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Contribution of Migrant Workers in Increasing Remittances and Accelerating the SDGs : A Country Without Unemployment

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Abstract. *This study aims to describe and analyze: The Contribution of Migrant Workers in Increasing Money Remittances and Achieving the SDGs. The research is a qualitative descriptive analysis. The data analysis technique uses the technique developed by McNabb (2002), namely Grouping the data according to key constructs, Identifying bases for interpretation, Developing generalizations from the data, Testing Alternative interpretations and Forming and/or refining generalizable theory from case study. The results of the study show that migrant workers play an important role in the world economy, especially in developed countries as migration destination countries and contribute to the growth of the economy in their home countries, one of which is through remittances sent to their home countries. Indonesia is one of the countries that still sends migrant workers, where remittances from migrant workers are seen as one of the main sources of foreign exchange after petroleum. Migrant workers contribute to reducing the unemployment rate in Indonesia by: Increasing household income. Helping families left behind not work for a while. Increase family access to capital and credit for entrepreneurship. Encouraging a decrease in child employment rates Helping economic development in the region of origin. Encourage political and social change. The use of remittances for productive activities is expected to increase investment in recipient countries. Remittances encourage improvements made by households in daily consumption, expenditure on education, health, and other expenses, so that it will affect economic growth. Remittances increase household incomes and are therefore a strong anti-poverty force in developing countries. Not only that, migrant workers who return to their home countries (return migrants) also contribute to the economic and social conditions of their home countries. Remittances can contribute directly and indirectly to several SDGs. Remittances' contribution to the SDGs: SDG 1: Reduce poverty, SDG 8: Decent work and economic growth SDG 10.c: Reduce the cost of migrant remittance transactions.*

Keywords *: Contribution, Migrant Workers, Remuneration, SDGs*

1. INTRODUCTION

Migrant workers have long been one of the important pillars of the global economy, especially through their contribution in the form of remittances. According to World Bank data (2022), global remittances reached USD 794 Billion in 2022, with low- and middle-income countries receiving USD 626 Billion, an amount that exceeds foreign direct investment (FDI) flows in many countries. Remittances, or money transfers sent by migrant workers to their families in their home countries, not only play a role in improving household welfare, but also have a significant impact on a country's economic development.

International Monetery Found (2008) states that remittances obtained by Indonesia are divided into 3 categories. The first category is worker remittances or transfers in the form of cash or the like from foreign workers to their families in their hometowns. The second category is compensation for work or income, salary or remuneration in the form of cash or the like paid to individuals who work in another country where their existence is official. The third category, namely the transfer of money by a foreigner, refers to the transfer of capital from financial

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assets made by the foreigner as a move from one country to another and residing for more than one year. The flow of remittances in Indonesia continues to increase as the number of migrants around the world increases and is likely to continue to increase.

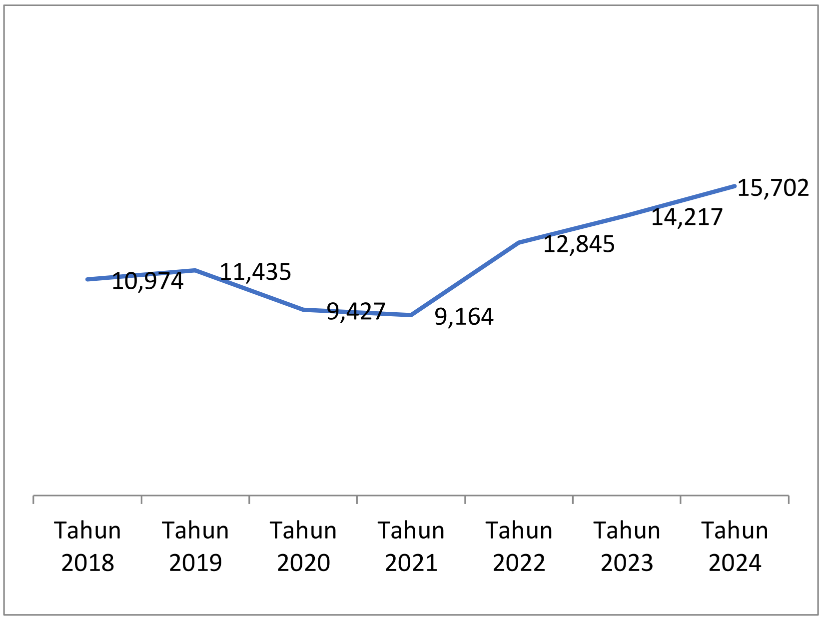

Figure 1. Indonesian Remittances for the 2018-2024 Period (in Million USD)
Source: Bank Indonesia and BNP2TKI

Figure 1 shows that during the 2018-2019 period Indonesia's remittances increased, in 2020 – 2021 it decreased due to the Covid-19 Pandemic, but in 2022 – 2024 it increased again. This indicates that workers working abroad have increased, so that shipments to domestic families have increased.

