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Research paper

The Impact of Remittances on Household Consumption and Economic Growth in Jordan

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Abstract

Like any other developing nation, money sending boosts the performance of the economy through providing household income and enhancing economic growth. This research examines the effects of these private capital inflows on the consumer expenditure and economic growth in Jordan; the country where it about 12.5% of the budget share. From the spending behavior, the study established that flexibility of part of the remittances to basic needs like food, shelter, and education lowers poverty levels, besides improving the quality of life. This paper shows that while the increase in consumption outweighs investment, the long-term developmental impact of remittance inflows is constrained. Also, the skewed distribution of the flow of remittances in the urban areas deepens the imbalance of economic development between urban and rural regions. In macro explanatory analysis, remittances have a positive impact on the GDP and a reduction in unemployment levels, and hence are more reliable than FDI or ODA. In this research, the twin effects of the remittance, the positive and the negative are unveiled. The study emphasises the need to design policies that support productive utilisation of the money sent by the workers to their families, educate households about proper usage, and fight for fair distribution to tap the potential for boosting the Jordan economy.

Keywords: *International Worker's Migrant Remittances; expenditure; economic growth; Jordan; poverty; active; Foreign Money Transfer; sustainability; inequalities; Financial.*

1. Introduction

Cross-border movement of people and the receipt of workers' money transfers, or ''remittances,'' has emerged as an important source of foreign exchange for many developing countries. Certainly, in the case of Jordan, remittance has proved to be an indispensable source of liquidity for funding household consumption and for boosting economic growth. According to the World Bank (2023), remittance was 12.5% of its GNI, and as a proportion of GDP 12%, as estimated by the Central Bank of Jordan. Such funds are mainly aimed at helping families to meet daily requirements, stimulate consumption, and, therefore, jump-start the overall economic processes.

The effects on household consumption are felt most greatly where remittance funds are concerned. Available research reveals that a high proportion of the remittance receipts is spent on necessities like food, shelter, and education, and a minimum proportion is saved or invested in other productive ventures (Robinson et al., 2013). Paying attention to these patterns of spending reminds us that a positive impact of remittances on living standards and poverty alleviation has its downside as far as the sustainable growth of the economies, which rely on remittance-dependent consumption, is concerned (Giuliano & Ruiz-Arranz, 2009).

On the aggregate level, cross-border transfers affect various social, national, and regional economic rates such as gross domestic product, inflation rates, and employment rates. Compared to FDI and ODA, remittances are less volatile and counter-cyclical, hence tend to improve during the period of economic shocks (Chami et al., 2005; Ratha, 2022). In Jordan, this relative stability has been especially important in responding to questions originating from regional conflicts and worldwide shifts in the system of economic relations (Al-Assaf & Al-Malki, 2014).

Nonetheless, the flow of remittance also its significant implications as well. The geographical distribution of remittance, preferential flow to urban areas, creates disparity in the economic resource endowments and the supply of better economic opportunities and required resources. A consumption-dominated strategy hampers the chances of developing money transfer remittance as an investment creator and long-term economic structure builder (Husein, 2018; Imai et al., 2014). These challenges perhaps explain why there is therefore the need for policy intervention that will seek to promote financial intermediation and the effective use of remittances for both productive investments as well as meeting the transaction costs.

Thus, this paper shall seek to examine the extent to which remittances impact consumption by households and Jordan's gross domestic product. This research, therefore, aims at investigating the expenditure behaviour of remittance-receiving households and the macroeconomic effects to facilitate understanding of how remittance inflows can be managed for positive economic growth. The findings will be useful for increasing awareness of the efficiency of remittances in elaborating the household living standard and the national development.

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2. Literature Review

Although the literature concerning the macroeconomic and microeconomic effects of remittances is becoming more expansive, most of the existing literature has left a lot to be desired, given that most of the literature has been based on countries with different socio-economic and institutional aspects from those in Jordan. As an example, South Asian economies in studies tend to focus on how remittance can be used to cover the trade deficit or create opportunities in energetic informal economies (Chami et al., 2005; Ratha, 2022). Nonetheless, the same dynamics cannot be directly applied in the Jordanian setting, which is marked by a low level of natural resources basis, structural joblessness, high dependency rate, mostly in rural regions.

