Internship Report

On

Remittance Impact on Both Poverty Level and Economic Growth of Bangladesh

Under the Supervision of:

Ishrat Jahan

Assistant Professor

School of Business and Economics

United International University

Submitted By:

Rajiya Sultana

ID: 111183072

Date of Submission: 4th July 2023

UNITED INTERNATIONAL UNIVERSITY

Remittance Impact on Both Poverty Level and Economic Growth of Bangladesh

Letter of Transmittal

4th July 2023

To,

Ishrat Jahan

Assistant Professor

School of Business and Economics

United International University

Subject: Internship Report Submission on “Remittance Impact on both Poverty Level and Economic Growth of Bangladesh”

Dear Ma’am,

With due respect, I have completed my internship report on “Remittance Impact on both Poverty Level and Economic Growth of Bangladesh” after completion of my internship period. In this report, I have tried to show the main scenario of Bangladesh manpower export industry fully efficient and effective. I have followed your instructions and guidelines in every elements of this report. If you precede my report and appreciate my hard work, it will be my honor and pleasure.

I hope and believe that my hard work and effort will meet up your requirements and fulfill your expectations and look forward for your any kind of feedback and recommendation.

Yours Sincerely,

Rajiya Sultana

ID - 111183072

School of Business and Economics

United International University

Acknowledgement

At first, I would like to place my gratitude to Almighty of Allah for providing me the strength to complete the internship report within the timeframe. Then, I would like to thank those team mates who helped me to complete this report and grateful to that person who continuously support and inspire me to complete the internship period.

I would also like to thank my honorable teacher, Ishrat Jahan, Assistant Professor of school of business and economics, United International University, for her proper guidance and careful supervision. She has indebted me with her flawless advices and support.

Certificate of Supervision

This is to certify that Rajiya Sultana has worked under my supervision for preparing the internship report “Remittance Impact on both Poverty Level and Economic Growth of Bangladesh” and submitted with fulfillment of all requirements of the award of the degree of Bachelor of Business Administration in School of Business and Economics from United International University (UIU). This report is prepared with sincerity and dedication carried out by Rajiya Sultana alone and to the best of my knowledge.