Remittances also have an impact on economic growth. There are various conflicting perspectives regarding the impact of remittances on economic growth (Tolcha and Rao, 2016). Optimists argue that remittances have a positive impact on economic growth. Remittances generated by migrants have the potential to increase state revenues and increase the development of the financial sector, thereby boosting economic growth. Pessimists argue that remittances have a negative effect on economic growth (Haas, 2007). Remittances in developing countries tend to increase household consumption for imported goods, so inflation is increasing and can distort economic growth (Belmimoun et al, 2014).

Remittances are generally used to meet basic needs or household consumption in the country of origin of migrant workers and only a small part is used for investment purposes to generate added value in the future, such as for education, health, additional business capital, opening new businesses, buying agricultural land and building houses. In addition, part of the remittance is also used for future consumption (savings). The results of the Reserve Bank of India survey in 2018 showed that more than half of the remittances received by households in

India were used for consumption, the rest for savings (20%) and investment (9%) (Dash, 2020). In Indonesia, most of the remittances received by households are used for consumption (67%), while the rest is used for investment in education (11%), health (8%) and savings (15%). Similarly in the Philippines, most remittances are also used for consumption, the rest for investment in education (13%), health (24%) and savings (13%) (UniTeller Report, 2020).

Poorly managed remittances can have a negative impact. In the context of internal remittances, recipient households may experience reduced motivation to find work as well as dependency that hinders the development of skills and household economic independence (Khan & Baruah, 2021; Nguyen & Vu, 2017). Suboptimal management occurs when remittances are used to meet basic needs that are consumptive or for expenditures in the form of investments that are not in accordance with household conditions and needs. Therefore, the role of the government is important in providing understanding to recipient households so that remittance management can be carried out properly and according to needs, so that household welfare can increase in accordance with the sustainable development goals (SDGs).

This research was conducted because there is a need to understand more deeply how remittances generated by migrant workers can be an effective tool in encouraging economic and social development. According to Ratha (2003), remittances have been shown to reduce poverty rates and increase access to education and health in recipient countries. In Indonesia, remittances from migrant workers have become one of the drivers of economic growth. The Central Statistics Agency (BPS) noted that remittances from migrant workers contribute significantly to Indonesia's economic growth, especially in increasing household income and creating jobs (Bisnis.com, 2023). In addition, with the increasing number of migrant workers in different parts of the world, it is important to evaluate how existing policies and programs can be optimized to maximize the benefits of such remittances. This is becoming even more relevant given that remittances are often the main source of income for many families in developing countries, and can be a catalyst for reducing unemployment and poverty (ILO, 2021).

Collaboration in managing international migration data is also an important factor in maximizing the impact of remittances. As revealed by Amalia (2023), the launch of a collaborative international migration data for Indonesia Emas 2045 is a strategic step to increase the accuracy and effectiveness of policies related to migration and remittances. Integrated data will make it easier for the government to design targeted programs to harness the potential of migrant workers in encouraging economic development.

An empirical study by Ikhsana, Achsani, and Irfany (2023) shows that remittances have a positive influence on reducing unemployment rates in 65 countries, including Indonesia. This finding is reinforced by research by Jewel and Faridatussalam (2024) which highlights the influence of remittances on international migration and macroeconomic variables in Indonesia. The findings of this study are expected to provide new insights into how remittances can be used strategically to support the achievement of the SDGs, especially in creating jobs and reducing unemployment.

Thus, this research is expected to make a significant contribution to our understanding of the role of migrant workers in economic development, as well as provide policy recommendations that can help countries in utilizing remittances to achieve sustainable development goals. As stated by Migrant CARE (2022), Indonesia as part of the G20 has a great opportunity to utilize remittances as a strategic instrument in achieving global development goals.

In this context, this study aims to explore the role of migrant workers in increasing remittances and how they can contribute to accelerating the achievement of the Sustainable Development Goals (SDGs), especially in creating a "Country Without Unemployment". Based on this, this study aims to more broadly describe and analyze the Contribution of Migrant Workers in Increasing Remittances and Achieving the SDGs.

