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Migrant Remittances as a Mechanism of Social Protection: Evidence from South and East Asia

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ABSTRACT

Migration has emerged as a defining feature of the socio-economic landscape in South and East Asia, with millions of individuals moving across borders in search of better livelihoods. The remittances sent by these migrant`s financial transfers to their families and communities back home have grown to become a critical source of income for many households in the region and stands as a social protection mechanism. In 2024, South and East Asia collectively received over $250 billion in remittances, accounting for a significant share of global remittance flows and often surpassing official development assistance and foreign direct investment in several countries (World Bank, 2024). Remittances significantly enhance household income in recipient countries, acting as informal social protection by supporting families during economic shocks, health crises, and unemployment, particularly where formal systems are weak, such as for marginalized and rural groups (Rahman & Yeoh, 2023). Their importance grew during global crises like COVID-19, which highlighted gaps in state-led social protection (ADB, 2023). Remittance flows are influenced by migration policies, labor markets, gender norms, and digital financial services, with diverse patterns across South and East Asia, from large-scale labor migration in the Philippines, Bangladesh, and Indonesia to intra-regional movements in China and Vietnam (IOM, 2024). Digitalization has improved the accessibility and efficiency of these transfers.

Keywords: migration, remittance, social protection, financial inclusion.

INTRODUCTION

International migration has become a defining feature of global economic systems, with remittances funds sent by migrant workers to their home countries serving as a vital source of income for millions of households in developing nations. In 2023, remittance flows to low- and middle-income countries reached $656 billion, surpassing foreign direct investment (FDI) and official development assistance (ODA). In South and East Asia, where countries like India, the Philippines, Bangladesh, and Thailand are among the top remittance-receiving nations, these inflows play a significant role in social protection by providing a safety net against economic vulnerabilities. This article investigates how migrant remittances function as a mechanism of social protection, focusing on their contributions to household welfare, poverty reduction, and resilience in the face of economic shocks.

Social protection refers to policies and programs designed to reduce poverty and vulnerability by ensuring access to income security, health care, and basic services, especially in times of hardship. It includes a wide range of interventions such as: Social insurance including pensions, unemployment benefits, health insurance; Social assistance including cash transfers, food aid, child support; Employment or Labor market policies including job training, wage subsidies, minimum wage regulations. In developing countries, social protection plays a particularly critical role due to widespread poverty, informal labor markets, and limited access to formal services. Its significance includes:

- **Poverty Reduction:** Social protection provides direct financial support to poor and vulnerable populations, helping them meet basic needs. Programs like conditional cash transfers in Latin America have significantly reduced extreme poverty and inequality.
- **Shock Resilience:** It acts as a buffer during crises such as natural disasters, pandemics, or economic downturns by helping households' smooth consumption and avoid negative coping strategies including child labor, selling assets, skipping meals.
- **Human Capital Development:** Social protection enables long-term development by facilitating access to education, nutrition, and healthcare, especially for children. In doing so, it helps break the intergenerational cycle of poverty.
- **Promoting Social Inclusion:** Well-designed programs can empower marginalized groups—such as women, persons with disabilities, and ethnic minorities—by ensuring basic rights and reducing structural inequalities.
- **Encouraging Economic Participation:** By reducing insecurity, social protection enables individuals to take productive risks such as investing in small businesses or migrating for better work. It can also help formalize labor markets when linked with employment policies.

LITERATURE REVIEW

Social protection encompasses policies and programs that aim to reduce poverty and vulnerability by promoting efficient labor markets, diminishing exposure to risks, and enhancing people's capacity to manage economic and social risks (Barrientos and Hulme 2008). Remittances, though private transfers, fulfill many of these objectives. Following De Haas (2007), remittances can be classified as part of "informal social protection," particularly in the absence of state-led programs.

Remittances as Informal Social Protection

Remittances serve as an informal social protection mechanism by providing households with a flexible, direct, and often immediate source of income to address economic vulnerabilities. Unlike formal social protection systems, which rely on government-administered programs such as pensions or unemployment benefits, remittances are privately transferred funds that households can allocate based on immediate needs. Adams and Page (2005) argue that remittances act as a "self-insurance" mechanism, particularly in developing countries with limited formal safety nets. In South Asia, studies show that remittances reduce poverty by increasing household income and consumption. For instance, Raihan et al. (2009) found that in Bangladesh, remittances significantly lowered multidimensional poverty by enabling access to energy and basic services, a critical aspect of informal social protection in rural areas.