Supervisor -------------------------------

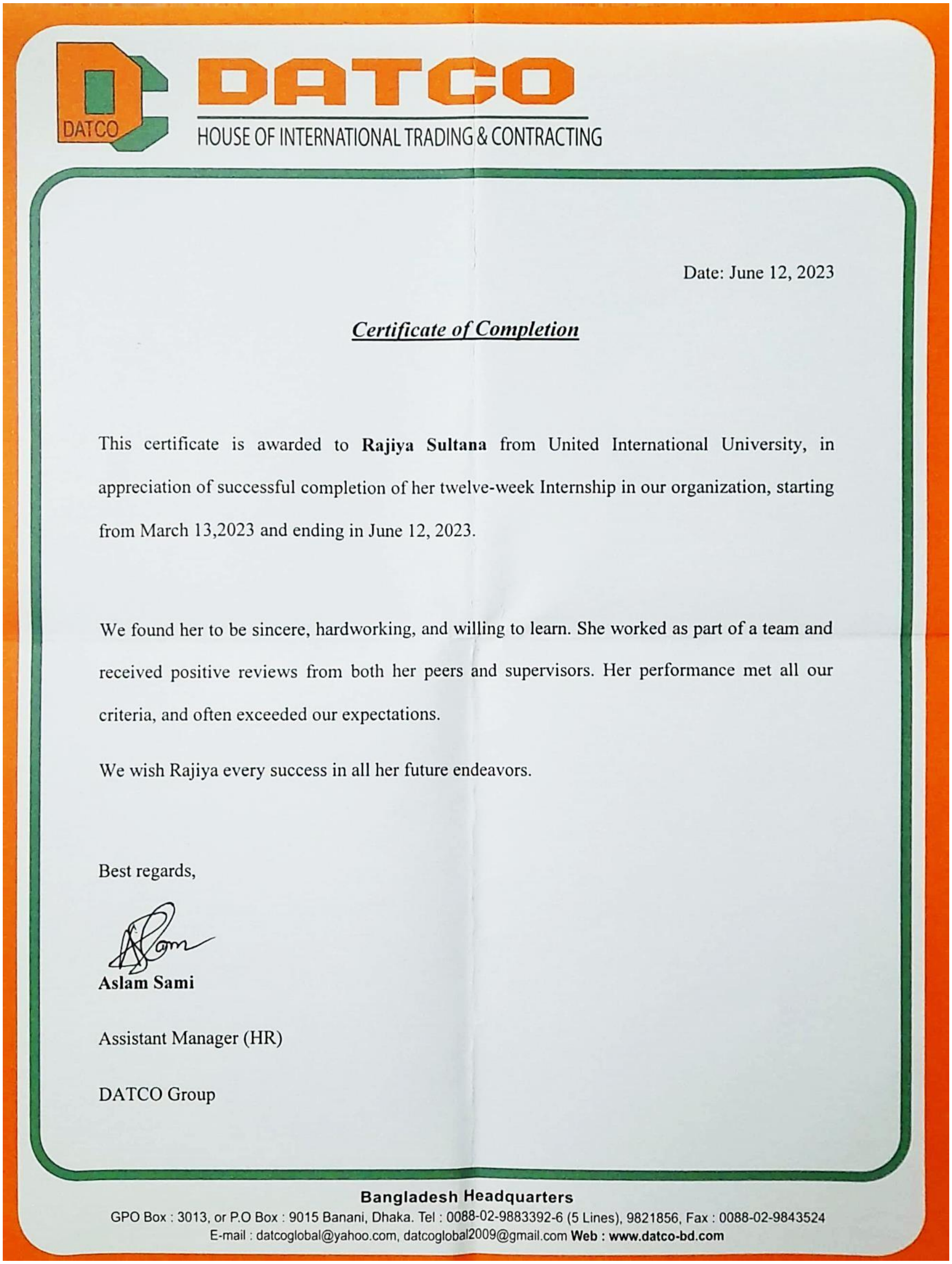
Ishrat Jahan

Assistant Professor

School of Business and Economics

United International University

Certificate of Organization



DATCO

HOUSE OF INTERNATIONAL TRADING & CONTRACTING

Date: June 12, 2023

Certificate of Completion

This certificate is awarded to **Rajiya Sultana** from United International University, in appreciation of successful completion of her twelve-week Internship in our organization, starting from March 13,2023 and ending in June 12, 2023.

We found her to be sincere, hardworking, and willing to learn. She worked as part of a team and received positive reviews from both her peers and supervisors. Her performance met all our criteria, and often exceeded our expectations.

We wish Rajiya every success in all her future endeavors.

Best regards,

Aslam Sami

Assistant Manager (HR)

DATCO Group

Bangladesh Headquarters

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Abstract

The internship report is based on “Remittance Impact on both Poverty Level and Economic Growth of Bangladesh”. This report explores the patterns and trends on remittance inflows throughout the country and their effects on different variables such as GDP, poverty level etc. From findings, there is conducted “multiple regression test” and “correlation test” and suggested that remittances play an important role to increase economic growth and reduce the level of poverty in Bangladesh. It shows how the inflow of remittance has a significant and positive effect. In addition to this, remittances have given a greater contribution on poverty reduction with the improvement of household income, reduction of income inequality and increase of accessing to the basic needs of household. There are some recommendations how government can focus on promote a safe environment emigrants, create opportunities for the employment etc.

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Section-I: Introduction

Background

As a developing country, Bangladesh has a noteworthy income source like remittance. Remittance means the money transfer from an individual who is working and living in foreign country far away their home country. Remittance is such an income source that able to raise economic growth and reduce extreme poverty of our country.

In South Asian region, Bangladesh earned "3rd" position among the country region for the highest remittance growth in 2020. From 2021 to 2023, Bangladesh has earned on average 403.6 USD Million. In 2021, the highest remittance was around 2598 USD Million. Bangladesh remittance flow is about 6.6%. For a developing country, the main concern is to reduce level of poverty. Remittance is mainly exporting the manpower that helps to increase in employment as decreasing poverty level of the country. In 2022, poverty rate was 19.3% and the amount was around 26 Million. From the year 1990 to the year 2022, the poverty level has downwarded as 80% to 19.3% respectively. Remittance is the main factor that affects this poverty rate. So, exporting manpower has helped to generate remittance which is the key element of economic growth of Bangladesh.

Objectives

Objective is required what our inquiry is trying to achieve. An objective gives the answers to how to do it.

The report covers two objectives. They are given below-

1. **Primary Objective:** The main objective of this report is offering an intuition how remittance affect poverty level and economic growth in Bangladesh.
2. **Secondary Objective:** The secondary objectives are-
    - Identification of opportunities and challenges related with remittance and its effect on country's economy
    - Examination of remittance impact on decreasing poverty of Bangladesh

- Inspection of the inflow of remittance’s volume and trends over the last decade
- Evaluation of the role of remittance to raise economic growth in Bangladesh
- Suggestion of some policy recommendation to maximize the benefit of inflow of remittances in Bangladesh

Data Collection

There are two sources for data collection-

- Primary source
- Secondary source

There is secondary data used for preparing this report. Data is collected from various sources as Bangladesh Bureau of Statistics, Bangladesh Bank, academic journals, research papers, reports from International organizations such as United Nation, World Bank etc. These sources helped to enhance the overall report as giving valuable insights to remittance related factors and its impact on the development of economy.

Scope

The main focus of this report is to determine the link between remittances, economic growth, and decreases of poverty in Bangladesh. Secondary data has been used for the study. The data will contain the years from 2013 to 2023. The study will fully concentrate on the point how remittances affect the economic growth of a country focusing on some factors (such as- GDP, inflation, interest rate, exchange rate etc.).

Limitations

There are some limitations that found during the completion of the report. These are-

- Restricted information of the company due to confidential issue
- Limited knowledge for data collection from different source
- Assigned easy task to complete as a result to lack of knowing the complexity of problem
- Shorten time for the research and complete report
- Engaged for less time to get experience of corporate life

Section-II: Overview of the Organization

DATCO Pvt. Ltd.

In 1974, DATCO Pvt. Ltd. has started its journey as an exporting manpower industry. Dr. Moosa Bin Shamsher was the founder of this company. It has started one of the first companies as a manpower industry. Before initiating this company, Mr. Moosa concreted the way of manpower exporting and exported manpower in UAE, Saudi Arabia, Middle East and notedly in Qatar etc.

