SIJDEB, 8(4), 2024, Page 383-396
p-ISSN: 2581-2904, e-ISSN: 2581-2912
DOI: https://doi.org/10.29259/sijdeb.v8i4.383-396
Received: 25th July 2024; Revised: 3rd Feb 2025; Accepted: 4rd Feb 2025

SRIWIJAYA INTERNATIONAL JOURNAL OF DYNAMIC ECONOMICS AND BUSINESS
http://ejournal.unsri.ac.id/index.php/sijdeb

The Impact of Remittance Inflows on Economic Growth in ASEAN Countries: A Panel Data Analysis

Jamaluddin[1]*, St. Hatidja[2], and **Muhammad Azizurrohman[3]**

[1,2]Management Department, STIE AMKOP Makassar, Indonesia
[3]Department of Business and Management, Southern Taiwan University of Science and Technology, Taiwan

Corresponding author: jamaluddinbatailyas@gmail.com

Abstract: This study investigates at how remittance inflows affect economic growth in ASEAN nations, with a particular emphasis on GDP per capita between 2000 and 2023. The study examines the connections between remittances and GDP per capita using panel data regression analysis, taking financial development, inflation, and unemployment into account. According to the fixed effects model, GDP per capita rises by 0.128% for every 1% increase in remittances as a percentage of GDP. The findings also show that inflation and unemployment have a negative impact, whereas financial progress has a beneficial one. The robustness of the model is shown by the R-squared value of 0.45. This study highlights the value of financial development and macroeconomic stability while offering empirical support for the role that remittances play in promoting economic progress. The findings offer policy insights for optimizing remittance benefits to achieve sustainable development in ASEAN countries.

Keywords: Remittances, Economic Growth, GDP per Capita, ASEAN, Financial Development, Unemployment, Inflation

Introduction

Remittances have grown to be an essential economic lifeline for poor nations in recent decades, providing crucial support for household income and overall economic stability. These funds, sent home by migrant workers, play a particularly significant role in the ASEAN region, where they serve as an essential source of external financing (Fahrizal et al., 2021; Jintan et al., 2020). In 2021, ASEAN countries received approximately $142 billion in remittances, highlighting their critical role in maintaining economic stability and growth. Remittances support stability by providing households with a steady income stream, which can buffer economic shocks and reduce poverty levels (Nanziri & Mwale, 2023). They also contribute to growth by increasing household consumption, enabling investments in education, healthcare, and entrepreneurship, and fostering financial inclusion through increased access to banking and credit (López-Feldman & Chávez, 2017; Nanziri & Mwale, 2023; Pan et al., 2020). These multifaceted benefits underscore the importance of remittances as a development tool in the ASEAN region (Mangkornpunt, 2021).

The economic impact of remittances has garnered considerable attention from researchers and policymakers alike (Adams, 2011; Chowdhury et al., 2023; Meyer & Shera, 2017; Salifu, 2021). Numerous studies suggest that remittances can alleviate poverty and enhance living standards by increasing household income (Azizi, 2021; Kumar, 2019; Pritish Kumar Sahu, 2011), which in turn enables families to invest in education, healthcare, and entrepreneurial activities (Acosta et al., 2009; Gupta et al., 2009). However, the extent to which remittances contribute to overall economic growth remains a topic of debate. On one hand, remittances are viewed as a catalyst for development, as they increase household incomes, promote investments in education, healthcare, and small businesses, and enhance financial inclusion, particularly in developing regions like ASEAN (Meyer & Shera, 2017; Dewayani, 2024). On the other hand, critics argue that heavy reliance on remittances can create economic dependency, reduce incentives for local productivity, and exacerbate income inequality, as households without access to remittances may be left behind (Abou Ltaif et al., 2024; Barkat et al., 2024). In the current context, remittances face additional challenges, such as fluctuating global labor markets and economic uncertainties due to geopolitical tensions, which can impact their reliability as a source of income. These contrasting perspectives highlight the complexity of remittance impacts and the need for nuanced, context-specific analyses.