These distinct national aspects have started to be mentioned in recent empirical contributions. AlBataineh (2024) applied an augmented ARDL model to show that remittances have a statistically significant long-run effect on poverty alleviation and economic growth in Jordan, which is not the case across other MENA countries consistently. In like manner, Al-Assaf (2022) also demonstrated that in Jordan, international remittances are associated with a decrease in participation in the labor force, especially among younger dependents, which denotes that international remittances do not interact with local labor incentives, which is too complicated. These findings imply that remittances in Jordan can be viewed as not just a secondary source of income, but as a structural source of finance that has both stabilization and distortionary effects. Alalawneh (2023) has analyzed both the remittances and foreign direct investment, and export dynamics and placed them within the framework of the trilogy affecting the Jordanian economic development. His findings support the idea that the remittance should not be studied in isolation, but rather, must be put in the broader perspective of the flow of capital. On financial inclusion, the study by Alabdulrazag and Alshogeathri (2024) employed nonlinear ARDL to determine a two-way dynamic relationship between remittance inflow and access to formal financial services in Jordan, which implies an unexhausted policy potential.

Put in combination, these new additions to the studies add significance in terms of the research gap that exists considering the macro factors influencing the impacts of remittances; whereas, the effects of remittances on both the household consumption levels, regional inequality as well as sustainability of the economy in the long run are not been explored well with the context of Jordan. To fulfill such a gap, this paper undertakes a two-tiered approach, in which it combines national indicators and primary household survey data to produce practical and evidence-based solutions. Besides, taking into consideration such phenomena as financial literacy and urban-rural divide into consideration and integrating them into the framework contributes to the shift of the conversation towards human development outcomes, rather than macroeconomic aggregates. Therefore, the study not only contributes to the empirical record through more recent post-pandemic data but also offers a policy-oriented contribution based on the socio-economic situation in Jordan in particular.

3. Methodology

3.1 Data Collection

The data collection procedure in the present study was based on the need to offer a sound and exhaustive picture of the issue of the effect of remittances on household consumption and economic growth in Jordan. To guarantee the validity and reliability of the data, the researcher used both secondary and primary sources of data during January and February of the year 2024. 2.1.1itudov prinvee Mista I-raisonden 2.1.1 Primary Data Collection The primary data were collected by means of structured face-to-face household survey. The survey instrument was designed to examine the amount, frequency, sources, and utilization of remittances as well as the effect of remittances on the different aspects of household welfare. It contained both closed and open-ended questions to enable quantitative and qualitative answers. Stratified random samplings procedure was adopted to cover the regions in both the urban and rural settings in Jordan. It obtained 478 valid responses with a high response rate of 95.6, and this strengthens the validity of the results. The surveyed households as per the region were as follows: Amman (Urban): 200 households (42per cent), Irbid (Urban): 100 households (21per cent), Zarqa (Urban): 75 households (16per cent), Rural areas (various regions): 103 households (21per cent). The survey collected both overall demographic facts (age, gender, family size, and income) and remittance-related factors (receiving amount, frequency, and the sender), as well as where the remittances were directed according to their topical categories (Food, Education, Healthcare, and Savings/investment). The median answer given by the aggregation of the survey completed was that, the average remittance per unit household amounted to USD 5200 yearly. The follow-up Figure shows the details of the distribution pattern of the remittances to the 478 households:

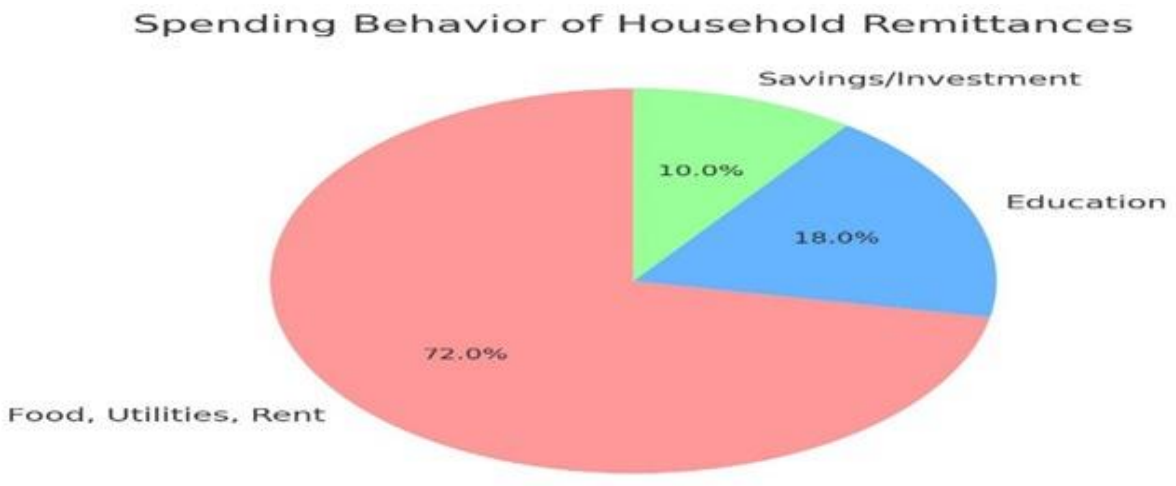

Fig. 1: This chart demonstrates the percentage of remittance spent by the recipient households on main categories of expenditures: 72 percent on basic consumption (food, renting a place, utilities), 18 percent on education (tuition fees, school-related supplies), and 10 percent on our savings or investments. based on survey data, the researcher developed (Developed by the researcher based on survey data).