By the years, DATCO has its success timeline. In 1970, DATCO started its manpower exporting business as an institution of the manpower export industry of Bangladesh with the Middle Eastern countries such as Qatar, UAE, and Kingdom of Saudi Arabia. In 1980, there was helped to initiate manpower export association, BAIRA. Then, the company was awarded for its own high remittance inflow for the 5 years back to back by the Bangladesh Bank in 1990. And in 2000, there was the first to opened business in Italy and Eastern Europe for the manpower exporting (DATCO, 2015).

DATCO has experienced a slowdown in its main business as manpower exporting. But, it has moved its focus towards the newly launched subsidiaries in recent years. The company has two sister concerns; Veritas Academy and Techdyno BD Ltd. These sister concerns have their own operations and organizational structure but the accounts and HR division is run from the head office only (DATCO). The office address is at Haq's Plaza, level 4, 26 Kamal Ataturk Avenue, Banani, Dhaka-1213.

Veritas Academy

In Bangladesh, Veritas Academy is a highly considered education consultant. It was launched on 23rd October 2022. It contains both in-person and online learning opportunities as hybrid facilities. Veritas Academy offers three (03) categories of education and training services including professional training, university and admission examination preparation, and secondary and higher secondary (O&A Levels) education support. Mr. Nahiyan Huda Khan is the CEO of the company (Abdullah, 2023). The office address is at house: 09 (1st floor), Road: 113, Gulshan-2, Dhaka-1213.

Techdyno BD Ltd

Techdyno BD is an innovative IT solution company. It was founded in March 26th March 2018. It is focused on providing digital solutions to businesses to solve problems and improve performance. They provide services as including web design and development, software development, android application development, search engine optimization (SEO), graphics design, 2D animation video production, video editing, digital marketing, and total branding solutions. Mr. Bobby Hajjaj is the chairman of the company. The office address is at house-02 (4th floor), road-07, Baridhara-J block, Dhaka-1212.

Structure of the Organization

In recent days, DATCO ownership has changed. Mr. Moosa Bin Shamsher has shifted his position to Mr. Zubi Bin Moosa as Managing Director (MD). Apart from this, the company has five different departments for its operation.

1. **Manpower Department:** The manpower department is basically dealing with to export manpower into the Middle Eastern countries with Italy and Libya as well. It deals with the later process to ensure a safe trip and emigrant's settlement from the exporting advertisement. Manpower department is made of four people. The Manager and assistant manager are maintaining the whole department. The local brokers and suppliers of outside are maintained by the department. Local brokers are responsible to supply workers to the suppliers with their information to the company. Then, the company recruits them by following their selection process. Selection process is starting from preselection test as checking whether they carry out proper documents and technical knowledge. Then, they go through under medical test, trade test (technical skill test), security and safety test and final selection (all previous test done) to recruit successfully. Assistant manager is responsible to conclude this operation and ensure to safe travel and settlement of all selected candidates to their jobs.

2. **Human Resource Department:** The HR department deals with overall recruitments, office environment and ensure to well-being of all workers. It involves with employee

appraisal, salary distribution, bonus distribution etc. The manager, Mr. Aslam Sami takes the whole department's responsibility with his executive. He supervises to the employees whether any change needed in the policies for their betterment. He is also responsible for DATCO'S both subsidiaries responsibility.

3. **Finance and Accounts Department:** Mr. Anik Shaha is the responsible for the department of DATCO, Veritas and Techdyno. Accounts department is responsible for recording to daily expenses and revenues, evaluating all expenses and bonuses, recording bank reconciliation statements, preparing monthly reports, preparing budgets, distributing salaries, making payments for creditors and collecting dues from the debtors.

4. **IT Department:** This department is ensuring safe and sound health of the technological infrastructures through troubleshooting etc.

5. **Digital Marketing Department:** This department is made of five units; graphics, video, digital marketing, creative, and IT administration. Graphics unit has specialized in design graphics and images for the subsidiaries of DATCO Group. Video unit is responsible to edit and produce videos and generate motion graphics for the group's subsidiaries as well. Digital marketing unit is managing social media campaigns, supervising digital communications and providing digital administration services for the subsidiaries. Creative unit has formulated and planned events, products, and ideas for the graphics and video units. IT unit is maintaining and managing all IT assets and networking infrastructure for the entire group.

Firstly, all departments are taking decisions individually and passing the decisions to director and managing director. Each department's hierarchy is respected and their opinions and decisions are also equally respected.

Organizational Policy

DATCO Pvt. Ltd. follows some policies for good governance, maintaining company ethically. Some of its policies are given below- • Equal treatment for all employees

- Fair selection process for all candidates
- Proper training after successful selection
- Rules for every employee to maintain corporate environment
- Bank transfer of salary for employees on specific time
- Other company rules such as 25 days as annual paid leave, inform for leaving job before 2 months etc.