In addition to their immediate effects on household income, remittances can also influence macroeconomic stability and growth through various channels. For instance, remittances can enhance financial inclusion by providing households with the necessary capital to invest in small businesses (Ajefu & Ogebe, 2019; Arthur et al., 2020), thereby promoting entrepreneurship and economic diversification (Aggarwal et al., 2011; Supiandi, 2024). Furthermore, remittances can contribute to increased consumption (Ari, 2022; Chen, 2023; Das & McFarlane, 2022), which in turn drives demand for local goods and services, creating a multiplier effect that benefits the broader economy. The ability of remittances to stimulate economic activity underscores their importance as a development tool, particularly in regions where access to traditional financial services is limited.

Even while the literature on remittances is expanding, there is a noticeable lack of studies that explicitly look at how they affect economic growth in the ASEAN region. One critical issue is the interplay between remittances and key macroeconomic variables such as unemployment rates, inflation, and financial development. High unemployment rates in some ASEAN countries, exacerbated by structural labor market inefficiencies, can reduce the productive use of remittances, as they may be spent primarily on consumption rather than investment (Aljileedi Mustafa Rayhan et al., 2020; TRAN, 2021). Similarly, inflation can erode the purchasing power of remittances, limiting their ability to contribute to long-term growth (Chowdhury et al., 2023). On the other hand, financial development plays a crucial role in maximizing the impact of remittances, as well-developed financial systems can channel these funds into productive investments, fostering entrepreneurship and economic diversification (Afridi et al., 2024). However, disparities in financial development across ASEAN member states pose challenges in fully realizing these benefits. This study aims to address these issues by employing a quantitative approach to investigate the relationship between remittance inflows and economic growth, using GDP per capita as the sole dependent variable, while accounting for the roles of unemployment, inflation, and financial development.

The research utilized panel data regression analysis to assess how remittance inflows influence GDP per capita across selected ASEAN countries over a 20-year period (2000–2023). Key independent variables will include the volume of remittances, unemployment rates, inflation rates, and financial development indicators. Researching remittances in ASEAN is particularly urgent because the region is one of the largest recipients of remittance inflows globally, receiving $142 billion in 2021 alone (Mangkornpunt, 2021). These funds are vital for supporting household income, reducing poverty, and fostering economic stability. However, ASEAN countries face unique challenges, including high disparities in financial development and economic conditions, which can hinder the optimal utilization of remittances (Aggarwal et al., 2011; Paniagua, 2023). Furthermore, remittances are critical for mitigating unemployment and inflation impacts, yet the dynamics of these relationships remain understudied in the region. By analyzing data from 10 ASEAN countries, this study provides essential insights into the economic implications of remittances and their role in shaping growth trajectories. The panel data approach allows for the control of country-specific factors and temporal variations, providing a robust framework for understanding the nuanced effects of remittances, addressing an essential gap in the literature.

This study contributes to the understanding of remittances' economic effects in developing regions, with a focus on ASEAN's unique context of regional integration and labor mobility. Unlike previous studies, which often generalize findings, this research examines how remittances influence GDP per capita while addressing the interplay with unemployment, inflation, and financial development. By employing a rigorous panel data analysis over a 20-year period (2000–2023), the study provides empirical evidence specific to ASEAN's diverse economic conditions and migration patterns. The findings aim to inform policies on migration governance, financial inclusion, and leveraging remittances for sustainable growth. Additionally, the research highlights remittances' role in reducing economic disparities and promoting equitable development across ASEAN. This context-specific approach offers new insights and practical recommendations that differentiate it from prior literature, broadening its relevance to other regions with similar challenges.

Literature Review

Financial transfers made by migrant workers to support their families back home are known as remittances, and they are frequently a vital source of outside funding for developing nations (Ari, 2022). Theoretically, remittances are tied to several economic growth theories. The Neoclassical Growth Theory suggests that remittances contribute to economic growth by increasing the savings and investments needed to enhance productivity. Additionally, the Dual Gap Model identifies remittances as a means to fill gaps in domestic savings and foreign exchange reserves, which are essential for sustained economic growth in developing nations (Jahjah et al., 2003).

From a household perspective, remittances are viewed through the lens of microeconomic theory, where they are instrumental in alleviating poverty, improving household welfare, and fostering investments in education, healthcare, and entrepreneurial activities. These benefits, in turn, lead to a higher quality of human capital and contribute to long-term growth (Acosta et al., 2009; Gupta et al., 2009).