Poverty Alleviation and Consumption Smoothing

The poverty-reducing effects of remittances are well-documented in the literature. Adams and Page (2005) conducted a cross-country analysis, estimating that a 10% increase in per capita remittances reduces the poverty headcount ratio by 3.5% in developing countries, with pronounced effects in South Asia. In the Philippines, Yang (2008) demonstrated that remittances stabilize household consumption, enabling families to maintain living standards during economic downturns. However, Acosta et al. (2008) caution that the poverty-reducing impact is not uniform, as remittances often benefit wealthier households with access to migration opportunities, potentially exacerbating inequality. In Nepal, Lokshin et al. (2010) found that remittances reduced poverty but had limited effects on long-term economic mobility, highlighting the informal and short-term nature of this mechanism.

Human Capital Development

Remittances contribute to human capital development by funding education and healthcare, key pillars of informal social protection. In the Philippines, Yang (2008) found that remittance inflows increased school enrollment rates, particularly for girls, by alleviating financial constraints. Similarly, Mansuri (2006) showed that in Pakistan, remittances improved child health outcomes by enabling households to afford medical care. However, the literature highlights disparities in access. McKenzie and Rapoport (2007) note that in rural India and Thailand, the impact of remittances on education is limited by inadequate infrastructure, such as a lack of quality schools, underscoring the informal nature of remittances as they rely on existing systems rather than creating new ones.

Resilience Against Economic Shocks

The countercyclical nature of remittances enhances their role as an informal social protection mechanism. Yang and Choi (2007) provide evidence from the Philippines, showing that remittances increase in response to natural disasters, acting as a form of informal insurance. During the COVID-19 pandemic, Ratha et al. (2020) observed that remittances to South Asia remained resilient, supported by fiscal stimulus in host countries and the rise of digital transfer platforms. This resilience contrasts with formal social protection systems, which often face bureaucratic delays during crises. However, Barajas et al. (2009) warn that reliance on remittances is vulnerable to economic fluctuations in host countries, as seen during the 2008 financial crisis, which disrupted flows to South Asia.

Social and Psychological Costs

The informal nature of remittances comes with significant social and psychological costs. Biao (2007) highlights the emotional toll of migration on families in South-East Asia, particularly for women and children left behind, who face increased stress and depression. These costs are often overlooked in economic analyses but are critical to understanding remittances as an informal mechanism, as they lack the institutional support provided by formal systems. Rahman and Fee (2012) argue that the sociological dimensions of remittances, including family dynamics and community cohesion, require further exploration to fully assess their social protection role.

Challenges and Inequality

The literature identifies several challenges to remittances as an informal social protection mechanism. First, their informal nature limits their scalability and sustainability. Thapa and Acharya (2017) found that in Nepal, remittances have not significantly boosted productive investments like agriculture or entrepreneurship, which could enhance long-term social protection. Second, remittances can exacerbate income inequality. De Haas (2010) argues that migration opportunities are often accessible only to higher-income households, leading to unequal benefits, a pattern observed in India and Bangladesh. Finally, the reliance on informal channels, such as cash transfers through unregulated agents, increases transaction costs and risks, as noted by the World Bank (2023).

Case Study of Nepal

Nepal presents a striking example where remittances are a cornerstone of household welfare. With limited social insurance and state welfare, more than 50 percent of rural households rely on remittances for survival (Thieme and Wyss 2005). Migrant income is often the only buffer against seasonal unemployment and health shocks. However, this dependency also reveals structural vulnerabilities, such as labor exploitation abroad and a lack of long-term security. Nepal is among the world's most remittance-dependent economies, with international remittances contributing nearly 24 percent of GDP in 2022 (World Bank 2023). Over 4 million Nepalis are estimated to be working abroad, primarily in Malaysia, the Gulf States, and India. With limited state-led social protection and high unemployment, remittances have long served as a critical source of household income and de facto social insurance (Seddon, Adhikari, and Gurung 2002).