Competitors of DATCO

There are some manpower exporting companies and agencies that similar to DATCO. They collaborate with DATCO. They have marked as the competitiors of DATCO. They are listed below-

- Elegants Overseas LTD
- Max Management & Services
- Prineolina International LTD
- Uzan Traing Corporation

Organogram of DATCO

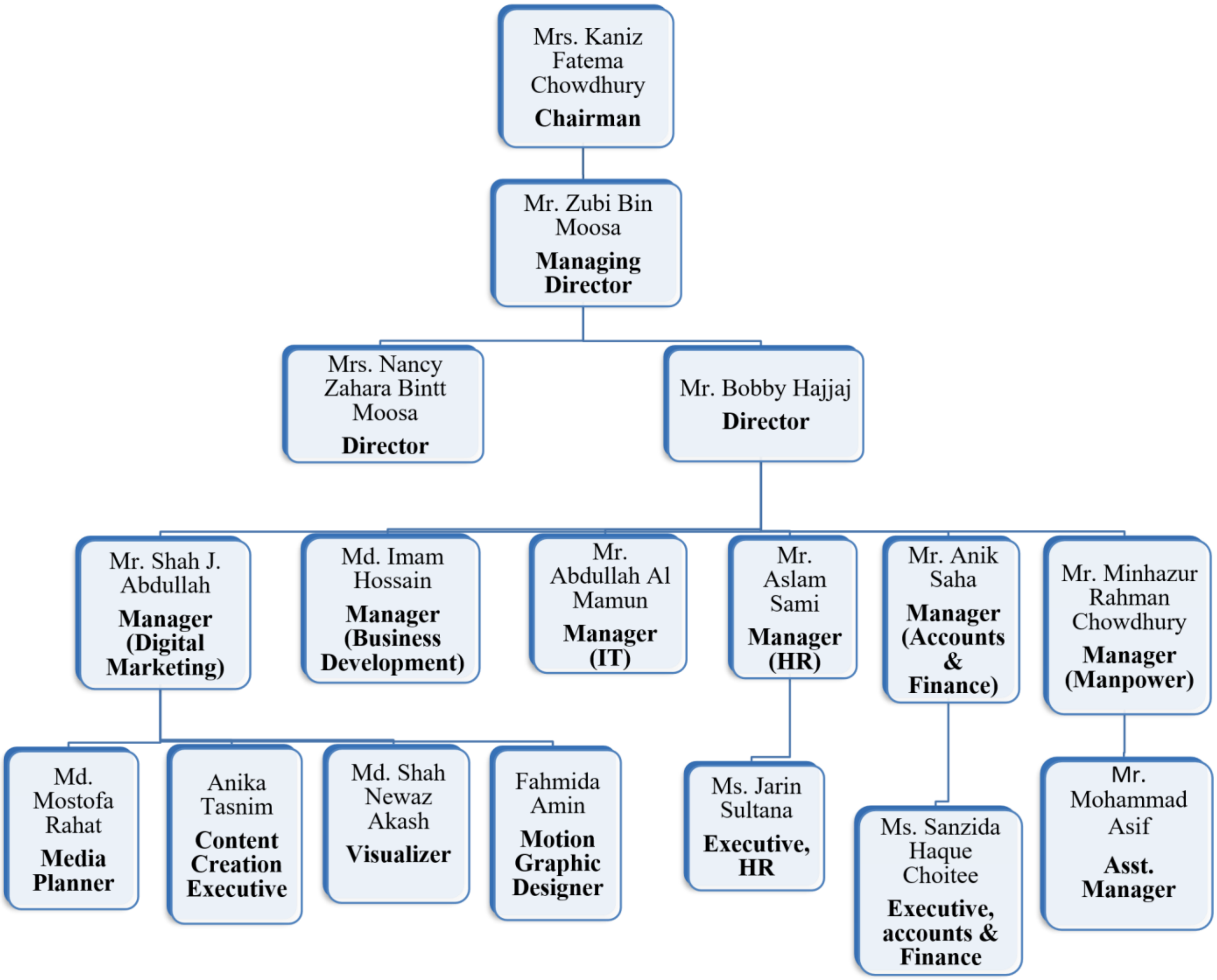


Figure: A Hierarchy Chart of DATCO Pvt. Ltd.

Section-III: Internship Experiences

Internship Responsibilities and Duties

The three (03) months internship experience was the best and learning period of my life. I have completed my internship in DATCO Pvt. Ltd. It is a group of company which is situated in Banani, Dhaka. This is the head office of DATCO. I have started my internship on 13th March 2023 and ended on 12th June 2023. I have worked there in accounts and finance department. The daily and monthly transactions of DATCO and its sister concerns.

My daily Activities and Responsibilities were-

- Preparing monthly report, budget, quotation approval, journal entries etc.
- Recording bank reconciliation statement, daily transection as revenue, expenses, payable, receivable etc. in software (Tally)
- Disbursing monthly payment at the end of the month with salary sheets
- Keeping track of revenue and expense of Digital Marketing Team (DMT) separately

Experiences from Internship Program

Apart from school and college, corporate site and its environment, work responsibilities and experience are completely different. The environment of DATCO was so friendly that help to adapt myself easily and quickly. It also realized me that a work place is not only a place of work but also like a second family.

As before described, DATCO has two sister concerns as Veritas Academy and TechDyno BD Ltd. DACTO maintains its sister concerns accounts. In my department, I have kept track of all kind of financial transactions of DATCO, Veritas Academy and Techdyno BD Limited.

During my internship journey, I have learned a lot of things from there-

- I have learnt how fulfill my duties and responsibilities towards in a proper and ethical way.