2. LITERATURE REVIEW

Globalization in fact not only impacts investment mobility, trade, technology transfer, communication, and cultural and political exchanges, but also encourages labor migration between countries. The process of globalization initially caused a gap in economic growth between countries, thus affecting the difference in the ability of various countries to absorb labor. This condition creates push-pull factors for the workforce to move from one country to another. He explained that the magnitude of labor migration flows is the result of three different conditions in each developed country, new industrial countries and poor and developing countries. The success of economic development in developed countries has pushed wage levels and working environment conditions to a higher level. Meanwhile, in new industrial countries, the acceleration of economic development has caused the demand for skilled, semi-skilled and low-skilled workers to increase dramatically. Generally, skilled workers are imported from developed countries, while labor workers come from poor and developing countries.

The effect that will be received from migration is the remittance that will be received by migrant families in the area of origin. Remittances are remittances made by workers in foreign countries to recipients in their home countries. Remittances are different from cash transfers. Remittances can increase household and state income so that it will reduce poverty. So that great potential benefits can be seen related to international labor remittances for developing countries (Sari, 2019).

Hodinott (1994) explained that migration can be seen as a process that helps equitable development that works by correcting the imbalance in the results of production factors between regions, so that it has a positive impact on labor migration, namely remittances from migrants to their regions of origin.

International labor migration can basically benefit the country of origin, such as in efforts to alleviate poverty, overcome unemployment, and earn foreign exchange from remittances sent by migrant workers. According to Curson (1981), remittances are the remittances of money, goods, and development ideas by migrants to their areas of origin. Then this definition was developed by including various skills and ideas obtained by migrants in the destination area, also classified as remittances for the area of origin (Connell et al, 1980). The skills gained from the experience of migrating will be very beneficial for migrants if they return to their villages later. The use of remittances for investment has many impacts on regional development. Migrants rationally want a better life when they return to their home areas, therefore remittances are also used for housing repairs and construction, buying land, establishing small industries, and so on.

According to Curson (1981), remittances are remittances of money, goods, and development ideas from the destination area of migration to the area of origin and is an important instrument in the socio-economic life of a community. Remittance is money or goods sent by migrants to their area of origin, while the migrant is still at the destination. In its development, this definition has been expanded, not only money and goods, but skills and ideas, are also classified as remittances for the region of origin. The skills gained from the experience of migrating will be very beneficial for migrants if they later return to their villages (Connel 1980)

The remittances obtained are important capital because they can support the improvement of family welfare (Baswori, 2018). Family welfare is defined as the condition of fulfilling the basic needs of each family member which includes material, social, mental and spiritual needs so as to obtain a decent and meaningful life. Welfare can be measured by several indicators, including the level of family income, the amount of household expenditure, the level of family education, family health and the condition of home facilities (Cita, et al., 2019).

In the macro context, remittances have an important role for the national economy because they are a source of foreign exchange for the country of origin. In addition, remittances can also increase the development of the financial sector through the transfer of funds to third parties, namely banks/other financial institutions, which will have an impact on increasing the accumulation of national savings so that it will increase the amount of funds in the loanable fund market. The funds will then be channeled by banks in the form of loans to the private sector/community as a source of financing for potential investors.

Money remittances or remittances carried out by Indonesian workers working abroad are one of the largest sources of money flows, especially in developing countries such as Indonesia and play an important role in the development of a country. According to a study conducted by Bank Indonesia, remittances contribute 10 percent of the state budget and occupy the second position after revenue from the oil and gas sector (Artina, 2022)

The impact of remittances on domestic investment is still a debate among experts, some research results show that there is a positive relationship between remittances and domestic investment. Giuliano and Arranz (2006) found that remittances have a positive influence on domestic investment through the use of remittances as physical capital and an increase in family household expenditure for consumption in the fields of education and health. The same is said by Gheeraert et al (2010) who stated that remittances have a positive marginal effect on domestic investment, because part of the remittances will be funds for banks that can increase bank deposits, so as to increase the availability of loan funds, reduce interest rates and stimulate investment. The ease and low barriers to placing funds in banks will increase the distribution of remittances to the formal lending fund sector (loanable funds) and increase participation in the formal banking sector so as to encourage increased domestic investment.

