is vital to research the impacts of remittance on poverty since Asian nations are characterized by high levels of income inequality and have large amounts of remittances to households' income (Ninagbo et al. 2023).

Prior work documents show that a considerable amount of literature has presented the role of remittances in poverty reduction. For instance, behavior-based research indicates that new forms of export such as 'remittances in Bangladesh have significantly cut poverty by enhancing both income and expenditure levels. Another argued that the increase in remittance inflow helped the households use the money to balance their consumption expenditure during a crisis and thus avoid sinking deeper into poverty; Besides, the studies also highlighted the cross-section externalities of using remittances on improving education and health fronts that in turn foster formation of human capital and poverty reduction in the long-term (Idrissa et al. 2023).

Still, there are some research gaps in the literature concerning the effects of roasting temperature on product quality and sensory attributes. Many prior studies are country or region-specific, many of which do not take into consideration the general effects of remittance in multiple Asian countries (Sunge et al. 2023). On the same note, although the impact of migrants' remittance is recognised to have positive impacts, few studies examine the negative outcomes like economic dependence and inflation as reflected by Meyer et al. (2017). The analysis of these gaps is inevitable to emphasize that there are significant gaps in the study of the relation between remittances and poverty reduction.

Indeed, this research seeks to analyses how the inflows of workers' remittances influence poverty levels in Asian nations to demonstrate their repercussions from a broader perspective. Thus, this study aims to fill the existing literature gap and provide policy implications on how to enhance and maximize the development impacts of remittances for poverty reduction using data from 12 emerging Asian economies for the period of 2001 to 2020 (Khan et al. 2023).

Literature Review

Work remittances are essential for many Asian countries; these are the sum of money, received by the country under migrants Horn's, and used for their personal needs or investments and consumed locally. Such funds are generally truly the bread and butter for families, enabling people to escape poverty and raise living conditions. This paper aims to analyze the consequences of international workers' remittances on poverty in Asian countries and identify positive aspects and issues related to such funds transfers.

This inadequate sparse literature is supported by Rathi who noted that remittances play a crucial role in poverty eradication in developing nations. This report also identifies the fact that remittances play a significant role in the GDP of many countries including Nepal, the Philippines, and Bangladesh. The mentioned inflows are more important for households especially in a period of economic hardship since it is a regular source of income. For example, in Bangladesh, it has often been established that remittances reduce poverty levels by increasing households' income and expenditure (Szabo et al. 2022). The authors conclude that they shed light on the role of overseas workers' remittances to families since they occasion increased capability of families to purchase necessities like food, healthcare, and education that enhance living standards.

Almas et al. (2019) explain the purposes of how remittance income assists the consumption smoothing of Bangladeshi households during periods of economic shocks. In their article titled 'The impact of international migration on poverty alleviation: The case of Asian countries' published in the Journal of Asian Economics, they show how even during developmental shocks, households are in a better position to protect themselves from falling into poverty because of the remittances they receive. That is why this process of smoothing income is so important in decreasing risks and increasing the susceptibility of households to all types of impacts in the sphere of the economy.

In the present study, Khan et al. (2016) looks at the effects of remittances on education in Pakistan. They showed, by conducting a cross-sectional study using the household survey data that remittances positively affect school enrolment and education achievement since they provide the needed cash for school fees and associated expenditure. Chandio et al. (2023) also assess how remittance influences health status in India and the result is aligned with the aforementioned argument. Their research confirms that, through the provision of remittances, families can access enhanced health services hence a healthier nation. Thus, these improvements in education and health bring positive changes in the formation of human capital; hence, the levels of poverty in the long run.

In the relationship between employee remittances and entrepreneurship, Dutta and his colleagues (2024) focus on the case of Pakistan. According to the Small Business Economics journal, the authors confirm that remittances provide the seed capital to new ventures. This aspect implies that financial intervention is crucial in establishing employment and work openings to address the poverty level. That is why according to the authors Entrepreneurial activity is crucial not only for economic growth but for the eradication of poverty especially in developing nations where the option of accessing a financial institution is a luxury.

As per the study by Mujahid et al. (2019), information from sending money transfers covers the necessary funds to start new small businesses in the recipient country, therefore encouraging the economic diversification process. It enables the generation of funds, which facilitates the creation of small businesses necessary for the economic health of the region. In this way, remittances play a favorable role in the development of the above-mentioned enterprises and affect economic activity from several angles, excluding the dependence on a single type of income.