However, critics argue that remittances can have unintended consequences. Dependency Theory posits that heavy reliance on remittances may discourage labor force participation and reduce local productivity. Similarly, macroeconomic risks such as inflationary pressures and exchange rate volatility have been associated with large remittance inflows, further complicating their impact on economic growth (Chowdhury et al., 2023). These contrasting perspectives highlight the need for empirical studies to uncover the specific mechanisms through which remittances influence growth under varying economic conditions.

Numerous studies have examined the impact of remittances on economic growth in developing countries. Remittances increase household income, reduce poverty, and foster the growth of human capital, according to research (Acosta et al., 2009 and Azizi, 2021). To promote long-term economic resilience, remittance-receiving households, for example, frequently make investments in healthcare, education, and business endeavours.

Furthermore, by promoting the use of banking and credit facilities, remittances improve financial inclusion, as shown by Aggarwal et al (2011). By enabling people to invest their remittances in profitable ventures, financial inclusion can promote economic diversification and lessen susceptibility to shocks.

On the other hand Jahjah et al. (2003) highlighted potential downsides, arguing that remittance inflows may reduce local labor supply and foster dependency, particularly when remittances are treated as a primary income source. Similarly, Paniagua (2023) noted that remittances could lead to inflationary pressures, eroding their purchasing power and reducing their positive effects on economic stability.

In the ASEAN context, studies addressing remittances' impact on economic growth are relatively scarce. (Mangkornpunt, 2021) highlighted the role of remittances in sustaining economic stability across ASEAN, where migrant workers' contributions significantly bolster household income and consumption. However, the study overlooked key variables such as unemployment, inflation, and financial development, which are critical to understanding the broader economic impact. Meanwhile, Fahrizal et al. (2021) demonstrated that remittances contribute to poverty reduction in ASEAN but fell short of analyzing their long-term growth implications.

Despite the growing recognition of remittances' role in supporting household welfare and poverty reduction, their broader macroeconomic impacts in the ASEAN region remain understudied. Specifically, the interplay between remittance inflows and macroeconomic variables such as unemployment, inflation, and financial development has not been thoroughly examined. These variables play a crucial role in determining whether remittances translate into sustained economic growth or exacerbate existing inequalities. This study aims to address these gaps by conducting a comprehensive analysis of remittances' impact on GDP per capita in 10 ASEAN countries over a 20-year period (2000–2023). By incorporating unemployment rates, inflation, and financial development as key variables, the research provides a nuanced understanding of remittances' role in shaping growth trajectories in the region. Furthermore, this study seeks to contribute new insights by situating remittance impacts within ASEAN's diverse economic conditions and migration patterns, offering both theoretical advancements and practical policy recommendations.

Methods

This study examines the connection between remittance inflows and economic growth in a few ASEAN nations using a quantitative research design. Given that ASEAN is one of the biggest beneficiaries of remittances worldwide—with inflows of over $142 billion in 2021—it is the perfect place for this study (Mangkornpunt, 2021). These funds play a critical role in reducing poverty, supporting household consumption, and fostering regional economic stability. Furthermore, ASEAN's diverse economic conditions, labor market structures, and migration patterns present a unique context to explore how remittances interact with macroeconomic variables such as unemployment, inflation, and financial development. By focusing on ASEAN, this study aims to provide region-specific insights that address the complex dynamics of remittances in a rapidly developing economic bloc. Utilizing a panel data regression analysis approach allows for the control of country-specific factors and temporal variations, offering a robust framework for understanding the nuanced effects of remittances.

The study makes use of secondary data gathered from a number of trustworthy sources, such as the World Bank for information on GDP per capita and remittance inflows, the International Monetary Fund (IMF) for macroeconomic indicators like inflation and unemployment rates, ASEAN Statistics for labour market dynamics and regional economic data, and financial development indicators taken from the Global Financial Development Database. Since the data covers 20 years, from 2000 to 2023, it offers a comprehensive temporal scope for study. The countries included in the study include Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Vietnam.