3. METHODS

Based on the objectives to be achieved in the research, namely to describe, explain or describe the results of the research in full and in depth, the type of research used is qualitative (qualitative research). Data collection techniques in this study include: interviews, observation, documentation and literature study. Selain itu, penelitian ini juga akan melakukan tinjauan literatur untuk memahami konteks teoritis dan empiris dari remitansi dan SDGs. The informants in this study will be determined on an ongoing basis using purposive sampling technique. Data analysis in the study used techniques developed by Miles, Huberman, dan Saldana (2014): yaitu: kondensasi data, penyajian data, dan penarikan kesimpulan/verifikasi

4. FINDING AND DISCUSSION

Migrants and Remittance Workers

The current crisis is increasing migration pressures with complex regional and strategic implications. According to the 2023 World Development Report, 184 million people migrate as migrants worldwide, driven by economic opportunity, conflict and violence, or other reasons. About half live in high-income countries, and one-third live in developing countries. Many countries at all income levels are countries of origin, transit, and destination at the same time.

Income disparities in different countries are strong drivers of migration. Large income disparities exist between high- and low-income countries, both in low- and high-skilled occupations. Widening income inequality in countries of origin, especially low-income countries, is another strong driving factor. For many poor people whose labor is their only asset, migrating to richer countries offers an opportunity to escape poverty. However, the poorest people tend to migrate internally, as they cannot afford the costs associated with moving abroad.

The migration of migrant workers in Indonesia is closely related to global migration. A number of international institutions have identified three main determinants that drive international labour migration: attractiveness in the form of changing demographics and labour market needs in high-income countries, impetus in the form of wage disparities and critical pressures in developing and poor countries, networks between countries based on family, culture and history.

Remit is one of the important things that cannot be separated in the entire migration process. Remitan is a product produced by migrants which is a reward that is highly anticipated and expected by migrant families in their home areas. However, in fact, remittances are not only awaited by migrant families but indirectly the results of this migrant are also useful for the area of origin. Thus, remittances can be interpreted as something that results from a migration process sent to the area of origin either in the form of material such as goods or money or in the form of immaterials such as improving the quality of skills and development ideas that are beneficial to the migrant's area of origin.

Migrant workers play an important role in the world economy, especially in developed countries. Migrant workers provide labor in various sectors (healthcare, construction, hospitality, agriculture, etc.), increase productivity (due to the specialized skills and expertise required), and increase consumption and economic growth in the country of work (pay taxes, increase demand for goods and services, etc.) (Dustmann, C., Frattini, T., & Preston, I, 2013; Orrenius, P. M., Zavodny, M., & Gullo, S., 2020). On the other hand, migrant workers also contribute to the growth of the economy in their home countries, one of which is through remittances sent to their home countries, including Indonesia.

Bank Indonesia released that in 2023, foreign exchange donations into Indonesia or remittances sent by Indonesian migrant workers from abroad amounted to 227 trillion rupiah, an increase of 42.2% from 2019 to 2023. This happens because there is an awareness of saving, awareness to send money to their families is getting higher, these migrant workers are not consumptive and spend the money they get abroad.

Based on the World Migration Report 2022 from the ILO (2021), Indonesia was included in the top 20 countries receiving remittances in 2019-2020. Indonesia ranks 17th highest recipient of remittances out of 177 countries (2019-2020), below India, China, the Philippines, and Vietnam. On the other hand, the highest remittance senders are controlled by the United States, the Middle East, and Europe, followed by East Asia, which is the destination country for the world's migrant workers. Indonesia as one of the countries that still makes the sending of migrant workers one of its main economic activities, where remittances from migrant workers are seen as one of the main sources of foreign exchange after petroleum.

The foreign exchange contribution from Indonesian Migrant Workers through Remittances until the second quarter (Q2) of 2024 reached a total of US$ 7.6 billion or Rp120 trillion. In 2023, remittances from Indonesian migrant workers will reach US$ 14.2 billion or Rp223.2 trillion, becoming the second largest source of foreign exchange reserves after the oil and gas business sector. This amount reached 10% of Indonesia's total foreign exchange reserves, which was US$149.9 billion.

Migrant Workers and the Unemployed

The problem of unemployment is a major problem in Indonesia that is difficult to solve. Various efforts have been made by the Government of Indonesia to reduce the unemployment rate which is increasing day by day. The high unemployment rate in Indonesia has made the government establish the overseas job market as a strategic alternative in reducing unemployment and improving the welfare of the Indonesian people through the Indonesian Labor Placement Program (TKI) abroad.