3.1.1 Secondary data collection

To support the primary data and place the household-level findings in the global economic patterns, secondary data, i.e., the data obtained in official and respectable sources such as The Central Bank of Jordan, to provide national statistics of the inflow of remittances, growth of the GDP, inflation, exchange rates, and monetary indicators.
Detailed information on household incomes, employment rates, consumption expenditures, and the distribution of the population in each population is obtainable at the Department of Statistics (Jordan).
According to the data of the Central Bank of Jordan (2023), the overall number of remittances was about USD 4.3 billion, which constituted 12.5 percent of the GDP of country. This figure places remittances as an adequate foreign financial inflow, which is also significant in the macroeconomic stability of Jordan.
To demonstrate the trends, time-series data were gathered and assessed throughout five years, and the correlation between the remittance inflow and the GDP growth was also presented in a subsequent section of the paper (see Figure 3 in section 3.3.5).

3.2 Enumerator Training

3.2.1 Technical Overview of Training Program

The training occurred in two days and aimed at giving the enumerators not only theoretical but also practical orientations. The meetings would be done at a common central place and conducted by the leading scientist with a support team consisting of field supervisors, data analysts, and an ethics consultant. The topic covered in each session was a particular point of the fieldwork process that allowed the enumerators not only to have knowledge of the content of the questionnaire but also to be well-prepared to overcome the interpersonal, cultural, and ethical features of interviewing households.
The orientation and the structure of the survey tool were presented in the first day. These enumerators have been acquainted with the goals of the study, the rationale impelling the development of the questionnaire, and the thematic organization of each separate part: demographics, remittance habits, consumption spending, and perceived economic influence. There was a stress on the use of neutrality in question asking, non-situational language, and that there should be consistency in recording the responses. On the second day, we had field simulations and applied training that involved role-playing exercises as enumerators had to practice how they could administer the survey both in urban and rural settings. Much emphasis was placed on handling challenging interviews, how to deal with both incomplete responses, and establishing rapport with reluctant subjects.

3.2.2 Topics and Topical areas

All the elements of the training were customized according to the competencies underlying high-quality data collection. Before beginning an interview, enumerators were instructed to obtain informed consent, approach respondents with dignity, and clearly explain the study's purpose. They were also advised on how to handle culturally delicate subjects like financial decision-making in the home, remittance dependency, and income disclosure.
The training covered digital data entry methods and respondent privacy protocols in addition to technical instructions on how to fill out the questionnaire. The coding system for responses, data validation checks, and the protocols for safely sending completed forms to the central research team were among the digital tools and templates that enumerators were introduced to.
The training program's structure is shown in the table below:

Table 1: Summary of Enumerator Training Sessions and Learning Objectives

Training Module	Core Content	Duration	Lead Facilitator
Research Orientation	Study goals, rationale, fieldwork scope	2 hours	Principal Researcher
Questionnaire Breakdown	Detailed review of survey sections, skip patterns, and logic	3 hours	Questionnaire Designer
Ethical Guidelines	Informed consent, respondent rights, anonymity, and confidentiality	2 hours	Ethics Consultant
Interview Techniques	Tone, probing, dealing with refusals, handling sensitive topics	2 hours	Field Supervisor
Field Simulations	Role-play interviews in mock settings (urban/rural), with real-time feedback	3 hours	Full Training Team
Digital Tools and Security	Data entry methods, common input errors, secure file handling	2 hours	Data Management Officer

A printed copy of the training manual, which contained thorough instructions for every survey section, ethical guidelines, troubleshooting tips, and a list of dos and don'ts for fieldwork, was provided to each enumerator. During the actual interviews, these resources were crucial sources of information.

3.2.3 Evaluation and Field Deployment Selection

A written knowledge test covering survey content, ethics, and protocols, as well as a practical assessment that involved conducting a complete mock interview, was used to evaluate enumerators after the training program. Only those who showed a solid understanding of the survey's logic and the capacity to communicate with respondents professionally were chosen for field deployment.
A confidentiality agreement detailing their obligations about data privacy, neutrality, and professional conduct was also signed by each enumerator. This step was crucial in bringing the team into line with best practices for field-based research involving human subjects and in reiterating the gravity of the study's goals.
After the field enumerators were appropriately trained and evaluated, the data collection exercise was started in the study sites of Jordan. The aspect of implementation was specifically structured to meet accuracy in geographic inclusiveness, an excellent response rate, and valid data to capture in terms of its objectives of finding out the role played by remittances in the consumption and macro-economic growth of households.