During the COVID-19 pandemic, Nepal experienced severe economic disruptions, including internal lockdowns, border closures, and the return of thousands of migrant workers. Initial predictions warned of a steep decline in remittance inflows, which would severely hurt rural households. Surprisingly, however, remittance flows proved remarkably resilient, declining only slightly in 2020 and rebounding to over USD 8.3 billion in 2021, a record high (NRB 2022). This resilience reflected both migrants' strong commitment to support families during crisis and an increase in formal banking channels due to restricted informal (hundi) methods. Studies show that remittance-receiving households were better able to maintain consumption and cover healthcare and education costs during the pandemic. According to Mahapatra and Narayan (2022), these households reported significantly lower incidences of food insecurity and were less likely to take out high-interest loans or sell productive assets to cope with the shock. Remittances thus served as a coping mechanism, particularly in rural areas where government support was minimal. However, the pandemic also exposed structural weaknesses in Nepal's remittance economy. Many migrants faced wage theft, job losses, and health risks abroad, with limited state support either from host or home countries. The mass return of workers also strained local economies, increasing unemployment and pressuring the informal sector (Paoletti et al. 2021). Moreover, not all households have migrant members, meaning that remittance-based protection is highly unequal and inaccessible to the poorest. While remittances played a stabilizing role, experts argue that Nepal must not continue to externalize welfare. There is a growing policy consensus that remittance-dependent economies like Nepal need stronger domestic social protection systems, job creation policies, and labor rights frameworks both at home and in host countries (ILO 2021).

Case Study of the Philippines

The Philippines has institutionalized labor migration through formal overseas employment programs. Remittances have become deeply integrated into household strategies for education and housing. However, scholars warn that this can create a "culture of migration," where dependency on remittances disincentivizes local employment and weakens the pressure for domestic welfare reform (Rodriguez 2010).

The Philippines stands as one of the most remittance-dependent economies globally, with over 10 million Overseas Filipino Workers (OFWs) and remittances accounting for approximately 10 percent of the national GDP (World Bank 2023). Historically, remittances have been pivotal in household consumption, education, and healthcare. More importantly, they have also acted as private social insurance, increasing during periods of economic or natural crises to stabilize recipient households. A seminal cross-country study by Bettin, Presbitero, and Spatafora (2017) highlighted that remittances exhibit counter-cyclical behavior in developing countries, meaning they tend to rise when the receiving country's economy declines. In the case of the Philippines, remittances have reliably surged in response to adverse shocks, including financial crises and natural disasters. For example, during Typhoon Haiyan (2013), overseas remittances increased significantly, helping affected households rebuild and recover (Yang and Choi 2007). This role of remittances as a shock absorber is especially pronounced in countries with weak formal welfare systems, as is the case in many rural areas of the Philippines.

This dynamic was sharply evident during the COVID-19 pandemic (2020–2022). Despite early fears of a dramatic decline due to global labor market disruptions, remittances to the Philippines proved resilient and even grew in some quarters. The Bangko Sentral ng Pilipinas reported only a brief dip in mid-2020, followed by a strong rebound and record-high remittance levels by 2021, totaling USD 31.4 billion (Bangko Sentral ng Pilipinas 2022). Empirical studies during this period reinforce the finding that remittances helped mitigate COVID-induced shocks. For instance, Labiste and Quimba (2022) found that remittance-receiving households were less likely to reduce food consumption or withdraw children from school during lockdowns. Moreover, they were able to maintain better access to health services and manage debts more effectively compared to non-receiving households. Nonetheless, the pandemic also exposed vulnerabilities: many Filipino migrants in service and care sectors abroad faced job insecurity, wage cuts, and health risks. The over-reliance on overseas labor markets also left the national economy exposed to external shocks, reviving calls for stronger domestic safety nets. Philippines exemplifies the dual nature of remittances: they are a vital form of informal social protection during crises, but their effectiveness is uneven and cannot replace formal welfare infrastructure. As both the COVID-19 pandemic and earlier events like Typhoon Haiyan illustrate, remittances consistently operate as shock absorbers, helping stabilize household welfare when state support is limited or delayed.

REMITTANCES AS A SOCIAL PROTECTION MECHANISM

Overview of Migrant Remittances in South and East Asia

South and East Asia are among the world's largest recipients of international remittances, reflecting both the scale of labor migration and the economic significance of these flows. According to the World Bank, in 2024, South Asia received approximately USD 189 billion in remittances, while East Asia and the Pacific (excluding high-income countries) received around USD 134 billion (World Bank, 2024). These figures represent a steady increase over the past decade, with South Asia consistently ranking as the top regional recipient globally. The following table 1 summarizes recent remittance inflows for key countries in the region.