Also, Dutta et al. (2024) indicates that the impact of remittances on entrepreneurial ventures contributes to sustainable economic development. This is especially useful in the areas where conventional formal finance remains underdeveloped or unavailable to the people. In addition to helping small businesses grow where people with such skills work and sweep, money remittances contribute to the building of a stable economy that has diversified products and services necessary for poverty reduction in the long run besides supporting the economy to recover from any economic shocks. This goes to the importance of remittance not only as a mechanism of meeting emergency monetary needs but more critically as an instrument for long-term economic changes and solidity.

Another paper by Piteli et al. (2019) underlines the effects of remittances on regional development in China, the factors prove that the remittances ensure a decrease in regional dispersion in investment in infrastructural facilities and an improvement in the standard of living in rural regions. This goes a long way to reduce the rural-urban disparity which is a key driver of poverty in any society. Marshall argued that remittances brought a positive impact on the living environment and infrastructures in the rural areas, thus, making the development more inclusionary and effective in getting rid of poverty.

However, the following are the challenges that exist about the impacts of remittance: Perez et al. (2019) noted that overdependence on these funds leads to dependence among households. This aspect curtails their enthusiasm towards productive economic activities hence negates long-run economic growth and development. Their work, Economic Modelling, has noted that since remittance-dependent households disregard other sources of income, they solely rely on the money sent by migrant family members. They make a community over-reliant on this source of income hence deterring local economic activities and ideas as the frequent flow of this income reduces the pressures of charting out different economic plans. Thus, although, Portes states that immigration pays in terms of providing immediate finance and helping combat poverty, it can harm an economy by creating a non-developing internal cycle if it is not backed up with some macro-economic improvement strategies. Consequently, policymakers should ensure rational use/reinvestment of money brought by the immigrant household heads through different policies, especially those that will enhance investments in productive projects, so that constantly increasing remittances can yield corresponding high economic growth in the receiving countries. This can be done through spreading awareness on personal finance, financial inclusion, and a favorable climate for investment and innovation. Mitigating these challenges will assist in optimising the flow of the dividends of remittances and grow the economy in the long run (Carter et al. 2023).

Oleksiv (2022) discuss another potential downside of remittances: In his analysis the main difficulties foreseen in the emerging markets shortly are inflation and currency appreciation. Bangladeshi research reveals that when large amounts of remittances come in, there is inflation because exports become less affordable and helpful to the economy. This has become a common challenge that results in what people call Dutch disease which if allowed to persist will result in the deterioration of poverty levels.

Perez et al. (2019) it implies that for countries to realise the benefits of remittances and manage the negative impacts that may arise, policymakers have to work on the Ways and means of improving financial literacy as well as the channels of transferring money. According to Karikari et al. (2016), increasing the stock of physical access to banks, and cutting the cost of transfer of remittances can boost the impact of the remittances. Another issue highlighted in their study is the desire to have policies that encourage cheaper and efficient transfers to be made hence increasing the chances that more of the transferred amount reaches the intended recipient and is put to the right use.

Ratha et al. (2023) noted that an enabling environment for remittances has been defined as the formulation of policies on inhabitants, remittance workers, and their families. These cover areas such as the protection of the rights of migrants, providing means to minimize the cost of transfer, and improving the level of financial enlightenment among the people. Thus, positive changes in migration patterns can increase the developmental potential of remittance funds and guarantee their effective usage for poverty alleviation by migrant workers and their families.

Studies reveal that workers' remittances remain a vital source for poverty alleviation in the Asian region. International migration contributes to the improvement of residents' well-being, to economic growth, and the decrease of disparities across the territory. Nevertheless, it is crucial to resolve factors like dependency and economic distortions if the positive effects of remittances are to be achieved to the fullest. Governments should therefore shift efforts to increase the volume, efficiency, ease, and effectiveness with which funds can be transferred and used to make an optimal positive difference in people's lives.

Hypothesis

H1: Remittances from workers have a positive impact on household income and consumption in Asian nations, which lowers the rate of poverty.

H2: Remittances from workers have a positive effect on healthcare and education outcomes in Asian nations, forming human capital and assisting in the long-term decrease of poverty.