High unemployment rates, lack of decent and productive job opportunities for workers are problems that generally occur in developing countries, including Indonesia. This is because the employment climate in Indonesia has not been able to encourage the creation of adequate job opportunities, so that the balance between the availability and demand of labor in the country has not been achieved. The gap between job opportunities and the available labor force makes vulnerable labor groups who generally have low skills will try to improve their living standards and obtain better economic welfare by looking for job opportunities abroad and sending money (remittances) to families left behind.

A person's decision to migrate is driven by economic and social factors. The economic factors that are the driving factors are the difference in wage levels, limited job opportunities and the existence of government policies. The high level of wages and job opportunities available in migration destination areas raises the hope of getting opportunities to get jobs and higher wage levels to improve the living standards of migrant workers. Meanwhile, the social factors that encourage migration are environmental, demographic and socio-political problems (Todaro & Smith, 2006).

Basically, Todaro's migration theory assumes that every worker always compares the expected wage for a certain period of time in the modern (urban) sector, which is the difference between income and migration costs and the average income that can be obtained in the traditional (rural) sector. This causes migration flows from villages to cities. However, limited job opportunities in the modern (urban) sector result in workers who are not absorbed will be unemployed or enter the low-income informal sector. Internal migration, which is migration carried out from villages to cities, causes an increasingly high unemployment rate in urban areas, so international migration is one way to overcome this. International migration, in addition to overcoming the problem of unemployment, can also increase people's income, because generally migration occurs because it is driven by higher wage levels in other countries.

According to Sulistyorini et al (2014), since the Dutch East Indies, the government has started sending migrant workers to Suriname and the delivery of migrant workers is increasing every year and has even spread to various countries in the world. This is done by the government to reduce the unemployment rate in Indonesia, because job creation cannot be balanced with an increase in the labor force. With courage and motivated by relatives or relatives who have worked abroad, finally many Indonesian workers, especially women, choose to work in various countries such as in Asia, Europe, the Middle East, and various other countries.

The contribution of sending Indonesian Migrant Workers (PMI) abroad when viewed from a social and economic development goal can help overcome the country's problems, namely, increasing the country's foreign exchange, expanding employment and prospering the community. According to (Bachtiar, 2004) working abroad is an effort to overcome labor problems that exist in a region/country. Migrant worker remittances also contribute to reducing the unemployment rate in migrant workers' countries of origin by improving the business climate and job creation. TKI can be said to be a factor that reduces job seekers and/or unemployment in the area of origin of migrant workers, which according to the theory and/or Phillips curve can be said to be a factor causing the increase in inflation in the area of origin of migrant workers (Haryati, 2009).

Migrant workers contribute to reducing the unemployment rate in Indonesia by: Increasing household income. Helping families left behind not work for a while. Increase family access to capital and credit for entrepreneurship. Encouraging a decrease in child employment rates Helping economic development in the region of origin. Fostering political and social change.

Migrant Worker Remittances and Domestic Investment

Investment is very important in boosting the rate of economic growth of a country. Investment will absorb labor, increase tax revenue, and can open up opportunities for technology transfer and management. Through the use of remittances for productive activities, it is hoped that it can increase investment in recipient countries. According to Dash (2020), the impact of remittances on domestic investment is conditional or depends on the development of the financial sector and the quality of a country's institutions. The influence of remittances on domestic investment will be greater with the presence of good financial institutions and institutions (Issifu, 2018). The impact of remittances on domestic investment will become stronger and more positive as the development of the financial sector improves, which means that the influence of remittances on domestic investment will be more pronounced in countries with well-functioning banking systems.

The financial sector plays an indirect role in intermediating remittance funds for investment purposes. Remittances contribute to the development of the financial sector through an increase in the amount of aggregate savings. The increase in the amount of remittances will be associated with an increase in household income so that it will be related to an increase in the amount of savings, which will further affect the availability of funds needed for domestic investment and the amount of bank credit that will be channeled to the private sector. The increased availability of loan funds in banks due to the large flow of remittances can also affect interest rates to be lower, which will stimulate investment through the distribution of productive credit to the private sector.

Good institutional quality will give a positive signal to recipient households and can further improve information asymmetry so that it will motivate recipients in their home countries to invest in both physical and human capital and increase community participation in investing, innovating and taking part in economic activities. The quality of institutions through policies and regulations with less distortionary policies will also affect the allocation of resources because it will create incentives for individuals and private entities to conduct viable and productive businesses. Migrant workers will tend to channel remittances for investment purposes when the investment climate in their home country is conducive.