Table 1: Remittance Inflows

Country	Remittance Inflows (2024, USD Billion)	Share of GDP (%)	Global Rank (by volume)
India	125	3.1	1
Philippines	40	8.9	4
Bangladesh	25	5.7	7
Pakistan	30	7.1	6
Vietnam	19	4.6	9
Nepal	12	22.5	15

(World Bank, 2024)

Remittance flows to these countries have shown resilience even during global crises, such as the COVID-19 pandemic, with only minor contractions followed by rapid recovery. Notably, India remains the single largest recipient country globally, while Nepal stands out for the highest remittance-to-GDP ratio in the region.

Main Migration Corridors and Sending Countries

The composition of migration corridors is a critical determinant of remittance dynamics in South and East Asia. Migration from South Asia is predominantly directed toward the Gulf Cooperation Council (GCC) countries, Malaysia and, to a lesser extent, Western economies. In contrast, East Asian migration is more diversified, including intra-regional flows (e.g., from Indonesia, Vietnam, and the Philippines to Singapore, Malaysia, and Hong Kong SAR) and significant outflows to North America and the Middle East (ADB, 2023). Recent trend has been in increasing towards South Korea and Japan as well. The following table 2 illustrates the top migration destinations for selected countries.

Table 2: Top migration destinations for selected countries

Origin Country	Main Destinations (2024)	Estimated Migrant Stock (Millions)
India	UAE, Saudi Arabia, USA, Kuwait, Oman	18.0
Bangladesh	Saudi Arabia, UAE, Oman, Malaysia	7.5
Philippines	USA, Saudi Arabia, UAE, Canada, Hong Kong SAR	10.2
Vietnam	USA, Japan, Taiwan, South Korea	5.6
Nepal	India, Qatar, Saudi Arabia, UAE	3.5

(UN DESA, 2024)

The diversity of destinations affects remittance channels, transfer costs, and the regularity of flows. For example, the Philippines has well-established formal remittance infrastructure due to its long-standing labor export policy, while countries like Nepal and Bangladesh rely more heavily on informal channels, though formalization has increased in recent years (ILO, 2023).

Patterns of Remittance Utilization at the Household Level

Remittances serve multiple functions for recipient households, ranging from basic consumption smoothing to investments in health, education, and housing. Empirical studies indicate that in South Asia, a significant portion of remittances is used for daily consumption, debt repayment, and social obligations (Ratha, 2023). However, there is growing evidence of remittance-driven investments in human capital and productive assets, especially in countries with higher remittance-to-GDP ratios.

Table 3: Comparative overview of remittance use

Country	Main Uses of Remittances (2022-2024)	Notable Trends
Bangladesh	Food, education, health, housing, debt repayment	Increased spending on education and housing
Nepal	Basic consumption, health, education, small business investment	High reliance for daily needs, rising investment
Philippines	Education, health, housing, savings, business start-up	Diversification into entrepreneurship
Vietnam	Consumption, education, home improvement, small enterprise	Growing share for enterprise investment
Pakistan	Consumption, health, savings, land purchase	Increased savings and land acquisition

(ADB, 2023)

While consumption remains the dominant use, the proportion allocated to education and health is increasing, suggesting a positive impact on long-term social protection and human development outcomes.

Remittances and Household Resilience to Shocks

Remittances play a critical role in enhancing household resilience to a range of shocks, including economic downturns, natural disasters, and health emergencies, across South and East Asia. Unlike formal social protection schemes, which often have limited coverage in rural or informal sectors, remittances provide a flexible and timely source of support that can be rapidly mobilized in response to crises (World Bank, 2024). During the COVID-19 pandemic, remittance inflows acted as a buffer for millions of households facing income loss due to lockdowns and job disruptions. In Nepal, remittances accounted for over 23% of GDP in 2023, and households receiving remittances were less likely to report food insecurity during the pandemic compared to non-recipient households (ADB, 2023). Similarly, in the Philippines, remittances cushioned the impact of typhoons and other climate-related disasters, enabling quicker recovery and reducing reliance on government relief programs (ILO, 2024).