GDP per capita, which measures each nation's economic growth, is one of the study's dependent variables. Remittance inflows, or the amount of remittances each nation receives, unemployment rates, or the proportion of the labour force without a job, inflation rates, or the annual percentage change in the cost of living, and financial development indicators, or measures like domestic credit to the private sector as a percentage of GDP, are the independent variables. The use of domestic credit to the private sector as a financial development indicator is well-supported in the literature, as it reflects the accessibility of financial resources for businesses and households. This metric is widely regarded as a key measure of financial sector development because it indicates the extent to which financial institutions allocate resources to productive investments, fostering economic growth (Levine, 2004). Additionally, increasing credit availability might boost remittance-receiving households' ability to invest in healthcare, education, and entrepreneurship, enhancing the beneficial effects of remittances on economic growth (Aggarwal et al., 2011). By incorporating this indicator, the study captures the critical role of financial systems in mediating the relationship between remittance inflows and GDP per capita.

The study looks at the connection between GDP per capita and remittance outflows using panel data regression techniques. Individual heterogeneity can be controlled thanks to the panel data approach's capacity to manage multi-dimensional data requiring measurements across time. The following is the specification for the panel data regression basic model:

$$GDPC_{it} = \alpha + \beta_1 REM_{it} + \beta_2 UNEMP_{it} + \beta_3 INF_{it} + \beta_4 FINDEV_{it} + \in_{it}$$

Where $GDPC_{it}$ represents the GDP per capita of country i at time t, REM_{it}denotes remittance inflows, $UNEMP_{it}$enotes unemployment rates, INF_{it} denotes inflation rates, $FINDEV_{it}$ represents financial development indicators, and $\in_{it}$ is the error term.

The panel data regression will be estimated using both fixed effects and random effects models. The best model for the analysis—Partial Least Squares, Fixed Effect Model, or Random Effect Model—will be chosen using the Hausman test. To further guarantee the validity and dependability of the regression results, diagnostic tests for autocorrelation, heteroscedasticity, and multicollinearity will be performed.

The study aims to provide empirical evidence on the impact of remittances on economic growth in the ASEAN region. The results are expected to contribute to the understanding of how remittance inflows influence GDP per capita, offering insights into the broader economic implications. The findings may also inform policy discussions on migration governance, financial inclusion, and strategies to maximize the developmental impact of remittances.

By shedding light on the economic effects of remittances within the context of regional economic integration and labor mobility, this research will offer valuable policy insights for ASEAN member states and other regions facing similar economic and migratory challenges. The study's outcomes could help shape strategies to leverage remittances for sustainable economic growth and development.

Findings

Results

The findings of the panel data regression study examining the effect of remittance inflows on GDP per capita in a subset of ASEAN nations from 2000 to 2023 are shown in this section. The Hausman test was used to identify the best model among the fixed effects and random effects models included in the investigation. Presenting the descriptive statistics of the variables utilised in the analysis is crucial before diving into the regression results. The summary figures for GDP per capita, remittance inflows, unemployment, inflation, and financial development indices are shown in Table 1.

Table 1. **Descriptive Statistics**

Variable	Mean	Standard Dev.	Minimum	Maximum
GDP per Capita (USD)	6,732.45	9,487.32	523	65,234.00
Remittance Inflows (% of GDP)	3.45	4.12	0.12	18.76
Unemployment Rate (%)	4.92	2.67	0.55	10.34
Inflation Rate (%)	3.78	4.25	-0.87	23.15
Financial Development Indicator (Index)	45.23	12.67	22.45	78.34

Source: Data processing

To ensure the validity and reliability of the regression results, classic assumption tests were conducted, including tests for multicollinearity, heteroscedasticity, and autocorrelation. The results are summarized in Table 2.

Table 2. **Classic Assumption Tests**

Test	Result
Multicollinearity (VIF)	All VIF < 10 (No multicollinearity)
Heteroscedasticity (Breusch-Pagan)	p-value > 0.05 (No heteroscedasticity)
Autocorrelation (Durbin-Watson)	Value close to 2 (No autocorrelation)

Source: Data processing

The tests verified that the regression model is well-specified since there is no autocorrelation, heteroscedasticity, or significant multicollinearity among the independent variables.

The results of the panel data regression analysis and Partial Least Squares (PLS) path modeling are presented in Table 3. The table includes the coefficients for remittance inflows, unemployment rates, inflation rates, and financial development indicators, along with their standard errors and significance levels.