Good institutional quality will create a conducive investment climate so as to increase investor confidence in a country as a decent place to invest, including by simplifying the business licensing process and tax incentives by the government. In addition, institutions have an important role in distributing remittance funds for productive investment activities by encouraging the development of the financial sector through various regulations and policies. This is important because most of the remittance inflows to developing countries are sent through informal channels. The development of the financial sector is seen as an important link between remittances and investment.

The financial sector can play a key role in channeling remittances into savings and investments. Remittances are growing rapidly in countries with well-developed financial systems. If most of the remittances are transferred and deposited through the financial sector and channeled to investment, then the financial sector can contribute to increasing the effect of remittance growth through domestic capital formation. Even if remittances are spent on consumption, aggregate demand will increase, thereby stimulating investment in productive sectors through a multiplier effect. Remittances have an impact on domestic investment directly through increased investment, and indirectly through increased credit to the private sector. Remittances complement financial development in bringing in domestic investment.

Migrant Worker Remittances and Economic Growth

Economic growth is one of the measures of the achievement of national development. Economic growth is a process in which a country is continuously transformed towards better conditions within a certain period of time. If the level of economic activity is higher than the level in the previous period, then the economy will experience development and change. Economic growth is one of the most important indicators to analyze the economic development of a country. The rate of economic growth achieved by a country is measured by the increase in real national income achieved by a country/region. The current economic growth process is called Modern Economic Growth. According to Todaro & Smith (2014), economic growth is an indicator of development success which is the main source of efforts to improve people's living standards. Economic growth is an increase in the ability to complete the needs of goods and services of the community. Economic growth is defined as a process, because of the interrelation and influence between factors in economic growth. A country achieves economic growth if it experiences an increase in gross domestic product (GDP). If the GDP obtained is high, the higher the indication of the success of economic development.

Economic growth can be influenced by various factors due to its complex nature. Domestic factors such as macroeconomic policies, good governance, human capital, and national savings are essential for economic growth. However, external factors such as remittances, foreign direct investment, and imports are also equally important to boost economic growth especially for developing countries (Tahir, Khan, & Shah, 2015).

Economic growth can be affected by the accumulation of capital and labor. Meanwhile, remittances increase capital accumulation because remittances are capital inflows that can be categorized at the same level as FDI and external debt. Capital accumulation can be obtained from economic savings that come from within the country and abroad. Domestic savings can be obtained from taxes and increased public savings, while foreign savings can be obtained through remittances, FDI (Foreign Direct Investment) or direct investment from abroad and foreign debt.

Remittances affect the economy of the receiving country through various transmission channels. On the one hand, remittances are an important source of external financing for the domestic economy, reducing credit constraints, spurring investment, and thus making a positive contribution to economic growth (Giuliano & Ruiz-Arranz, 2009). Remittances can also help the domestic economy during an idiosyncratic recession because it serves as an insurance mechanism, increasing consumption and increasing disposable income when other sources of domestic aggregate demand are depressed (Yang & Choi, 2007). On the other hand, remittances can have a bad impact, especially by contributing to Dutch diseases or reducing the supply of labor in the country of origin (Acosta et al, 2008).

In cases where remittance revenues help lift families out of poverty, beneficiaries can use less time and energy to struggle for their basic needs and more freedom to engage in activities that collectively stimulate sustainable economic growth in the sending community and country. The safety net, or "consumption flattening" effect, of remittances allows households to engage in high-risk but perhaps more lucrative economic activities that reduce poverty, and which would be difficult to achieve without migration. The national economy as a whole can also benefit from increased investment facilitated by remittances. Research conducted in the Philippines, Mexico, and other countries shows that remittance receipts are associated with greater asset accumulation in agricultural equipment, higher levels of entrepreneurship, and increased small business investment in migrant-sending areas. In sub-Saharan Africa, international remittances correlate with higher levels of computer and Internet access. Migrant remittances increase domestic savings and improve financial intermediation, which can improve the country's overall growth prospects (Taylor and Wyatt, 1996).

Future remittance flows can be used as collateral by governments and private sector entities in developing countries to increase financing in international capital markets. This innovative financing mechanism can be used to raise funds for development projects such as housing for low-income communities or water supply. Properly considering remittance inflows into macroeconomic analysis is also likely to improve the credit rating and external debt sustainability of remittance recipient countries. Changes to the World Bank's International Monetary Fund (IMF) Debt Sustainability Framework initiated in 2009 allow countries that receive large remittance flows equivalent to more than 10 percent of their GDP and 20 percent of exported goods and services to bear higher levels of debt (The World Bank, Migration and Development Brief. 2020).