- I learned how to address the hierarchy with a proper way and show the equal respect to all the employees and staff members.
- From finance and accounts department, I have learnt how the transactions has been recorded, how to the different accounting headed under (for example, which the expenses and revenues fall under dept.), and how it is important to record them correctly for avoiding future complications.
- I have also learnt how to analyze the revenues and expenses, inspect all kind of the transactions for future reference.
- Apart from my department, I worked with Digital Marketing Team for my voice over as a different task.

Section-IV: Analysis and Findings

Analysis Methods

In this report, the “Multiple Regression Model” and “Correlation Test” is used for over all analysis. It is conducted by using of 27 years data as secondary data ranging from 1995 to 2021. For analyzing relationship between remittance and economic growth and poverty level, two multiple regression tests have done individually. Growth rate and poverty both are dependent variables. Others variables are dependent variables. Equation for both economic growth and poverty are given below-

- **Economic growth equation:**

$GDP = \beta_0 + \beta_1 REM + \beta_2 HDI + \beta_3 EXP - \beta_4 INF - \beta_5 FAID + \beta_6 TO + \beta_7 LIT + e$

- **Poverty equation:**

$POV = \beta_0 + \beta_1 FEM + \beta_2 MAL + \beta_3 REM – \beta_4 FAID + \beta_5 EXP + \beta_6 TO + \beta_7 INF + e$

Here, short terms meanings are listed below-

- Constant= $\beta_{0,}$ Coefficients= $\beta_{1,}$ $\beta_{2,}$ $\beta_{3,}$ β_4, β_5, β_6, β_7 and Error= e
- GDP= GDP Growth Rate
- POV= Poverty Rate
- REM= Remittance (% of GDP)
- HDI= Human Development Index
- MAL= Male Emigrant (%)
- FEM= Female Emigrant (%)
- EXP= Expenditure (% of GDP)
- INF= Inflation
- FAID= Foreign AID (% of GDP)
- TO= Trade Openness
- LIT= Literacy Rate

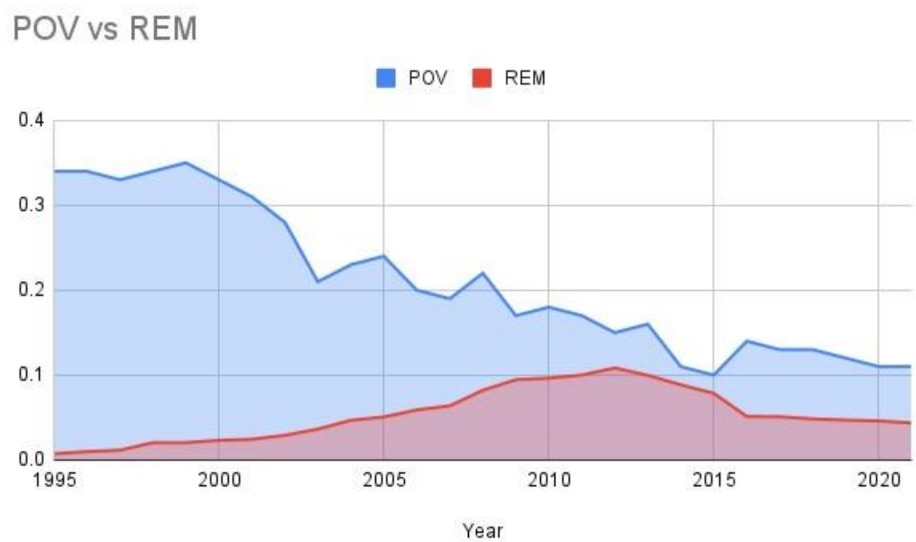
Correlation test has also done to determine the relationship between variables that may affect the result.

Discussion

From the 27 years data set of both data table (A-1 and A-2), there is visualized two individual graphs for determining the difference between economic growth and remittance and, the difference between poverty and remittance (Graph-I & II). These graphs are shown remittance impact on both economic growth and poverty.

Graph-I: Difference between Economic Growth and Remittance

In Graph-I, there is clearly shown that remittance rate has increased over the time. The highest rate was detected in 2012. During pandemic situation, both economic growth and remittance had been declined because of travel limitation, lockdown different areas etc. After decreasing pandemic effect, everything gets back to normal and start increase the country's' economy again.



Graph-II: Difference between Poverty and Remittance

In Graph-II, it has clearly shown that poverty level has declined due to increase in remittance. Remittance has increased over the years as influence the poverty level effectively.

Remittance Effect on Economic Growth

As discussed earlier, this analysis has done by multiple regressions. For conducting test,

Null hypothesis, H_0: $b_1 = b_2 = b_3 = b_4 = b_5 = b_6 = b_7 = 0$
Alternative hypothesis, H_1: not all b value = 0
Significance level = 5%
If p value is less than 5%, null hypothesis will be rejected as a decision.