3.3 Logistics and the execution of fieldwork

The survey was a household survey carried out within a month, that is, January 1 to January 31, 2024, and it was conducted in four main regions: Amman, Irbid, Zarqa, and some rural areas in the north and central regions of Jordan. Face-to-face interviews were done by

enumerators with the eligible respondents who were either heads of households or key decision-makers on how the remittances would be utilized. They usually did interviews in the early morning or the late afternoon to meet the availability of the households.
Before conducting any of the interviews, enumerators presented themselves, clarified the aim of the research, and signed written informed consent with participants. The completed and valid survey was 478, whereas the total number of surveys targeted in the first wave was 500, and consequently, the overall response rate was 95.6 percent. Those who did not respond completely or refused to respond, and those who reported inconsistencies, were not included in the final compilation of the dataset.
The sampling strategy provided sample allocation in both the urban and rural regions proportionally, providing comparisons in the areas of how remittance was allocated as well as measured economic results at both demographic and geographic levels.

3.3.1 Data validation and Quality Assurance

There was a powerful quality control system during the period of the survey. Random field spot checks by supervisors were done to ensure that due procedure was being adhered to by the enumerators, such as being respectful, complying with ethical procedures, ethical conduct and the completion of the questionnaires correctly. Also, a double-entry item was used in the digital input as individual clerks entered a survey separately and compared with each other to identify mistakes.
Every day, supervisors and enumerators met for field debriefings to talk about difficulties, get clarification on queries, and exchange participant input. In addition to enhancing consistency, these sessions documented observational insights that enhanced the interpretation of the quantitative data.
During the cleaning process, surveys with significant missing responses, contradicting answers, or outlier values above reasonable thresholds were identified to guarantee data integrity. For these reasons, about 22 surveys were eliminated, leaving 478 households in the final validated dataset.

3.3.2 Description of Consumption and Distribution and Goal Statistical Overview

The descriptive statistics identified the major findings about the aspects of household and the use of remittance. The household size (average) stood at 5.2 members, whereas the average amount sent by the household annually per month was USD 5,200. The responses were that 72 percent of the money was spent on the basic consumption expenditure like food, rent, and utilities; 18 percent was used in education, and the rest was saved or invested. The above breakdown reaffirms the fact that remittances are essential to day-to-day living, but have a small influence on the long-term financial outlook.

3.3.3 Regressions and Correlation

Two levels of analysis were conducted to evaluate the association between economic household outcomes and the inflows of remittances. This was followed by Pearson correlation analysis, which indicated that there was a positive association between the total remittances received and overall consumption in the households (r = 0.78). There was a non-negligible linear relationship between remittance and the expenditure on education (r = 0.52) and savings (r = 0.25).
The second level of analysis entailed the use of multiple linear regression modeling to establish the predictive value of amounts of remittances, household income, and the level of education of the household head upon consumption behavior. Remittances were the strongest factor that affected consumption, as indicated by the standardized coefficient of 0.65 (p,0.01), followed by income 0.30 (p,0.05) and lastly education 0.18 (p,0.05).
They are presented in the following figure:

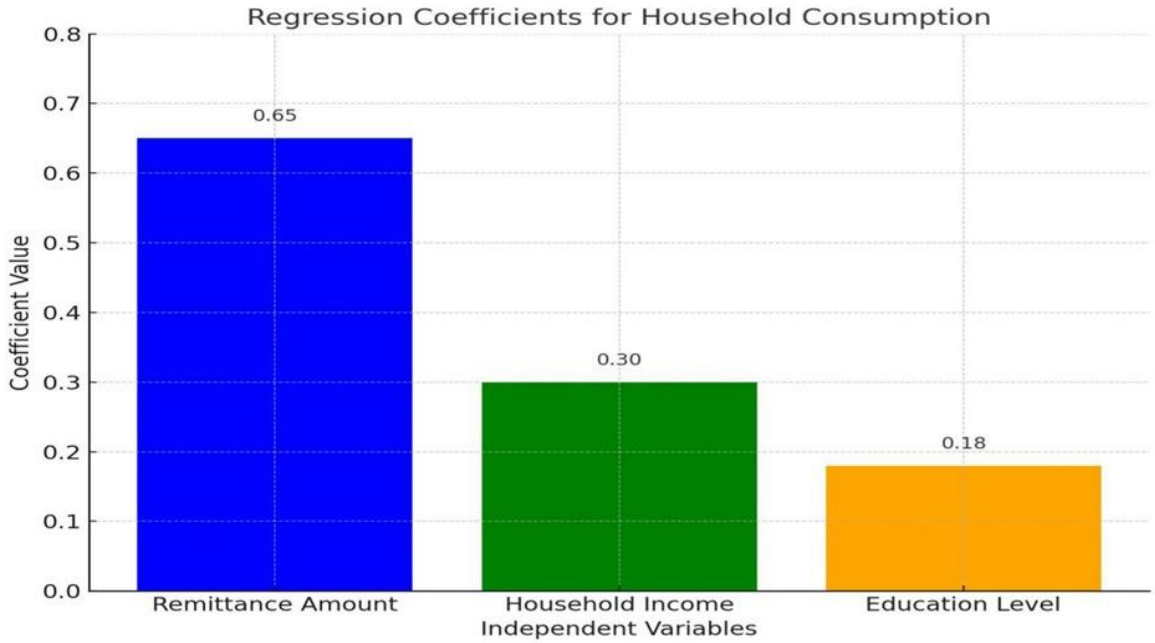

Fig. 2: Regression Analysis of Dependency on Remittances by the Households.

In this figure, the standardized regression coefficients of the remittance amount, the level of household income, and the education level have been constructed in determining the levels of household consumption. The greatest predictive power was on the remittances, with remittances being regarded as the main economic lifeline to the surveyed households.

3.3.4 Macroeconomic Association with GDP

Besides the household level outcomes, the paper also considers the macroeconomic effects of remittances with the help of secondary statistics of the Central Bank of Jordan (20192023). In 2023, the analysis showed that remittance inflows in Jordan made up almost exactly 12.5 per cent of the GDP in this country, which is high in comparison to a non-oil developing economy. With this mega contribution, the functions of remittances as systemic stabilizers to the national economy are increasingly becoming extremely profound beyond being mere and ordinary acts of financial transfers on a private and individual scale.

A time-series correlation was done of the inflows into annual remittances in relation to increases in the GDP at an annual rate, where the correlation coefficient showed a high positive relationship (r = 0.85) during the five years. The correlation evokes the view that remittances can be considered as a counter-cyclical force that can promote economic activity in terms of an external shock situation or regional instability.

The tendency is represented in the figure below:

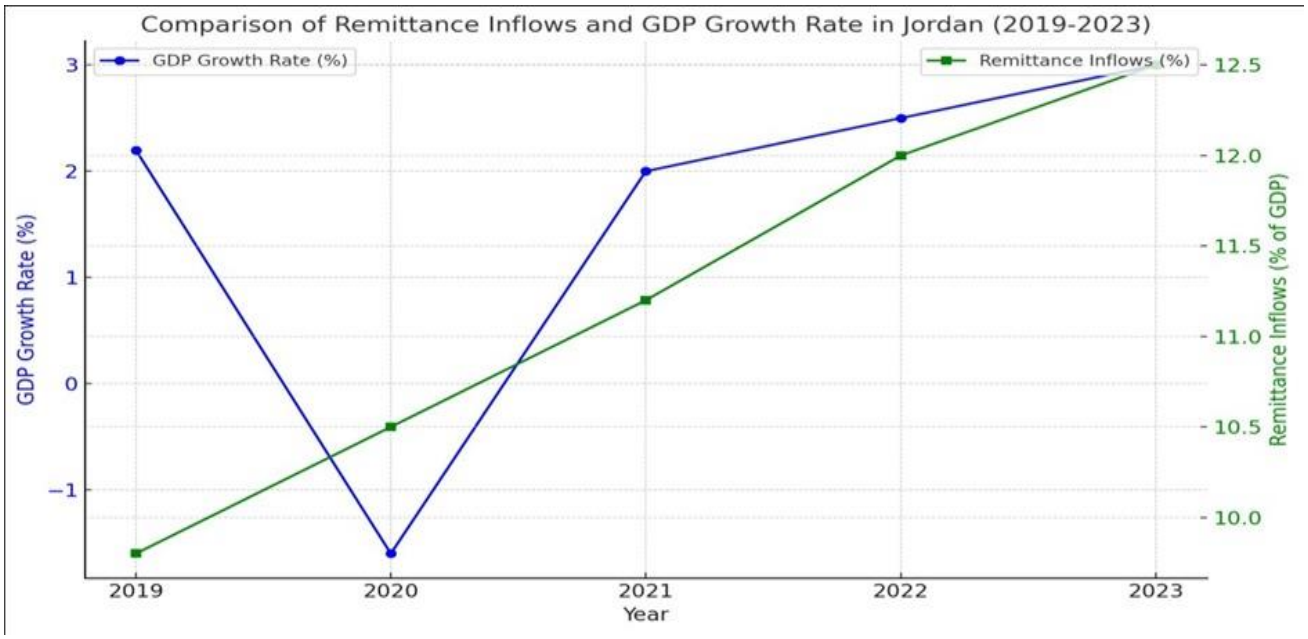

Fig. 3: Correlation of Remittance inflation and GDP Growth in Jordan (20192023).

