

4. Title: Remittance Flow and its Impact on Rural Households: A Study on Six Villages of Bangladesh

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a. Objective of the Study

The general objective of the study is to assess the utilization of remittance in the area of rural life or society.

b. Study Methods

In order to collect village level in-depth data from the remittance recipient households, the study were conducted in six villages of six districts under three divisions of Bangladesh. All the villages have similar type of village community based organization named Comprehensive Village Development Programme (CVDP) 2nd phase under BARD, a national project of the Government. Six villages from Narayanganj, Comilla, Nowakhali, Mowlobibazar, Hobigong districts under Chittagong, Dhaka, and Sylhet divisions were selected for field level data collection. These districts represent comparatively the high level or remittance prone area in the south-east Bangladesh (6th Five Year Plan, 2010). Fifty remittance recipient households from each village of each district were considered purposively, where many workers live in abroad and send the remittance regularly. Thus the study was covered the 300 remittance recipient households. A survey was conducted to find out remittance recipient and non-recipient households from the sample villages. Relevant information was collected through both primary and secondary sources. Primary data were collected through structured pre-tested interview schedule and checklist from the randomly selected household heads of the remittance recipient sample households. Besides, opinion of the remittance non-recipient households on various issues of the study was collected through case study, Focus Group Discussion (FGD) and informal discussion with them. Secondary data were gathered through literature review, from different documents and reports like Census Reports, Research Works, Five Years Plan, etc.

c. Major Findings

Respondent's education and health care expenditure has been increased after remittance earnings in foreign. Comparatively better land holding houses were able to recover their previous land with some additional land with the use of remittance. Land is most valuable assets and villagers were sustain their land ownership. In that case the relatively poor villagers had long hardship to increase the land. On the other hand land was very costly. Due to huge demand the market of land posed high price. Dwelling place or homestead of remittance receiving household were mostly thatch (47%) because of their short term duration at the foreign country and relatively disadvantaged position at the village. Almost all the respondents (98.67%) did not purchase land in the commercial areas, only 4 respondents purchased 1 to 20 decimal of land in the commercial area. Out of 300 households, 290 households did not purchase in any type of infertile or fellow land. Only 3.33% of the respondents bought 1 to 10 decimal of fellow land and this type of respondents was only found among the dwellers of Horinkhola of Hobigonj District.

Brokers was found major source of sending of labour to foreign countries in the study villages. About 52% expatriates had gone through brokers and the rate is highest (44 respondents) at Horinkhola in Sylhet division. Only 2.05% expatriates had gone through GoB agents whereas 34.31% expatriates had gone private organization and 11.73% through others like kin, brothers and uncle.

At the time of going abroad as remittance earners people may be cheated through wrong personnel. some of failures has also reported and such rate was 4.33%. It is noted that in Sylhet division there is no failure case. On the other hand in terms of failure the rate is highest in Char Bishonath in Dhaka division.

At the time of going abroad people manage money in many ways. Sometimes the managing money doesn't go to the right personnel and the people felt as victim. the highest 1.47% victims manage money through/from borrow money from relatives and from own savings money. The failures and cheated persons who failed to go abroad was 0.88% and they collected money by selling own agricultural land and taking money by interest. Other (0.29%) victims manage money by selling ornaments, mortgaging the land and mortgaging the house.

People go abroad for the hope that they will earn more money and will expend it for the family. For this hope they invest/manage money in many ways at the time of going abroad.

expatriates have to manage 2 to 4 lac taka at the time of going and the rate is highest at Horinkhola in Sylhet division. There were 0.88% expatriates had needed more than 10 lac to go abroad and in this case 2 expatriates from Char Bishonath in Dhaka division and one expatriates from Soigoria in Sylhet division.

There were 27.27% remittance earners of the study villages worked currently in Saudi Arabia and 14.66% remittance earners were in Malaysia and 12.02% expatriates are staying in Maldives as it neighboring country and easy to excess. Singapore is a country of growing economy and import manpower and about 2.35% respondents stay in Singapore. There is also a manpower market in South Africa and the rate was 1.47%.