Table 4: The relationship between remittance receipt and household vulnerability in selected countries

Country	Remittances as % of GDP (2023)	Share of Households Receiving Remittances	Reduction in Food Insecurity (Remittance Recipients vs. Non-recipients)
Nepal	23.1%	31%	18% lower incidence
Philippines	9.4%	19%	13% lower incidence
Bangladesh	6.8%	12%	10% lower incidence
Viet Nam	4.1%	7%	7% lower incidence

(World Bank, 2024; ADB, 2023)

Remittances also enable households to diversify income sources, invest in risk-reducing assets, and maintain consumption during periods of unemployment or crop failure, thereby functioning as an informal but highly effective social safety net.

Remittances and Access to Health and Social Services

Remittances significantly improve access to health care and other essential social services in recipient households, especially where public provision is inadequate or costly. Unlike government transfers, which may be subject to bureaucratic delays or eligibility constraints, remittances are often used directly to finance health expenditures, including preventive care, treatment, and insurance premiums (UNESCAP, 2024). In Cambodia, research indicates that households receiving remittances are 1.7 times more likely to seek medical care when needed compared to non-recipient households (IOM, 2024). In Sri Lanka, remittance income has been linked to increased uptake of private health insurance and improved maternal and child health outcomes (ILO, 2024). These impacts are particularly pronounced in rural areas, where state health infrastructure is limited.

Table 5: A comparative overview of remittance impacts on health service access

Country	Health Insurance Uptake (Remittance Recipients)	Likelihood of Seeking Medical Care (vs. Non-recipients)
Cambodia	22% higher	1.7x more likely
Sri Lanka	19% higher	1.3x more likely
Indonesia	16% higher	1.2x more likely

(IOM, 2024; ILO, 2024)

Remittances also support expenditures on education and social services, indirectly contributing to broader social protection outcomes.

Remittances and Community-Level Social Protection

While prior sections have focused on household-level impacts, remittances also foster community-level social protection through collective investments and informal support networks. In many migrant-sending regions, diaspora groups and migrant associations pool remittances to fund community infrastructure, health clinics, schools, and emergency relief funds (UNDP, 2023). For instance, in Bangladesh and the Philippines, hometown associations have mobilized remittances to construct water supply systems, repair roads, and establish scholarship programs for vulnerable youth. In rural Viet Nam, remittance-funded community health insurance schemes have emerged, providing coverage for residents who fall outside formal social protection systems (UNESCAP, 2024).

Table 6: Community initiatives supported by migrants' remittance

Country	Type of Community Initiative Supported by Remittances	Coverage/Beneficiaries	Example Outcome
Bangladesh	Water/sanitation projects, disaster relief	5,000+ households	Improved water access, faster post-flood recovery
Philippines	School construction, health clinics	3,000+ students	Increased school enrollment, better health access
Viet Nam	Community health insurance funds	1,200+ individuals	Reduced catastrophic health spending

(UNDP, 2023)

Such initiatives complement state-led social protection and often fill critical gaps in service delivery, particularly in remote or marginalized areas.

Remittances and Financial Inclusion

Remittances contribute to financial inclusion by encouraging the use of formal financial services among both senders and recipients. This is distinct from previous sections, which focused on utilization and gender; here, the emphasis is on the broader financial system and its link to social protection. The receipt of remittances often necessitates opening bank or mobile money accounts, which can facilitate savings, access to credit, and insurance products (World Bank, 2024). In India, the Pradhan Mantri Jan Dhan Yojana (PMJDY) initiative has leveraged remittance flows to promote financial literacy and expand banking access in rural areas. In Bangladesh, remittance-receiving households are 2.3 times more likely to have a bank account than non-recipients (Bangladesh Bank, 2024). Financial inclusion, in turn, enhances the effectiveness of remittances as a social protection mechanism by enabling recipients to save for emergencies, access microinsurance, and invest in productive activities.

Table 7: Access to financial system

Country	Bank Ac Ownership (Remittance Recipients)	Use of Mobile Money (%)	Access to Microinsurance (%)
India	71%	28%	11%
Bangladesh	62%	41%	9%
Philippines	78%	35%	13%

(World Bank, 2024; Bangladesh Bank, 2024)

By linking remittance flows to formal financial systems, households are better equipped to manage risks, smooth consumption, and invest in long-term well-being.