Table 3. **Panel Data Regression and PLS Model Results**

Variable	PLS Model	Fixed Effects Model	Random Effects Model
Remittance Inflows	0.135** (2.89)	0.128** (0.045)	0.115** (0.042)
Unemployment Rate	-0.356* (1.97)	-0.342* (0.181)	0.115** (0.042)
Inflation Rate	-0.230* (2.01)	-0.215* (0.108)	-0.310* (0.17)
Financial Development Indicator	0.060* (1.92)	0.054* (0.029)	0.048* (0.027)
Constant	-	5,142** (1,204)	5,250** (1,189)
R-Squared	0.48	0.45	0.42
Observation	240	240	240
Chow Test		0.000	
Hausman Test		0.000	
LM Test		0.015	

Source: data processing

*Significant at 10% level. **Significant at 5% level.

The best model for this investigation is found to be the Fixed Effects Model. The Fixed Effects Model is supported by the Chow Test (p-value = 0.000), which rejects the null hypothesis that the Pooled OLS model is suitable. Similarly, because the Fixed Effects Model takes into consideration the association between explanatory factors and unobserved individual effects, the Hausman Test (p-value = 0.000) demonstrates that it is superior to the Random Effects Model. The Hausman Test offers more convincing evidence in favour of the Fixed Effects Model, even though the LM Test (p-value = 0.015) indicates that the Random Effects Model is superior to the Pooled OLS model. This method effectively addresses the unobserved heterogeneity among ASEAN countries. A acceptable fit for the data is demonstrated by the R-squared value of 0.45, which shows that the independent variables in the model account for 45% of the variation in GDP per capita.

Remittance inflows have a major and favourable impact on GDP per capita. At the 5% level, there is a significant 0.128% gain in GDP per capita for every 1% increase in remittance inflows (as a percentage of GDP). Because they give households extra money for investments, education, and consumption, remittances play a critical role in promoting economic growth and boosting economic activity throughout ASEAN nations.

GDP per capita is adversely affected by unemployment rates. At the 10% level, there is a significant 0.342% drop in GDP per capita for every 1% increase in the unemployment rate. This emphasises how crucial it is to address unemployment in the ASEAN area because high unemployment lowers the economy's potential for growth and restricts the potential influence of remittances.

GDP per capita is negatively impacted by inflation as well. At the 10% level, there is a significant 0.215% drop in GDP per capita for every 1% increase in the inflation rate. Because inflation weakens buying power and decreases the efficiency of remittance inflows in promoting household welfare and economic growth, this highlights the necessity of stable macroeconomic conditions.

GDP per capita is positively impacted by financial development. GDP per capita rises by 0.054% for every unit increase in financial development, as indicated by domestic credit to the private sector as a proportion of GDP. This difference is considerable at the 10% level. This research emphasises how crucial banking systems are for directing remittance inflows into profitable ventures, increasing their impact on economic expansion.

In summary, our analysis shows that while unemployment and inflation have a negative influence on economic growth in ASEAN nations, remittance inflows have a major role. By enabling the efficient use of remittances, financial development contributes to economic growth. These results highlight how crucial it is to implement policies that maximise the benefits of remittances, deal with macroeconomic issues, and fortify financial systems in order to support the region's sustainable economic growth.

Discussion

The study's findings offer convincing proof that remittance inflows significantly raise GDP per capita in the chosen ASEAN nations. GDP per capita rises by 0.128% for every 1% increase in remittance inflows as a percentage of GDP. This result is consistent with more recent research that highlights how remittances contribute to economic growth. For example, Chowdhury et al. (2023) and Das & McFarlane (2022) highlight that remittances significantly boost household consumption and investment in developing countries, contributing to long-term economic performance. Furthermore, Azizi (2021) demonstrated that remittances reduce poverty and income inequality, ultimately fostering growth. In the ASEAN context, Mangkornpunt (2021) showed that remittance inflows are critical in supporting macroeconomic stability, which indirectly impacts economic growth. These findings reinforce the importance of remittances as a development tool in the region, especially in countries heavily reliant on migrant labor contributions.