This figure shows the By showing the annual remittance inflow (in USD billions) against the GDP growth rate of Jordan. This figure indicates that the GDP growth rate of Jordan does not have a significant effect on the inflow of remittance into Jordan. The similarity in the increasing trend line of the two variables augers well with the macroeconomic importance of remittances as the financial inflow that can be trusted to steer the country's economic performance to better heights.

3.3.5 Field Engagement Thoughts

Those involved in the fieldwork agreed that a high rate of cooperation with the households could be identified, especially in the rural setting, where remittances were believed to be one of the lifelines for surviving basic needs. The urban respondents were more reserved initially, but once the educational intent of the research was explained to them, they tended to become less reticent. The crucial information was obtained daily during debriefing and was of great value in the context of regional attitudes towards remittances and the differences in interpretation of how the family will view this entry in terms of it being viewed as a transitional measure or being viewed as a structural aspect of household economics.

3.4 Ethical Considerations

Ethical integrity of this research was placed as the guiding principle at all levels of the conduct of this research, design, data collection, data storage, and data reporting. Since household income, financial decision-making, and aspects of remittance are among the most sensitive issues, stringent ethical standards were drafted and adhered to strictly. Research was informed by the principles of informed consent, anonymity, voluntary participation, and data confidentiality, as per the ethics rules as indicated in the Declaration of Helsinki criteria in any research involving human subjects.

3.4.1 Voluntary participation and Informed consent

The subject of the study was undertaken voluntarily. A clear and concise explanation of the purpose of the study, scope, and anticipated findings was given to the participants by the enumerators. There was a chance whereby each possible respondent had a chance of posing questions and was made aware that they had the right to refuse their participation or drop out at any time without any effect. Participants were not recruited to sign a written informed consent form before disclosure was completed and an understanding was voiced. There were no incentives or monetary rewards given to rule out coercion in any way possible.

It was of particular concern that the main and underlying focus was making sure that the consent was not just formal but meaningful also. Enumerators applied culturally sensitive language and guaranteed the understanding, especially in the rural parts of respondents with little formal education. The interview was implausibly terminated in circumstances where the household members expressed confusion or uneasiness.

3.4.2 Anonymity and the Confidentiality of Data

The survey did not collect any data that would uniquely identify another person before or after the survey, including names, national identification numbers, or addresses, to comply with the inevitable related privacy of a respondent. A unique anonymous code was allocated to each household and utilized only to make the organizational work in the entry and analysis of data. Data collected during surveys were written on paper, after which they were keyed into an untappable digital database where only the main researcher and two data analysts had permission to access it. All physical questionnaires were kept in locked cabinets at the research coordination office, and the digital data was kept in password-protected, encrypted systems. To reduce the possibility of a breach, all paper records were destroyed once the data verification process was finished. Additionally, to maintain anonymity and prevent stigmatization, all findings were presented in aggregate form; no individual responses were revealed in the final report.

3.4.3 Ethics Training of the Enumerators

During training, attention was given to research ethics was a specific session that was covered by all the enumerators. It is not only the technologies of data privacy and rights of respondents and stakeholders, but also the cultural sensitivity, neutrality, and respectful interactions that were incorporated into this training. Enumerators were advised not to give leading questions, not to discount refusals as well and to be conscious of verbal and non-verbal signs that could show signs of discomfort or distress.
By the end of the training, every single enumerator agreed to sign a confidentiality and ethical conduct agreement, which obliged him/her to maintain the quality of the research even throughout and after the capture of field information. Supervisors in the field were to monitor compliance and act in situations where there was a departure from the protocol.

3.4.4 Monitoring and Institutional Policies

Even though the study was not under the governance of a formal institutional review board (IRB), it followed the broad guidelines of ethics that tend to be demanded of academic institutions and international development organizations. The principal investigator monitored the study because he had worked on similar projects in these sensitive situations several times. Also, the ethical approval and comments were sought by approaching the faculty members informally, in the areas of development economics and social research, again to ensure that the research satisfies academic and professional standards.