H3: An over-reliance on worker remittances can result in economic dependency, which lowers the incentive for constructive economic activity and impedes Asia's long-term economic growth

Research Methodology:

Variables and Sources of Data:

Variables	Description and measurement	Sources

Poverty alleviation (DV)	Poverty alleviation is described as the reduction or decline in poverty rates or poverty index (Azam et al., 2016). It is measured as proxies; infant mortality rate (IMR) and house hold consumption expenditure (HCE)	World bank Data
Remittances (IV)	Remittance is defined as the money send by workers employed in foreign countries and sending money to their family in home country (Musakwa & Odhiambo, 2019). It is measured as proxy; Personal remittance received % of GDP.	World Bank Data
Gross capital formation (CV)	Gross fixed capital formation (GFCF), which is also referred "investment", is described as the attainment of generated assets (comprising acquisitions of second-hand assets), comprising the production of such assets by manufacturers for their individual use, subtracted from disposals (Ewubare & Okpoi, 2018). It is measured as annual growth percentage.	World Bank data
External debt	It is defined as the portion of a debt of a country that was obtained from international lenders comprising commercial banks, administrations or global financial institutions (Azam et al., 2016). To earn the desired currency, the country borrowing debt might sell and export goods to the country of lender (Ewubare & Okpoi, 2018). It is included as a proxy to foreign debt and measured as External debt stocks (DOD) current USD.	World Bank Data

Household Income (CV)	It is defined as the joint gross income for all household members above pre-determined age (Musakwa & Odhiambo, 2019). It is measured as proxy; GNI per capita	World Bank Data
Infant Mortality Rate	IMR is one of the most important demographic measures that provides insight into the health status of the country as well its development. It reflects the probability of an infant dying within the first one year of birth in relation to one thousand live births in the same year. Low IMR implies that care for children is sufficient where they receive medical attention when they are sick, their mothers are healthy, and there is adequate public health services. In the case of remittances, there may be a possibility of both increased inflow and thus promoting better health standards and qualifying of health services whereby the IMR may be affected (Gonzalez et al. 2017). The death rate for infants below one year of age is computed as the ratio of the number of deaths of such infants to the number of live births during a given year of reference, generally the calendar year (WHO, 2024).	World Bank Data

To analyze the efficacy of worker remittance in poverty alleviation especially in Asian countries while specifically focusing on household income/consumption, improvement in standards of health, education, and entrepreneurship ventures. The study will cover a broad range of literature review focusing on the positive impacts and the potential problem areas linked to remittances. The research design will use cross-sectional survey and qualitative data starting with the quantitative study for the exploratory phase followed by a qualitative analysis for the explanatory phase. This paper will measure and compare the Asian countries' FDI attraction ability and analyze the collected data from a sample of Asian countries namely; Nepal, Philippines, Bangladesh, Pakistan, India and China for the period of 2015 to 2023. Statistical information will be collected from national statistics, World Bank database, survey done on poverty evaluation, remittance, gross capital formation, external debt and house hold income. To be precise, quantitative data will be collected on remittance-receiving households from cross-sectional surveys and interview which will be carried out on the basis of life experience and conduct to analyse how remittances affect the economic activities of such households. The type of quantitative analysis that is going to be used is descriptive statistics to describe the data, formal correlation to show the relationship between variables and formal regression to determine the extent of impact of remittances on poverty reduction. The form of analysis that will be used in the qualitative study is content analysis through which the response to the survey and interviews will be analyzed with a view of finding out the common patterns as well as common themes. The detailed analysis of the selected countries or regions will offer more information concerning the circumstances which determine the effects of the remittances. This way of conducting research will facilitate understanding of how and in which way remittances can help Asian countries to minimize poverty rates and hence stimulate economic growth; as well as the possible drawbacks of this kind of economic model (for example, the above-mentioned problems of dependence on currency sent by migrant workers). Accordingly, the findings would be useful in policy prescriptions for the maximization of the development impact of remittances for steady improvements in economic status and poverty alleviation.

Sources of information for this study shall be highly/searched and collected systematically so that only reliable information can be used for the purpose of this study. The main sources of data will include the national poverty rate, World Bank databases, National household income and expenditure' survey, National education statistics, National health surveys, and business registration statistics. These sources will give a broad data source that will speak to the diverse features of remittances and the effects on poverty decrease. The dependent variable, poverty reduction, will be gauged with the help of two indicators namely poverty headcount ratio and poverty gap index collected from national poverty database along with World Bank's reports. Remittances, Gross capital formation, external debt, and Household Income are the independent variables The data in these areas would be obtained from records and reports of world data and would positively relate to the amount of new business entities and survival ratios. This will be carried on a selected sample of Asian countries, namely; Nepal, Philippines, Bangladesh, Pakistan, India, and China, for the year 2015-2023. The survey techniques to be employed will involve the use of questionnaires and interviews to elicit comprehensive data on the characteristics of the households within the selected regions while sources of secondary data will entail national and international databases. Thus, this research approach will enable the analysis of the effectiveness of remittance towards poverty reduction in different contexts and at different time horizons.