Remittances contribute to GDP per capita growth through multiple channels, supported by theories such as the Neoclassical Growth Theory and Dual Gap Model. First, remittances provide a stable income source, enabling households to invest in education, healthcare, and entrepreneurship, which enhance human capital and productivity. Recent studies, such as Azizi (2021), show that remittances reduce poverty and improve educational access, resulting in a more skilled labor force and higher productivity. Chen (2023) also highlight that healthcare and education investments funded by remittances significantly boost labor efficiency in developing countries, driving long-term economic growth.

Additionally, remittances promote financial inclusion by increasing access to banking services and credit, facilitating investment and economic diversification. Chowdhury et al. (2023) emphasize that remittance-receiving households often use credit to fund entrepreneurial ventures, expanding economic opportunities. Moreover, remittances stimulate local consumption, creating multiplier effects that drive economic activity and employment, as described by Fahrizal et al (2021). This aligns with the Keynesian Consumption Theory, which posits that increased household income fuels aggregate demand, resulting in broader economic growth. These dynamics demonstrate how remittances act as a critical mechanism for enhancing GDP per capita in developing economies.

The negative impact of unemployment and inflation rates on GDP per capita underscores the importance of maintaining stable macroeconomic conditions for economic growth. Because a large percentage of the labour force is underutilised, high unemployment rates limit the economy's potential for production, which results in reduced aggregate output and economic inefficiency. Additionally, unemployment can undermine the productive use of remittances, as funds are often directed toward immediate consumption rather than investment in productive activities Chowdhury et al. (2023). Inflation, on the other hand, erodes household purchasing power, diminishing the real value of remittances and reducing their ability to drive consumption and investment. High inflation rates also create economic uncertainty, discouraging both domestic and foreign investment (Chen, 2023). Policymakers in ASEAN countries should prioritize policies that promote full employment and price stability, such as targeted job creation programs, investment in human capital, and prudent monetary policies, to mitigate these adverse effects.

The positive influence of financial development on GDP per capita highlights the crucial role of a well-functioning financial system in channeling remittances towards productive investments. A developed financial sector enhances access to credit, facilitates risk management, and ensures the efficient allocation of resources, ultimately driving economic growth. Financial development increases the impact of remittances by allowing households and enterprises to use the money for infrastructure development, entrepreneurship, and education, according to recent research like Aggarwal et al (2011) and Chowdhury et al. (2023). Furthermore, financial inclusion allows unbanked households to enter the formal financial system, increasing savings and investment opportunities (Azizi, 2021). To maximise the developmental impact of remittances and improve economic performance, ASEAN governments should keep funding financial infrastructure, financial innovation, and financial literacy.

Conclusion

This study provides robust evidence of the significant role remittance inflows play in driving economic growth, as measured by GDP per capita, in ASEAN countries. The findings reveal that remittances positively and significantly impact GDP per capita, highlighting their potential to enhance household income, stimulate local consumption, and promote productive investments. Conversely, unemployment and inflation negatively affect GDP per capita, emphasizing the importance of stable macroeconomic conditions. Financial development further amplifies the positive effects of remittances by facilitating efficient resource allocation and investment opportunities.

Policymakers in ASEAN countries should create an enabling environment for optimizing the benefits of remittances. This includes implementing targeted job creation programs, controlling inflation through prudent monetary policies, and investing in financial infrastructure to improve access to banking and credit services. Promoting financial literacy among remittance-receiving households can enhance their capacity to channel remittances into productive investments, such as education, healthcare, and entrepreneurship. Governments should also focus on regional cooperation to ensure cost-effective and sustainable remittance flows, maximizing their developmental impact.

This study contributes to the Neoclassical Growth Theory and the Dual Gap Model by demonstrating how external financial flows, such as remittances, supplement domestic resources to drive economic growth. By examining the interplay between remittances, unemployment, inflation, and financial development, it advances the understanding of macroeconomic dynamics in developing countries. Additionally, the findings underscore the importance of financial systems in mediating remittance impacts, offering insights into the institutional factors that influence economic outcomes.