SUMMARY OUTPUT

Regression Statistics	
Multiple R	0.7879
R Square	0.6208
Adjusted R Square	0.4811
Standard Error	0.0081
Observations	27

ANOVA					
	df	*SS*	*MS*	*F*	*Significance F*
Regression	7	0.002020	0.00028855	4.44315	0.004464
Residual	19	0.001234	6.4944 E-05		
Total	26	0.003254			

	Coefficients	*Standard Error*	*t Stat*	*P-value*	*Lower 95%*	*Upper 95%*	*Lower 95%*	*Upper 95%*
Intercept	-0.0881	0.036358	-2.422891	0.025557	-0.164188	-0.011993	-0.164188	-0.011993
REM	0.4497	0.152639	-2.945984	0.008295	-0.769151	-0.130195	-0.769151	-0.130195
LIT	0.0274	0.019420	1.413261	0.173753	-0.013201	0.068092	-0.013201	0.068092
EXP	-0.0049	0.034480	-0.142704	0.888026	-0.077089	0.067248	-0.077089	0.067248
HDI	0.1609	0.047656	3.375426	0.003176	0.061114	0.260605	0.061114	0.260605
INF	0.1313	0.082524	1.591468	0.128005	-0.041391	0.304060	-0.041391	0.304060
TO	0.1732	0.066833	2.592001	0.017888	0.033348	0.313112	0.033348	0.313112
FAID	0.2961	0.689085	0.429755	0.672208	-1.146133	1.738409	-1.146133	1.738409

Table-I: Multiple Regression Analysis

From Table-I, 0.44% is the p value (F statistics value) which is less than significance level (5%). So, null hypothesis is rejected. R square value is 62.08%, adjusted R square value is 48.11% and error is 0.81%. It can be conclude that the analysis is credible from the regression test.

Remittance (REM): It has positive coefficient (0.4497) which has indicated remittance inflow as increase in economic growth. According to Soma Rani et al. (Sutradhar 2019), the increase in remittance inflow raises capital that might be invested later for future investment.

Literacy rate (LIT): As per the suggestion of Stephen Reder et al. (2010), the proficiency of high literacy impacts on the initial earning and the ability of learning at work place which in turn impacts on the earnings growth of a person.

Expenditure (EXP): The coefficient value is negative (-0.0049) which indicates negative impact on the economic growth of the country. It means that more spendings, low the economic development. According to this assumption which is agreed partially by Sanjeev Gupta et al., expenditure has dual effect on economic growth as remittance has consumed rather than invested in capital. On the other hand, more consumption increases demand which really helps business to result in growth in GDP (Gupta, Pattillo, & Wagh, 2007).

Human development index (HDI): It has shown a positive but insignificant impact on economic growth. Its inflation has no impact on economic development for being insignificant for the p value. It has shaded a country's light on its economic and social development (The Investopedia Team, 2022).

Trade openness (TO) and Foreign aid (FAID): Both are controlled variables. Both have significant and positive impact on economic growth. Increasing of an international trade facilitates economic growth by the increasing investment in business as increase in economic growth (Baah, Bo, & Odame, 2022). According to Ramesh et al (1998), foreign aid has been resulting similar as facilitating economic growth (Durbarry, Norman, & Greenway, 1998).

	GDP	*REM*	*LIT*	*EXP*	*HDI*	*INF*	*TO*	*FAID*
GDP	1							
REM	0.406542	1						
LIT	-0.117368	-0.05172133	1					
EXP	0.557025	0.845156492	-0.0099922	1				
HDI	0.548178	0.496817952	-0.5163038	0.5476061	1			
INF	0.343576	0.453477443	0.0393544	0.4704728	0.126812826	1		
TO	0.453689	0.890450696	0.01905653	0.8118224	0.26256465	0.4242598	1	
FAID	0.470617	0.852065883	0.03717203	0.768009	0.398081777	0.4303728	0.831454029	1

Table-II: Correlation Test

A positive correlation means a change in a variable that would bring a strong and similar change in the other related variable. A negative correlation means a change in a variable that would have a strong and opposite influence on the other related variable (FERNANDO, 2021).

From correlation test (Table-II), there is shown different kind of relationships with each other- • A strong positive correlation between expenditure, trade openness, and foreign aid

- A strong relationship between foreign aid and trade openness
- A positive and moderate correlations between economic growth and remittance, expenditure and economic growth, HDI and per capita expenditure trade openness and GDP, inflation and foreign aid and foreign aid and economic growth

- A negative and moderate correlation has been found between literacy and HDI

Remittance Effect on Poverty

SUMMARY OUTPUT

Regression Statistics	
Multiple R	0.9593
R Square	0.9202
Adjusted R Square	0.8909
Standard Error	0.0283
Observations	27

ANOVA

	df	*SS*	*MS*	*F*	*Significance F*
Regression	7	0.1750	0.0250	31.3173	3.89E -09
Residual	19	0.0152	0.0008		
Total	26	0.1902			

	Coefficients	*Standard Error*	*t Stat*	*P-value*	*Lower 95%*	*Upper 95%*	*Lower 95.0%*	*Upper 95.0%*
Intercept	14.9161	29.9083	0.4987	0.6237	-47.6827	77.5149	-47.6827	77.5149
REM	-2.1434	0.5528	-3.8771	0.0010	-3.3005	-0.9863	-3.3005	-0.9863
FEM	-15.4727	30.0413	-0.5150	0.6125	-78.3499	47.4045	-78.3499	47.4045
MAL	-14.5919	29.9309	-0.4875	0.6315	-77.2380	48.0542	-77.2380	48.0542
EXP	-0.1784	0.1119	-1.5953	0.1271	-0.4126	0.0557	-0.4126	0.0557
INF	0.1817	0.2798	0.6495	0.5238	-0.4039	0.7673	-0.4039	0.7673
TO	0.4147	0.2351	1.7639	0.0938	-0.0774	0.9067	-0.0774	0.9067
FAID	2.2526	2.4918	0.9040	0.3773	-2.9629	7.4680	-2.9629	7.4680

Table-III: Multiple Regression Analysis

From Table-III, (~0%) is the p value (F statistics value) which is less than significance level (5%). So, null hypothesis is rejected. R square value is 92.02%, adjusted R square value is 89.09% and error is 2.83%. It can be conclude that the analysis is more credible from the regression test.