4. Results

The findings of this study are useful in explaining how the funds realised in Jordan affect the consumption pattern of households and real economic development. Findings of spending priorities and the extrapolation of the local and global impact of remittance income are established from the survey of 478 households.

4.1 Household Spending Patterns

From the findings, remittances play a major role in the level of household consumption. Overall, the remittance-receiving households estimated an annual Average Recipient Balance of USD 5,200. Basic and essential needs are the key areas where the households relevant to the study are disbursement, and according to the data, 72% of the households rely on remittances from these already established expenditures. The other 18% use remittances for education purposes, including school fees, stationery, and more extracurricular activities. The household expenditure survey indicates that out of the total amount of remittance received, only about 10 percent is saved/invested, meaning that people primarily consume remittance money in the immediate present.

4.2 Economic Goals of Households

Within the Food and Utilities category, the largest portion was that recipients spent 50% of the received remittance. House rent, home maintenance accounted for 22 % of remittance usage under the category of Housing costs. The next was Education Expenses, as 18 percent of remittance was used to enhance child education standards.

4.3 Impact on Household Income

They showed that remittance substantially supports the income of the households. Over fifty percent of the total income in fifty percent of the households is contributed by these money transfers. Reliance proves the notion of the role of foreign remittance for the financial stability of the country. Moreover, households that receive larger amounts of remittances pointed out that they can spend more on miscellaneous items, including food, health care facilities, and entertainment.

4.4 Economic Growth Indicators

When viewed at the macroeconomic level, the speech highlighted a positive impact of remittances on Jordan's economy. Secondary research showed that in 2023, remittances were equal to 12.5% of Jordan's gross domestic product. Observing Fig. 1, the time series analysis performed yields a coefficient of 0.85 between the remittance inflow and the GDP growth over the last five years.

4.5 Regional Variations

The results also display geographically differential effects of remittance flows. The surveys done revealed that urban households received more remittances, 6,000 US$ annually, as compared to rural households, which received 4,200 US$. Education and savings constituted a larger share of the urban household expenditure, whereas food, power, and house rent formed a greater part of the expenditure of the rural households.

4.6.Implications in social and financial terms

This paper identified that remittances' effect was significant in enhancing living standards through alleviating financial pressure feel The social consequences of remittances are evident in the fact shows 65% of respondents could afford unavoidable expenses, including medical bills, through remittances. Also, 30% of households expended remittances paying off bills; the main sign of the monetary convenience those extra funds bring. Table 2

Table 2: Summarizing the Study Findings

Aspect	Details
Study Focus	Explains the impact of remittances on household consumption, income, and economic development in Jordan.
Household Spending Patterns	- Annual Average Recipient Balance: USD 5,200. - Usage Distribution: - Household Consumption: 72% (basic needs). - Education: 18% (school fees, stationery, extracurricular activities). - Savings/Investment: 10%.
Economic Goals of Households	- Food and Utilities: 50% of remittance usage. - Housing Costs (rent, maintenance): 22%. - Education: 18%.
Impact on Household Income	- Over 50% of household income in 50% of households comes from remittances. - Larger remittance amounts increase spending on food, health care, and entertainment.
Economic Growth Indicators	- Remittances contributed 12.5% to Jordan's GDP in 2023. - Time-series analysis shows a 0.85 coefficient between remittance inflow and GDP growth over the last five years.
Regional Variations	- Urban households: Average annual remittance of USD 6,000; higher expenditure on education and savings. - Rural households: Average annual remittance of USD 4,200; higher expenditure on food, power, and rent.
Social and Financial Implications	- 65% of respondents used remittances to cover medical and unavoidable expenses. - 30% of households used remittances to pay off bills, reflecting monetary convenience.

5. Discussion

This research, therefore, emphasizes the importance of remittances in financing the consumption needs of households as well as in promoting development in Jordan. Even though the work discusses the impacts of remittance inflows, their potential and possible issues are also taken into consideration.

5.1 Application of Private Remittances in Household Expenditure

This plan outlined the importance of remittances in the Jordanian household's budget was depicted whereby 40% of the sampled households relied on remittances for over 50% of the total household income. This agrees with the findings of earlier studies that suggested that remittances were more' helpful in stabilizing expenditures and making life better for the recipients (Epstein & Gang, 2010; Germanoski & Schumm, 1993). About 72% of the remittance inflow is spent on essential business, including food, utilities, and shelter, and this confirms the importance of remittances as basic needs.

However, the study also identified a critical issue: of the amount remitted, only 10% of the households invested by saving the money. This finding is in line with the findings of previous studies, which establish that consumption smoothing is the primary objective of many remittance-recipient households as opposed to saving (Bazillier, 2008). To address this challenge, good public policies towards financial literacy and saving, and investment among the remittance-receiving households are needed.