Remittances obtained from overseas workers are one of the great sources of finance for developing countries. Remittances are also a source of finance in increasing the income of migrant households. Remittances encourage improvements made by households in daily consumption, spending on education, health, and other costs, so that it will affect economic growth.

Migrant Worker Remittances and Social Welfare

Indonesian migrant workers choose to work abroad to improve family welfare through good jobs and higher income amounts in selected countries (A. W. Putra, 2016). The considerable income earned by Indonesian migrant workers abroad and subsequently sent to their families in their villages of origin (remittances) has an impact on changes in the socio-economic conditions of Indonesian migrant families in their home areas both in terms of socio-economics (M. A. J. Putra et al., 2014).

Remittances increase household incomes and are therefore a strong anti-poverty force in developing countries. Unlike some publicly funded social safety nets, remittance recipients can identify their own greatest needs and can allocate remittance income accordingly.

Evidence from around the world shows that households that receive remittances are financially better in various dimensions compared to households of the same type who do not receive them (Richard H. Adams, 1991). The income that migrants send to family members serves as a form of household insurance against loss of income and other financial hardships. Research from around the world has revealed that remittance-recipient households, on average, have greater savings levels and consequently a stronger ability to withstand external economic shocks than similar households that do not have this source of income.

Migrant workers contribute to overall household income to meet basic consumption needs and improve the living standards of households left behind. In addition, with a fairly stable income obtained by migrant workers, it makes it easier to access capital and credit for entrepreneurial families. Families left behind by migrant workers also have the opportunity not to work until they find a suitable job because the remittances sent can meet basic consumption. Furthermore, school spending and children's education increased in the outskirts left behind by migrant workers. This also encourages a decrease in the number of child laborers.

Not only that, migrant workers who return to their countries of origin (return migrants) also contribute to the economic and social conditions of their countries of origin (Ratha, D., et al. 2011; Tuccio, M., et al. 2019). These migrant workers can be a channel for cultural and knowledge exchange and help drive political and social change. In addition, the increase in income obtained from remittances can also help alleviate poverty and encourage economic development in their home areas. Migrant workers also encourage the creation of remittance-based development models in which remittances become increasingly important for maintaining socio-economic stability. Ratha, D. (2011) also mentioned that migrant workers who return to their home countries tend to have better health and education conditions and encourage their families to also improve the quality of their health and education.

Remittances sent by migrant workers to households left behind in their home countries are an additional source of income for these households. Remittances sent by migrant workers to households left behind in their home countries are an additional source of income for the household.

In various household surveys, research found that remittances received by PMI households are not necessarily used up for consumption of basic needs, but also used for human-capital building. The existence of remittances was found to have a strong positive correlation with the improvement of health and education indicators, especially for children (Ratha, 2003).

Migrant Worker Remittances and SDGs

International Day of Family Remittances (IDFR) is a universally recognized commemoration adopted by the United Nations General Assembly and celebrated annually on June 16. The IDFR is now fully recognized at the global level, and is included as one of the key initiatives to implement the Global Pact for Safe, Orderly and Orderly Migration (Goal 20), which also calls for a reduction in remittance costs, and greater financial inclusion through remittances. The day also promotes the achievement of the Sustainable Development Goals (SDGs) and advances the 2030 Agenda for Sustainable Development.

The 2030 Agenda for Sustainable Development, adopted in September 2015, is a global commitment to eradicate poverty and achieve sustainable development by 2030, by ensuring no one is left behind. The 17 specific Sustainable Development Goals (SDGs) in them address the main challenges facing the world today. SDG 10.c commits, by 2030, to reduce the transaction cost of migrant remittances to less than 3 percent and eliminate remittance corridors with costs higher than 5 percent. However, migrant remittances contribute directly and indirectly to several SDGs other than 10.c, as outlined in the IFAD report on remittances, investment and the Sustainable Development Goals. Remittances can contribute directly and indirectly to several SDGs. Remittances' contribution to the SDGs: SDG 1: Reduce poverty, SDG 8: Decent work and economic growth SDG 10.c: Reduce the cost of migrant remittance transactions.

The crucial contribution of migrant workers, through remittances and investment, has also been recognized in the Global Compact for Safe, Orderly and Regular Migration, adopted in December 2018. Its Goal 20 does call for specific actions to maximize the impact of remittances and includes an International Day for the global community to get involved. The implementation of Goal 20 was assessed during the first International Migration Review Forum (IMRF), which took place in May 2022. Remittances are recognized as important to open up opportunities for migrants and their families, especially given the shift towards greater digitalization to further increase financial inclusion.