The remittance earners earn money and send it to the country in every month or in two or three month's interval. Different channels used which remittance is sent to Bangladesh from abroad. Nearly 45% of the expatriates send money to the native country through the formal channel (bank account) and in this process the expatriates from the Dhaka division is in the top position. Transferring money through mobile is a new system and nearly 23% of the respondents use this system. It is noted that in every village there are some remittance earners so a significant number of expatriates (29.29%) send money by their relatives or known person during the visiting time of their native land. Informal channels like *hundi* used as remittance money sending by 2.72% expatriates.

Most of the remittance recipient households use the money for consuming daily commodities. But investment in productive sectors is also happened and the rate is not satisfactory at present. In the last year only 24% respondents invest their remittance in the productive sectors.

Among the investment sectors of remittance 11.73% respondents are found to invest it in rural land purchasing and the rate is highest in Soigoria in Comilla district. Other then land purchasing 5.28% respondents invest the remittance in constructing and repairing house and renting lands. Another 5.57% respondent use remittance for pretty business, paying DPS, cultivating fish, purchasing city land and cattle etc. Besides consuming assets, saving and investment the family members of the expatriates use the money for other purposes like paying tuition fees, buying clothes, food expenditure, paying loan etc.

Most of the remittance earner's family who succeed in foreign earnings by hard working getting social dignity due to change of their economic position and posing more purchasing power than the before.

Because of remittance the family of the remittance earners is dignified in the society. The remittance earners absented from their family for a long period of time. At that time the family faced many problems and challenges such as emotional stress on spouse. Children were deprived sharing and caring guidance. However it treated as sacrifice of present time for future happiness. People those stay in many other countries for the sake of their family communicate with the family in different way such as cell phone and internet, which reduced the mental stress. Left the young wife at home was unbearable for the remittance earners however they bond to go and have dream to build the better family livelihood and wellbeing. The remittance earners have some plans what they will do after coming from abroad. The choices wre diverse and business holds major areas to invest. Other probable areas to invest were agriculture, transport, and contractor. A skill person earned more money than the non skill. At the same time efficiency in English and local country language were important for them.

Remittance as well as migration has some positive and negative effects/views. The positive views emphasize the benefits arising from remittances, which for many countries are a precious source of foreign exchange as well as a major component of household income. There were evidences that in some places, community-based organizations such as hometown associations channel part of the remittance inflows into community development projects, such as schools, health centers and wells. Returned migrants bring back knowledge, ideas, skills and experience which termed as brain gain. Furthermore, anecdotal evidence suggests that, where decentralization processes have transferred responsibilities to elected local governments, migrants have played an important role in helping mobilize resources for local development. On the other hand the negative views are that migration may entail the loss of scarce skilled labour ("brain drain"). Moreover, in agriculture-based economies where a significant portion of the adult population is away, labour shortages may make the local economy highly dependent on remittances, raising concerns for its sustainability in the longer term. It was suggested that policy support and institutional packages were important for better use of remittance in productive sectors. However the expenditure on social and consumption also accelerated the production system. To develop skilled human resource is big concern.

However participation in technical education should be increased. At the same time language efficiency of local country simultaneously important. To harness demographic dividend in Bangladesh the human resource development and sustainable growth of production and employment are vital. The government aware on such matters and took several initiatives for socio economic development of Bangladesh. in this regard local level planning and comprehensive development plan is needed. The dominant trend come from Arabic speaking countries. However the values of European taste and modern outlook also mixing at the village and neighborhood. Veil has increased and fashionable veils has seen due to middle east counties impact in one hand and dominant Islamic religion and values on the other. Number of Was (delivering religious code of life at public meeting) has increased. It became festival at the village. The information flow of easier way to go abroad and to learn technical training are not good enough and lack of information to go abroad is seen at the villages. It was trend to shift family from village to and rural to urbanization has been taken places. Therefore remittance contributing urbanization and new living styles which may called as rural-urban-rural -urban relations. However the remittance earners bring some of brain gain from the foreign countries and that mixes the culture. It may be recommended that information flow and nation building department's roles should be increased. To increase the proper knowledge and information flow will be essential for taking decision to go abroad. At the same time technical educational information list and facilities should be disseminated properly for safe and secured remittance earnings.