Remittance (REM): Remittance is directly increased the household income. Investment has facilitates better consumption and accumulated capital. By the explanation of Muhammad Javid and Abdul Qayyum et al. (2012), remittance can improve the living condition to reduce poverty in the process in longer period. On the other hand, somewhere it has a negative impact for the transaction cost of remittance in short run (Javid, Arif, & Qayyum, 2012).

Male and Female emigrant (MAL and FEM): Female emigrant impact is mostly negligible for lower p value. It may happen for taking small sample size for the test. On the other hand, male emigrant impact is negative. By the explanation of MD Mahabubur Rahman (2021), there are mistreatment of the female workers from developing countries (such as Bangladesh, Pakistan etc.) where they are tricked into sex trades, huge traffic of human and mistreatments from their employers force them to flee the country before they can pay back the migration debt. Male workers had been less prone to these types of mistreatments and more encouraged to migrate and continue working. So, they can earn more remittance than female.

Expenditure (EXP): The effect of expenditure on poverty reduction is significant. By explanation of Richard H. Adams (2004), if the household increases its expenditure than the savings and investments, their financial condition will worse.

Inflation and Trade openness (INF and TO): Both are controllable variables. Foreign aid shows an insignificant result. Inflation shows a positive relationship with the poverty rate. As explained by Naoyuki Yoshino et al. (Yoshino & Taghizadeh-Hesary, 2017), price increases by inflation can have negative effect on welfare and decreases financial stability and people’s ability to purchase. Trade openness shows a positive relationship that means remittance flows easily for more open economy. The result is consistent with that of Rashmi Banga et al. (Banga & Sahu, 2014).

	POV	*REM*	*FEM*	*MAL*	*EXP*	*INF*	*TO*	*FAID*
POV	1							
REM	-0.68277	1						
FEM	-0.8084	0.257938	1					
MAL	0.807856	-0.25665	-0.99999	1				
EXP	-0.73128	0.845581	0.409863	-0.40845	1			
INF	-0.27039	0.434886	0.120122	-0.11933	0.470473	1		
TO	-0.47246	0.903519	0.079391	-0.07749	0.811822	0.42426	1	
FAID	-0.57367	0.855665	0.270651	-0.26887	0.768009	0.430373	0.831454	1

Table-IV: Correlation Test

From correlation test (Table-IV), there is shown different kind of relationships with each other-

- A strong, negative correlation between FEM and REM
- A strong and negative correlation between MAL and FEM
- A strong positive correlation between MAL and POV
- A strong positive relationship between EXP and REM, TO and REM, TO and EXP, FAID and REM, FAID and TO
- A moderate correlation between REM and POV, EXP and FEM, INF and REM, INF and EXP, TO and POV, FAID and POV

Section-V: Conclusion and Recommendations

Conclusion

In conclusion, it can be said that remittance has a significant effect on economic growth and poverty level. From the above analysis, it has been found that remittance inflows contribute to the economic growth of the country and reduce poverty by increasing household income, improving living standards, promoting investment and entrepreneurship etc. Beside the positive impact of remittance, remittance inflows of the country, potential shortage of capable labors etc. are the concerns as well. As a significant factor, remittances help for economic growth and reduce poverty in Bangladesh. Policymakers must be continued to support and encourage the remittances inflow into the country.

Recommendations

After all above discussions and with a proper conclusion, there are recommendations for the company. DATCO should take the steps to increase employees' satisfaction for the betterment of retained employees. It must be worked hard for expanding work forces and all kind of operations. In Bangladesh, exporting manpower is moderately rising. Female emigration opportunity is still low because of their willingness, work environment in abroad. To solve the issue, the country might be focused on working situations and human traffic prevention.

Also, govt. should take some initiative to encourage all country people for ensuring higher remittance inflow. Recommendations are-

- Govt. should provide priority for safe travelling, better working conditions and secured job ensurity.
- They should clear regular payment and treat all the employees based on govt. policies and rules.
- For encouraging to attend school and college, they should provide more incentive
- A safest way to send money has to be provided with lowest transaction cost.
- To save money and less spending, they must add-in more interest rate to reduce spending money.
- There should be under control of inflation by the economic policy (For example, contradictory monetary policy etc.).

These recommendations can help to high migration rate and increase remittance inflow to ensure economic growth and reduce poverty rate.