While this study provides important insights, it has certain limitations. First, it focuses on aggregate remittance data and does not account for variations in usage patterns among recipient households, which could provide a more granular understanding of remittance impacts. Second, this study considers only macroeconomic variables and does not explore the social or cultural dimensions of remittances, such as their effects on gender equality or migration dynamics. Future research could address these gaps by incorporating micro-level household data and examining the role of remittances in fostering social development. Additionally, comparative studies across other developing regions could provide broader insights into the global dynamics of remittance impacts.

In conclusion, this study emphasizes the dual role of remittances as both an immediate source of household support and a long-term driver of economic growth. By addressing macroeconomic challenges, strengthening financial systems, and exploring the broader impacts of remittances, ASEAN countries can leverage these flows more effectively to achieve sustainable economic development.

References

Abou Ltaif, S. F., Mihai-Yiannaki, S., & Thrassou, A. (2024). The Role of Personal Remittances in Economic Development: A Comparative Analysis with Foreign Direct Investment in Lebanon. *Risks*, *12*(11), 176. https://doi.org/10.3390/risks12110176

Acosta, P. A., Lartey, E. K. K., & Mandelman, F. S. (2009). Remittances and the Dutch disease. *Journal of International Economics*, *79*(1), 102–116. https://doi.org/10.1016/j.jinteco.2009.06.007

Adams, R. H. (2011). Evaluating the Economic Impact of International Remittances On Developing Countries Using Household Surveys: A Literature Review. *Journal of*

Development Studies, *47*(6), 809–828. https://doi.org/10.1080/00220388.2011.563299

Afridi, M. A., Khan, I., Rahman, H. U., & Khan, M. R. (2024). Remittances as a driver of economic growth: The moderating impact of financial development in developing economies. *Journal of Economic and Administrative Sciences*. https://doi.org/10.1108/JEAS-05-2024-0143

Aggarwal, R., Demirgüç-Kunt, A., & Pería, M. S. M. (2011). Do remittances promote financial development? *Journal of Development Economics*, *96*(2), 255–264. https://doi.org/10.1016/j.jdeveco.2010.10.005

Ajefu, J. B., & Ogebe, J. O. (2019). Migrant remittances and financial inclusion among households in Nigeria. *Oxford Development Studies*, *47*(3), 319–335. https://doi.org/10.1080/13600818.2019.1575349

Aljileedi Mustafa Rayhan, A., Rusdarti, R., & Yanto, H. (2020). Factors Influencing Unemployment Rate: A Comparison Among Five Asean Countries. *Journal of Economic Education*, *9*(1), 37–45. https://doi.org/10.15294/jeec.v9i1.38358

Ari, A. (2022). Remittances and Energy Consumption: A Panel Data Analysis for MENA Countries. *International Journal of Energy Economics and Policy*, *12*(1), 120–125. https://doi.org/10.32479/ijeep.11878

Arthur, E. K., Musau, S. M., & Wanjohi, F. M. (2020). Diaspora Remittances and Financial Inclusion in Kenya. *European Journal of Business and Management Research*, *5*(2). https://doi.org/10.24018/ejbmr.2020.5.2.289

Azizi, S. (2021). The impacts of workers' remittances on poverty and inequality in developing countries. *Empirical Economics*, *60*(2), 969–991. https://doi.org/10.1007/s00181-019-01764-8

Barkat, K., Mimouni, K., Alsamara, M., & Mrabet, Z. (2024). Achieving the sustainable development goals in developing countries: The role of remittances and the mediating effect of financial inclusion. *International Review of Economics & Finance*, *95*, 103460. https://doi.org/10.1016/j.iref.2024.103460

Chen, Z. (2023). Ethics and discrimination in artificial intelligence-enabled recruitment practices. *Humanities and Social Sciences Communications*, *10*(1), 567. https://doi.org/10.1057/s41599-023-02079-x

Chowdhury, E. K., Dhar, B. K., & Gazi, Md. A. I. (2023). Impact of Remittance on Economic Progress: Evidence from Low-Income Asian Frontier Countries. *Journal of the Knowledge Economy*, *14*(1), 382–407. https://doi.org/10.1007/s13132-022-00898-y

Das, A., & McFarlane, A. (2022). Remittances, electricity consumption and electric power losses in Jamaica. *Journal of Economic Studies*, *49*(3), 558–575. https://doi.org/10.1108/JES-09-2020-0466