Paper uses a cross-country or panel data model to investigate international remittances' impacts on poverty in the case of Asian emerging economies. The model is a rationalised version of the model proposed by Anyanwu and Erhijakpor (2010). Consequently, the empirical model of this paper can be written as:

$Log\text{IMR}it = \beta 0 + \beta 1 Log\,(\text{IMR}it) + \beta 2 Log\,(remitit) + \beta 3 Log\,(\text{GCF}it) + \beta 4 Log\,(\text{ED}it) + \beta 5 Log\,(\text{HI}it) + \varepsilon it$…… (1)

$Log\text{HCE}it = \beta 0 + \beta 1 Log\,(\text{HCE}it) + \beta 2 Log\,(remitit) + \beta 3 Log\,(\text{GCF}it) + \beta 4 Log\,(\text{ED}it) + \beta 5 Log\,(\text{HI}it) + \varepsilon it$…….. (2)

in the above econometric model of this study equation 1 and 2, the dependent variable Vit is the poverty measurement in terms of Infant mortality rate (IMR) and household consumption expenditure (HCE) in country i at time t. $\beta 0$ is written as constant; $\beta 1$ is the poverty' economic growth elasticity in terms of IMR and HCE. $\beta 2$ is remittance described as personal remittance received. Other are the control variables, which are included as gross capita formation, external debt and household income in terms of annual percentage change. Lastly, ε is an error term that comprises the error terms in the measure of poverty.

In terms of data analysis techniques, Unit root testing is applied to examine the data if it is stationary or non-stationary, or it has trend or no trend that is I (0) and I (1). In the next step, Hausmen test is applied in order to verify what should be chosen from fixed effects and random effects Apuke et al., (2017) followed by analysis of autocorrelation and heteroskedasticity where these issues led to selection of GLS model for the analysis of cause and effect amid poverty alleviation and remittance.

Results and Analysis

Descriptive Statistics

Variable	Obs	Mean	Std. Dev.	Min	Max
Infant Mortality Rate	240	20.667	14.714	2.6	64.4
Household Expenditure	240	1100000000000.00	1650000000000.00	20700000000	9270000000000.00
remittances	240	11700000000	15500000000	147000000	83300000000
Gross Capital Formation	240	409000000000.00	1040000000000.00	1230000000	6410000000000.00
External Debt	240	84.75	64.792	1	201

Table 1 depicts the descriptive statistics of the data where the core purpose to provide a summary of the given data in a form that can be easily interpreted. The mean value of infant mortality is 20.66 which shows that the average infant lives up to 21 years. The standard deviation of 14.71 shows a higher deviation from the mean value. The gross capital formation which was denoted in US dollars indicated a mean value of 4.09 trillion dollars for the selected timeline. However, the standard deviation was 1.04 trillion US dollars. The external debt stocks of the countries had a mean value of 84.75 whereas the standard deviation is equal to 64.79 which means that the whole data set was deviated by 64.79 form the mean value.

Correlation Analysis

	Infant Mortality Rate	Household Expenditure	remittances	Gross Capital Formation	External Debt
Infant Mortality Rate	1				
Household Expenditure	(0.0472)	1			
remittances	0.2825	0.6007	1		
Gross Capital Formation	(0.1925)	0.8797	0.2551	1	
External Debt	0.1871	(-0.0344)	0.2646	(0.1343)	1