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Appendices

A-1: Remittance and economic growth data table

Year	GDP	REM	LIT	EXP	HDI	INF	TO	FAID
2021	0.0694	$0.04	0.2923	0.6249	0.66	0.06	0.28	$0.0033
2020	0.0345	$0.05	0.3532	0.6986	0.66	0.06	0.26	$0.0041
2019	0.0788	$0.05	0.4749	0.6990	0.64	0.06	0.32	$0.0054
2018	0.0732	$0.05	0.5900	0.6618	0.64	0.06	0.33	$0.0075
2017	0.0659	$0.05	0.5780	0.6425	0.62	0.06	0.30	$0.0062
2016	0.0711	$0.05	0.5660	0.6278	0.61	0.06	0.31	$0.0088
2015	0.0655	$0.08	0.5540	0.7532	0.60	0.06	0.42	$0.0145
2014	0.0606	$0.09	0.5420	0.7661	0.58	0.07	0.45	$0.0147
2013	0.0601	$0.10	0.5300	0.7831	0.57	0.08	0.46	$0.0173
2012	0.0652	$0.11	0.5180	0.7932	0.57	0.06	0.48	$0.0118
2011	0.0646	$0.10	0.5877	0.7501	0.56	0.11	0.47	$0.0098
2010	0.0557	$0.10	0.5786	0.6871	0.55	0.08	0.38	$0.0107
2009	0.0505	$0.09	0.6102	0.7492	0.54	0.05	0.40	$0.0088
2008	0.0601	$0.08	0.6109	0.7308	0.53	0.09	0.43	$0.0145
2007	0.0706	$0.06	0.6514	0.7770	0.53	0.09	0.40	$0.0082
2006	0.0667	$0.06	0.7276	0.8079	0.52	0.07	0.38	$0.0064
2005	0.0654	$0.05	0.7289	0.7785	0.52	0.07	0.34	$0.0117
2004	0.0524	$0.05	0.7391	0.5706	0.51	0.08	0.27	$0.0069
2003	0.0474	$0.04	0.7468	0.5571	0.51	0.06	0.28	$0.0045
2002	0.0383	$0.03	0.7491	0.5675	0.50	0.03	0.29	$0.0009
2001	0.0508	$0.02	0.5300	0.5288	0.49	0.02	0.32	$0.0015
2000	0.0529	$0.02	0.5786	0.5097	0.49	0.02	0.29	$0.0052
1999	0.0467	$0.02	0.5420	0.4935	0.48	0.06	0.28	$0.0035
1998	0.0518	$0.02	0.4749	0.4903	0.47	0.08	0.28	$0.0038
1997	0.0449	$0.01	0.7276	0.4898	0.45	0.05	0.26	$0.0029
1996	0.0452	$0.01	0.5420	0.4720	0.44	0.02	0.26	$0.0002
1995	0.0512	$0.01	0.5780	0.5640	0.44	0.10	0.28	$0.0000

A-2: Remittance and poverty data table

Year	POV	REM	FEM	MAL	EXP	INF	TO	FAID
2021	0.11	$0.0437	0.1520	0.8470	0.6249	0.06	0.28	$0.0033
2020	0.11	$0.0460	0.1380	0.8610	0.6986	0.06	0.26	$0.0041
2019	0.12	$0.0470	0.1210	0.8790	0.6990	0.06	0.32	$0.0054
2018	0.13	$0.0484	0.1560	0.8440	0.6618	0.06	0.33	$0.0075
2017	0.13	$0.0510	0.1860	0.8130	0.6425	0.06	0.30	$0.0062
2016	0.14	$0.0513	0.1786	0.8210	0.6278	0.06	0.31	$0.0088
2015	0.10	$0.0785	0.1378	0.8620	0.7532	0.06	0.42	$0.0145
2014	0.11	$0.0886	0.0614	0.9386	0.7661	0.07	0.45	$0.0147
2013	0.16	$0.0997	0.0538	0.9462	0.7831	0.08	0.46	$0.0173
2012	0.15	$0.1084	0.0709	0.9291	0.7932	0.06	0.48	$0.0118
2011	0.17	$0.1000	0.0468	0.9532	0.7501	0.11	0.47	$0.0098
2010	0.18	$0.0964	0.0238	0.9762	0.6871	0.08	0.38	$0.0107
2009	0.17	$0.0946	0.0229	0.9771	0.7492	0.05	0.40	$0.0088
2008	0.22	$0.0821	0.0542	0.9458	0.7308	0.09	0.43	$0.0145
2007	0.19	$0.0638	0.0739	0.9261	0.7770	0.09	0.40	$0.0082
2006	0.20	$0.0590	0.0645	0.9355	0.8079	0.07	0.38	$0.0064
2005	0.24	$0.0507	0.0511	0.9489	0.7785	0.07	0.34	$0.0117
2004	0.23	$0.0468	0.0478	0.9522	0.5706	0.08	0.27	$0.0069
2003	0.21	$0.0364	0.0123	0.9877	0.5571	0.06	0.28	$0.0045
2002	0.28	$0.0291	0.0054	0.9946	0.5675	0.03	0.29	$0.0009
2001	0.31	$0.0244	0.0025	0.9975	0.5288	0.02	0.32	$0.0015
2000	0.33	$0.0232	0.0017	0.9983	0.5097	0.02	0.29	$0.0052
1999	0.35	$0.0205	0.0016	0.9984	0.4935	0.06	0.28	$0.0035
1998	0.34	$0.0204	0.0045	0.9955	0.4903	0.08	0.28	$0.0038
1997	0.33	$0.0116	0.0094	0.9906	0.4898	0.05	0.26	$0.0029
1996	0.34	$0.0099	0.0027	0.9973	0.4720	0.02	0.26	$0.0002
1995	0.34	$0.0074	0.0023	0.9977	0.5640	0.10	0.28	$0.0000