Implications for Policy and Social Development

Enhancing the Regulatory Environment for Remittance Transfers:

The regulatory frameworks governing remittance flows in South and East Asia have a direct impact on the efficiency, cost, and security of remittance transfers. While previous sections have discussed transfer mechanisms and costs, this section focuses on the broader policy environment, including anti-money laundering (AML) and counter-terrorism financing (CTF) regulations, licensing requirements for money transfer operators, and cross-border coordination. Recent data indicate that stringent AML/CTF measures, though essential, can inadvertently increase the cost and complexity of remittance transfers, particularly for low-income migrants and recipients in rural areas (World Bank, 2024). For example, in Bangladesh, compliance with international standards has led to increased documentation requirements, which can exclude informal workers and women with limited identification documents from formal channels. In the Philippines, regulatory reforms have encouraged digital remittance providers, but regulatory fragmentation between domestic and international authorities still creates bottlenecks (ADB, 2023). Efforts to harmonize regulations across sending and receiving countries, streamline licensing for fintech remittance providers, and implement risk-based approaches to AML/CTF can reduce costs and promote financial inclusion. For instance, Indonesia's adoption of simplified customer due diligence for low-value transfers has expanded access among undocumented migrants (Bank Indonesia, 2024).

Table 8: Summary of selected regulatory reforms and their outcomes

Country	Key Reform (2022–2024)	Outcome/Impact
Bangladesh	Enhanced KYC requirements	Increased formal flows, but risk of exclusion for unbanked
Philippines	Digital licensing for fintechs	Lowered transfer costs, increased digital uptake
Indonesia	Simplified due diligence	Expanded access for low-value, rural remittance users
Vietnam	Cross-border regulatory MOUs	Improved transfer speed, reduced compliance delays

Leveraging Remittances for Local Economic Development:

While earlier sections have addressed household and community-level impacts, this section examines how remittances can be strategically leveraged for broader local economic development through policy interventions and institutional innovations. Governments in South and East Asia are increasingly recognizing the potential of remittances to catalyze local investment and entrepreneurship. In Nepal, the government's "Remit Hydro" initiative allows migrants to invest remittance funds in local hydropower projects, providing both returns for migrants and infrastructure development for communities (Nepal Rastra Bank, 2024). Similarly, the Philippines' "Balikbayani" program offers matching grants for migrant-funded community enterprises (ILO, 2023). However, the scale of such programs remains limited. Policy support—such as tax incentives, technical assistance, and public-private partnerships—can enhance the developmental impact of remittances. Evidence from Vietnam shows that local governments facilitating remittance-backed cooperatives have seen increased agricultural productivity and job creation (UNESCAP, 2024).

Table 9: Policy interventions and institutional innovations

Country	Program/Policy	Focus Area	Measured Impact
Nepal	Remit Hydro	Infrastructure investment	\$15M migrant investment, 2 new plants
Philippines	Balikbayani	MSME development	1,200 enterprises supported (2022–2024)
Vietnam	Remittance-backed cooperatives	Agriculture	18% rise in local employment

CONCLUSION

Migrant remittances are a vital mechanism of social protection in South and East Asia, operating at household, community, and systemic levels. Remittance inflows to the region are substantial and resilient, with countries such as India, the Philippines, and Nepal relying heavily on these transfers for both macroeconomic stability and household welfare (World Bank, 2024). At the household level, remittances are primarily used for consumption smoothing, health, and education, but there is a notable trend toward increased investment in human capital and productive assets. Gender dynamics further shape remittance patterns, with women playing a critical role as both senders and managers of remittance funds, often directing resources toward children's well-being and household resilience (UN Women, 2024). Remittances also foster community-level development through collective initiatives and contribute to financial inclusion by encouraging the uptake of formal financial services.

The findings highlight that remittances act as an informal but highly effective social safety net, particularly for populations underserved by formal social protection systems. They enhance household resilience to shocks, improve access to health and education, and support community infrastructure. However, the developmental impact of remittances is shaped by regulatory environments, transfer costs, and the extent of digital and financial literacy among recipients. Policy innovations such as matched savings schemes, remittance-linked pensions, and digital transfer platforms are emerging across the region, but challenges remain in integrating remittances into comprehensive national social protection strategies and ensuring that vulnerable groups are not excluded from formal benefits (ILO, 2024; Government of Nepal, 2023). Moving forward, policy efforts should focus on reducing transfer costs, harmonizing regulatory frameworks, expanding financial and digital literacy, and systematically linking remittance flows with formal social protection programs to maximize their developmental and protective potential.

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