The above table 2 shows the correlation analysis of the different variables that are used in this research. Infant mortality and household expenditure (r=-0.0472) show a negative and weak correlation. The correlation analysis involves several economic variables: The following are the variables: Infant mortality rate, household expenditure, remittances, gross capital formation, and external debt. The Infant Mortality Rate as expected has a wrong negative relationship with Household Expenditure - 0. 0472 and the Gross Capital Formation - 0. 1925 meaning that as these factors increases then the Infant Mortality Rate slightly decreases. However, its moderately positive relation to Remittances is 0. 2825, and its weak positive relation to External Debt is 0. 1871 pointing that the elevated level of remittances and debts slightly raises the IMR. Household Expenditure is positively related to Remittances = 0. 6007 and strongly related to Gross Capital Formation = 0. 8797 This strongly highlights the fact that with the increase in Household expenditure, there will be increases in both Remittances and Gross Capital Formation. Nonetheless, if the Household Expenditure is taken as the independent variable then it has a very weak negative coefficient with External Debt of (-0. 0344). Remittances show a very low positive coefficient with both the Gross Capital Formation & External Debt – a mild tendency of increase in both the above-mentioned variables when there is an increase in the remittances, 0. 2551 & 0. 2646. Comparing Gross Capital Formation with External Debt, they have a poor negative relationship of -0. 1343, this means that as external debt enhances slightly, it leads to a decrement in gross capital formation. In general, the interdependence of the variables indicates various levels of positive and negative co-relation that displays the strength or reversely the weakness of one or many economic components and their consequent influence in economic affairs.

HAC t-stats

HAC stands for Heteroskedasticity and autocorrelation. It is important to analyse whether the data has autocorrelation and heteroskedasticity or not to run a regression model. The researcher selects the appropriate technique for regression based on the result of this test. To test the heteroskedasticity, researchers mostly use modified Walt test. The null hypothesis of this test states that the data does not have an issue of heteroskedasticity

chi2 -12 =	7.90E+05
Prob>chi2 =	0

The above table shows that the value of modified Walt test is 0.000 which is less than 0.05 which shows that the null hypothesis should be discarded which means that there is an issue of heteroskedasticity in this data.

F(1 11) =	10.293
Prob > F =	0.0083

Moving to the Wooldridge test which helps in testing autocorrelation in the data. The null hypothesis of the test is that there is not an issue of autocorrelation in the data. From the above table, it can be seen that the value is less than 0.05 which results in the rejection of the null hypothesis which means that the data has an issue of autocorrelation. Hence, in line with the findings provided by Kim and Sun (2011), it is said that whenever there is an issue of heteroskedasticity or autocorrelation in the data set, the OLS model cannot be applied for regression. Rather, the best-suited method for such a data set is the generalized least square method (GLS).

GLS

GLS for infant Mortality rate

	Coef.	Std.	Err.	z	P>|z|
remittances	0.00	0.00	-18.08	0	0.00
Gross Capital Formation	0.00	0.00	-6.06	0	0.00
External Debt	-0.0006736	0.000244	-2.77	0.006	-0.00115
_cons	23.28689	0.360065	64.67	0	22.58117

Thus, the coefficient of the remittance variable which is equal to zero shows no bearing on the Infant Mortality Rate. The high value of the z-score and the p-value indicate the model validity for statistical usage, but the effect size of zero may indicate the problem in variable scaling or specification of the model. Like for the case of remittances, the coefficient for gross capital formation is equal to zero hence not having a direct bearing on the IMR. Similarly, the negative z-score and the much lesser p-value imply that the model is sound but there is almost no impact to speak of, maybe due to one or both of the aforementioned problems with migration. The coefficient of the variable to external debt is negative, which is negative 0. 0006736, showing a very slight negative impact on the level of Infant Mortality Rate. A rise in the LDS is followed slightly by a decline in the Infant Mortality Rate when external debt is concerned. The algorithms generated a negative z-score and a low p-value hence indicating a significant effect of encoding but the effect size is small. Thus, the constant term is equal to 23. 28689 in the model shows the referent value for the Independent Variable, the Infant Mortality Rate. That is why the obtained z-score and p-value are very significant in this case, which confirms the statistical reliability of this kind of constant term. Hypothesis one posited that remittances have no direct influence on the I.M.R as does gross capital formation; based on the regression results identified by the zero coefficients of the two independent variables, where external debt has a very weak negative sign suggesting that a higher level of external obligation leads to a little worsening of the infant mortality rate of the country. The findings of high p-values confirm the model's general adequacy, although certain coefficients tend towards practically zero, and this may result from problems with model specification, or variable scaling that would require further investigation in subsequent research.

