

# Recognising Resilience: UN International Day of Family Remittances

## Celebrating the UN International Day of Family Remittances to highlight resilience through digital and financial inclusion

June 16th marks the International Day of Family Remittances (IDFR), which the United Nations General Assembly adopted to recognise [more than 200 million migrant workers who send money home to over 800 million family members](#). When we celebrate this day, we bring attention to the remarkable resilience of migrant workers in the face of economic insecurities – and the vital role each and every one of them play as a lifeline for loved ones back home.

In 2019, remittances overtook foreign direct investment as the largest source of capital flowing into developing countries. The majority of remittances go to rural areas where 75% of the world's poorest people live. Globally, the accumulated remittances to these areas over the next five years are expected to reach \$1 trillion.

This year it is essential to recognise recovery amidst the ongoing global pandemic. Due to lockdowns and social distancing, there has been an unprecedented acceleration of digital technology by migrant workers and their families.

The pandemic has moved people away from informal channels and using cash to digitalisation and mobile money transfers, which is more cost-effective than cash transfers, and has been instrumental in advancing the financial inclusion of migrants and their families.

However, there's still challenges to moving money this way – and it's not about the technology – it's about the people on the ground who get in the way of making it easy for the recipient to receive their money, such as a controlling spouse.

Our research has shown that the top concern around traditional money transfer remittances has been the fear of money landing in the wrong hands or being spent on unsuitable goods or services such as gambling.

One way to mitigate this is through remittance in-kind which supports people with a specific tool or service, ensuring the money goes straight to them or directly to the services for which they are intended. When you send a branded payment, like an eGift card for a specific service – you support someone directly without a middle man. There is also less risk of the money going to the wrong places.

Remittances in kind can bypass barriers like not having a bank account or having your funds

controlled by someone else. Branded payments can shape the way families are supported — for example, instead of just sending a lump sum of money, you can send an eGift card to pay for a loved one's utility bill top-ups or construction material. This can put power back into the recipient's hands, allowing the sender peace of mind to know their money is being spent on the correct goods and services while giving the recipient the freedom to use what they have received on their terms.

This method can also save you money. Traditionally, remittances are sent all at once and in large sums for convenience, resulting in hefty fees. With remittance in kind or branded payments, people can support loved ones in smaller and more manageable increments, with more affordable costs and fewer barriers to sending money regularly.

Our proprietary platform also means that people can top up their loved ones' mobile instantly with only the phone number of the person they are sending money to. By topping up their loved ones' mobile with data bundles, they keep them connected on a level beyond call credit alone.

Access to the Internet, social media and the news can further help people stay socially connected. This is particularly crucial for those restricted by geographical, financial or societal factors, like those who don't have regular access to credible news sources, can't afford reliable internet or devices, or are not permitted to own bank accounts or phone contracts.

As the pandemic continues to rage and economic conditions worsen for many people around the world, the UN International Day of Family Remittances makes us reflect on the heroic contributions that migrants make for their families and local communities each time they send money home. We are proud that through our technology we can make it easier for people to financially support the loved ones that need it most even if they are working hard many miles away. We salute them all on this important day.