Recognition of the contribution of migrant workers to development through their remittances was the focus of the 2009 Human Development Index report. In the 2009 Human Development Report entitled "Overcoming Barriers": Human Mobility and Development", it is said that the dynamics of migrant workers greatly affect the human development index in both the country of origin and the destination country. In the regional scope, according to a socio-economic survey conducted by UNESCAP (2011), there has been an extraordinary increase in the remittance flow of migrant workers in the Southeast Asian region. The remittance receipts that pour out from the sweat of Filipino and Indonesian migrant workers have exceeded the receipt of foreign aid through the ODA (Official Development Assistance) scheme and are also greater than the net profits obtained by the country from foreign direct investment (Foreign Direct Investment).

In the last two decades, there has been a contest between the human rights regime and the development regime in the discussion of labor migration governance. The human rights regime refers more to the ILO and UN instruments driven mostly by civil society groups, trade unions and migrant workers-sending countries, while the developmentist regime is driven by multilateral financial institutions and supported by most state actors and has grown stronger since the establishment of global development commitments. The MDGs and SDGs were then formed and called the crucial role of labor migration as one of the ways to get out of poverty. If you listen to the latest document of the Global Compact on Migration.

Although in the MDGs, the issue of migration is mentioned in the declaration at a glance, but in the study of the International Organization for Migration (IOM) on Migration and the MDGs, it was found that the role of remittances is very important in poverty alleviation efforts. Therefore, it is not surprising that various international financial institutions and the G20 are no exception placing their hopes in the rapid flow of remittances as one of the alternative sources of development financing.

The G20 initiative on remittances was outlined in the G20 National Remittance Plans3 document after G20 leaders in 2014 agreed on the G20 Plan to Facilitate Remittance Flows. The G20 believes that remittances flowing from various parts of the world are an important source of income that supports not only families and businesses, but also the country's economy. This prompted the G20 to include remittances as an issue of financial inclusion. The main target of the G20 plan is to reduce remittance costs.

This initiative is also sustainable with the SDGs which have goals and targets on Migration and Remittances, for example in Goal 8.10 which targets strengthening the capacity of local financial institutions to encourage and expand access to banking, insurance and funding services for all communities, Goal 10.7 which targets the facilitation of migration and human mobility in an orderly, safe, orderly and responsible manner by implementing a planned and managed migration policy with and Goal 10.c targets that by 2030 there will be a reduction of up to less than 3% in remittance costs and the elimination of costly shipping corridors of more than 5%.

5. CONCLUSION

Migrant workers play an important role in the world economy, especially in developed countries as migration destination countries. On the other hand, migrant workers also contribute to the growth of the economy in their home countries, one of which is through remittances sent to their home countries. Indonesia as one of the countries that still makes sending migrant workers one of its main economic activities, where remittances from migrant workers are seen as one of the main sources of foreign exchange after petroleum. The contribution of sending Indonesian Migrant Workers (PMI) abroad when viewed from a social and economic development goal can help overcome the country's problems, namely, increasing the country's foreign exchange, expanding employment and prospering the community. Migrant workers contribute to reducing the unemployment rate in Indonesia by: Increasing household income. Helping families left behind not work for a while. Increase family access to capital and credit for entrepreneurship. Encouraging a decrease in child employment rates Helping economic development in the region of origin. Encourage political and social change.

The use of remittances for productive activities is expected to increase investment in recipient countries. Remittances contribute to the development of the financial sector through an increase in the amount of aggregate savings. Remittances affect the economy of the receiving country through various transmission channels. Remittances obtained from overseas workers are one of the great sources of finance for developing countries. Remittances are also a source of finance in increasing the income of migrant households. Remittances encourage improvements made by households in daily consumption, expenditure on education, health, and other expenses, so that it will affect economic growth. Remittances increase household incomes and are therefore a strong anti-poverty force in developing countries. Evidence from around the world shows that households that receive remittances are financially better in various dimensions compared to households of the same type who do not receive them. Migrant workers contribute to overall household income to meet basic consumption needs and improve the living standards of households left behind. Not only that, migrant workers who return to their home countries (return migrants) also contribute to the economic and social conditions of their home countries. Remittances can contribute directly and indirectly to several SDGs. Remittances' contribution to the SDGs: SDG 1: Reduce poverty, SDG 8: Decent work and economic growth SDG 10.c: Reduce the cost of migrant remittance transactions.

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