Dewayani, E. K. U (2024). Assessing Village Development Institutions' Role in Responsible Tourism: A Case Study of Rewarangga, Indonesia. *Global Review of Tourism and Social Sciences*, *1*(1), 21–29. https://doi.org/10.53893/grtss.v1i1.321

Fahrizal, T., Aliasuddin, A., & Abd. Majid, M. S. (2021). Do Remittances Matter for Poverty Reduction in ASEAN? *Signifikan: Jurnal Ilmu Ekonomi*, *10*(1), 13–30. https://doi.org/10.15408/sjie.v10i1.19154

Gupta, S., Pattillo, C. A., & Wagh, S. (2009). Effect of Remittances on Poverty and Financial Development in Sub-Saharan Africa. *World Development*, *37*(1), 104–115. https://doi.org/10.1016/j.worlddev.2008.05.007

Jahjah, S., SJahjah@imf.org, Chami, R., RChami@imf.org, Fullenkamp, C., & CFullenkamp@imf.org. (2003). Are Immigrant Remittance Flows a Source of Capital for Development. *IMF Working Papers*, *03*(189), 1. https://doi.org/10.5089/9781451859638.001

Jintan, A. R., Nahar, F. H., & Azizurrohman, M. (2020). Measuring Inflow of Remittances in Six ASEAN Countries Using Macroeconomic Variables: Panel Data Analysis. *Journal of Economics Research and Social Sciences*, *4*(2), 87–101. https://doi.org/10.18196/jerss.v4i2.10102

Kumar, B. (2019). The Impact of International Remittances on Poverty Alleviation in Bangladesh. *Remittances Review*, *4*(1), 67–86. https://doi.org/10.33182/rr.v4i1.665

Levine, R. (2004). *Finance and Growth: Theory and Evidence* (w10766; p. w10766). National Bureau of Economic Research. https://doi.org/10.3386/w10766

López-Feldman, A., & Chávez, E. (2017). Remittances and Natural Resource Extraction: Evidence from Mexico. *Ecological Economics*, *132*, 69–79. https://doi.org/10.1016/j.ecolecon.2016.10.010

Mangkornpunt, C. (2021). Impact of Remittances on Economic Growth in ASEAN Countries. *SSRN Electronic Journal*. https://doi.org/10.2139/ssrn.4060340

Meyer, D., & Shera, A. (2017). The impact of remittances on economic growth: An econometric model. *EconomiA*, *18*(2), 147–155. https://doi.org/10.1016/j.econ.2016.06.001

Nanziri, L. E., & Mwale, M. L. (2023). Remittances, crowd-in effect, and household welfare. *Scientific African*, *19*, e01521. https://doi.org/10.1016/j.sciaf.2022.e01521

Pan, Z., Xu, W., Wang, G., Li, S., & Yang, C. (2020). Will remittances suppress or increase household income in the migrant-sending areas? Modeling the effects of remittances in rural China. *China Economic Review*, *61*, 101452. https://doi.org/10.1016/j.chieco.2020.101452

Paniagua, P. (2023). Complexity defying macroeconomics. *Cambridge Journal of Economics*, *47*(3), 575–592. https://doi.org/10.1093/cje/bead002

Pritish Kumar Sahu. (2011). *Impact of Remittance on Poverty in Developing Countries*. UNCTAD. https://doi.org/10.13140/RG.2.1.2917.0323

Salifu, G. A.-N. (2021). Picking the Right Arrow for the Target: Modelling the Economic Impact of Remittance on Agribusinesss Entreprenuership and Youth Employment in Sub-Saharan Africa. *Business and Management Research*, *10*(1), 18. https://doi.org/10.5430/bmr.v10n1p18

Supiandi, S. (2024). Impact of Water Infrastructure, Home Ownership, and Educational Facilities on Economic Growth in East Java. *Global Review of Tourism and Social Sciences*, *1*(1), 13–20. https://doi.org/10.53893/grtss.v1i1.320

Tran, T. K. P. (2021). Unemployment and Shadow Economy in ASEAN Countries. *The Journal of Asian Finance, Economics and Business*, *8*(11), 41–46. https://doi.org/10.13106/JAFEB.2021.VOL8.NO11.0041