GLS for household expenditure

Household Expenditure	Coef.	Std. Err.	t	P>|t|
Gross Capital Formation	37.20275	2.353435	15.81	0
remittances	1.124757	0.031274	35.96	0
External Debt	1250000000.00	405000000.00	3.09	0.002

Where Gross Capital Formation is concerned, the Coefficient is 37. All the ten analysed indexes confirm the anticipated positive impact on Household Expenditure with the overall result of 20275. Thus, whereas Gross Capital Formation has a coefficient of 37, Household Expenditure has a coefficient of 37 for every unit of Gross Capital Formation. 20275 units. The t-score obtained is high which means that the effect found in the present study is very significant, the obtained p-value being below .001 being a non-significant figure. Confidence interval also establishes the precision of this estimate in the following way. Point 29 here, the coefficient is 1 for Remittances as well. 124757 is high therefore meaning that there is a significant positive impact of Household Expenditure. It also reveals that an increase in the value of Remittances by one unit causes an increase in Household Expenditure by 1. 124757 units. Statistically analysing this effect, the very high t-score and equal to zero p-values imply that it is highly significant. A signal that the estimate is very accurate is provided by the low value of the confidence interval. Thus, the coefficient lies at 1,250,000,000 for External Debt. The findings also yield a statistically significant coefficient of 0. With the supplied conversion rate of US$1.00=XOF 567.97, this coefficient translates to 55.97, showing a positive and considerable influence on Household Expenditure. There exists a positive and direct relationship between External Debt, and Household Expenditure, which in detail, holds that for every unit increment in the External Debt, Household Expenditure rises in the same proportion. 25 billion units. The consequence is the large and highly significant t-score and p-value below 0.05, which means that we have a statistically significant effect, yet, the large coefficient and confidence interval signal the variability of the estimate. This analysis shows that Gross Capital Formation, Remittances, & External Debt are significant since all the estimated coefficients are positive in the GLS regression model. The analysed variables have significant positive impacts and higher t-scores and low P-values have less than 0.05 probability level, the impact of gross capital formation and remittances are perfectly precise and has been envisaged with narrow confidence intervals. Similarly, Ext. Debt has also been found to have a positive effect however, the estimate is quite large and the confidence interval is wider than that of the other variables. These results will be useful to understand the economic parameters which affect Household Expenditure, the significance of investing as well as the outcomes having positive financial flows on the household's spending.

Recommendation:

Based on the fact that receipts generated by workers play an active role in eradicating poverty in Asian nations, the following implications can be made to treat workers resident in Asian countries. In the first place, the governments have to prepare the environment for attracting and preventing remittance. This can be done by granting tax exemption on remittances and decreasing the transfer costs, this will lead to more reliable and cheap means of transferring money. It is recommended that the government should launch financial literacy measures for the remittance-receiving Mexican households to help them develop rational money-handling habits, introduce the possibilities of investing in various projects, and explain the advantages of obtaining money from different sources. Hence, the means of opening more branches of financial services and obtaining more efficient methods of transferring remittances would foster more remittances and enhance the rate by which proportionate amounts get to the intended users.

Limitations and Future Direction:

More importantly, future studies should examine the costs of migration economic development and poverty reduction in the sending countries focusing on the negative impacts of remittances namely over-reliance on remittances and the effect on inflation. Research should also be conducted on the effect of remittances on enterprise development and business ventures and how this money can be channeled into productive enterprises with fewer chances of recurrent poverty. Comparisons between the different Asian countries also promote a further understanding of the differential effects of remittances; the practices and measures, which may also be effective in other regions can be emulated. Moreover, studies should consider the social cultural remittances whereby the relationship between remittances and gender or families should be investigated further. Nevertheless, the following are the limitations of this review: This might have some impact on the reliability and consistency of the results and data due to the different quality and availability of the data in different Asian countries. Also, due to the emphasis on quantitative research, some qualitative characteristics and socio-cultural consequences of migration may be ignored. Another limitation arising from this study is that, due to the nature of the data collected from households receiving remittances, there could be social desirability raised by the households receiving such remittances which may cause a biased estimation of the findings. In addition, the review mainly focuses on the side effects of the immediate period without much discussion on the late effects and the ugly side effects like strings' attachment and inflation

Conclusion:

Workers' remittance as observed has a strong positive impact on poverty reduction in Asian countries through improving on income, expenditures, education, and health. However, some drawbacks should be controlled; for example, economic dependence and inflation can be regarded as significant barriers to receiving the maximum beneficial result of remittances. In this regard, there is a need for policymakers to encourage an environment conducive to remittance practices, encourage financial literacy, and develop, a favorable method of transferring remittances at a lower cost. Thus, the identified issues can be stated as follows: If these challenges are prevented and solved, remittances can serve as a creator of sustainable economic development and poverty reduction. Subsequent research and policy development should be conducted to fully tap into the developmental potential of the said flows as well as to overcome any negative consequences.

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