5.2 Economic growth and regional disparities: Implications for the learning economy of the NMS and CEE régionons

On the macro business level, it was established that remittance contributes to Jordan's GDP by 12.5% in the year 2023 and is positively correlated with a coefficient of 0.85 between remittance and GDP growth rate. This goes in line with previous work focusing on the significance of demand generated by remittances to kick-start development (Meyer & Shera, 2017; Orozco, 2009). There is still considerable inequality in the regional distribution of this gross measure. Urban households received, on average, USD 6,000 in annual remittance while rural households received USD 4,200 on average. The level may vary because more people from the urban areas look for employment opportunities in other countries, and given the fact that they spend much more of their money on education and savings since they require mobility in the social ladder (Thornton, 2012) Whereas in the rural households the main expenditure was on food and lighting since they relied mostly on the remittances for their source of income. These conclusions validate the calls for appropriate policies addressing inequality by increasing investment in rural schooling, medical care, and transport (UNDP, 2023).

The study also examined the social impact of the remittances and showed that there are many of them. Whilst 65% of households used remittances for essential needs, 30% for debt repayments out of a total of 100% of households. These results underscore the importance of enforcing economic flows benefiting social status and alleviating monetary pressure on LMIs (Shah, 1986; Stark, 1988).

Nonetheless, high dependence on remittance for both consumption and service of various debts poses some serious questions regarding the concern's sustainability. These economic openness coupled with economic shocks that originate from the global economy, the vagaries of which negatively impact the world economy, or changes in immigration policies (McIntyre et al., 2009). To manage these risks, fiscal policymakers need to encourage multiple sources of income and job creation around relevant sectors.

5.3 Policy Implications

The results suggest that for holding policies, the remittance income source offers policy recommendations for improving the resultantly accrued inflows. Lowering transaction costs, encouraging positive development investments, and improving information levels of remittance-receiving households are critical steps (Ratha, 2022; Yang, 2008). Moreover, equalizing incomes through subsidies for rural roads

to improve access and education can ensure that the benefits from migrant remittances are spread out across the regions of the country (Claessens et al., 2009).

6. Conclusion and Policy Implications

The paper has been able to give an in-depth analysis of not only the two-fold effects of remittances on influencing household consumption patterns of a household but also on the macroeconomy of Jordan as a country. Employing a mixed-methods design combining a rich household survey (N = 478) and secondary macro variables, the evidence indicates the viability of remittances as a financial lifeline, with 72 percent of the received financial help using it on basic needs, 18 percent on education, and just 10 percent on savings/ investment. The regression analysis also reaffirmed that remittance inflows have a strong positive influence on household consumption, therefore, making them a highly important and stabilizing factor in a crumbling environment with high structural unemployment and regional fluctuations.
Theoretically, the findings contribute to and build upon the New Economics of Labor Migration (NELM) paradigm by showing that, contrary to the historical view that remittances were compensatory income to the recipients, it has strategic uses by drawing on the household decision-making process in a world of limited local opportunities. There was also a huge dependency of remittances and GDP (r = 0.85), and one would point to that as an indication of macroeconomic dependence on remittances, in that there has to be a framework on how policy can be put in place such that remittances are no longer seen as a temporary supplement in planning but it is treated like national development planning. there are structural weaknesses observed as well, according to the study, and the main vulnerabilities here are the low savings rate, regional variations in the remittance use, and low participation in formal financial arrangements. These results suggest that there is always a danger of stagnation in the economy unless the scenario is used to foster development.
Taking into consideration these challenges and opportunities, the research study suggests several specific policy interventions to maximize the developmental impact of remittances:
Institute rural financial literacy initiatives that will give remittance-receiving households tools to save, budget, and plan long-term. Collaborate with the banks to be able to provide incentivized savings and investment accounts specific to the low-income and rural population. Develop community investment funds so that remittances may be used not as a consumption cushion, but rather, as a productive capital base. Enhance regulatory frameworks and increase access to low-cost digital transfer platforms to lower transaction costs.
Targeted scorecards that guide resource allocation and strategic planning are used to track regional financial inclusion.
This study offers useful strategies for sustainable development in Jordan and other remittance-dependent economies by examining the micro- and macro-level dynamics of remittances. It also advances scholarly knowledge in this area. Future studies could examine the gendered aspects of remittance usage, the long-term generational effects of remittance dependence, and the part played by diaspora participation in the creation of national policies.
In summary, remittances are a structural pillar of resilience in Jordan and go beyond simple financial transfers. However, their transformative potential will remain underutilized unless policies are in place to channel them into investments, savings, and inclusive growth.

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