

# THE BANGLADESH HOUSEHOLD REMITTANCE SURVEY 2009

## SUMMARY REPORT



IOM International Organization for Migration

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Supported by:



IOM International Organization for Migration

**MITRA AND ASSOCIATES**

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## FOREWORD

It is my pleasure to write this foreword for the "**Bangladesh Household Remittance Survey (2009)**" which was undertaken by the International Organization for Migration (IOM). It is indeed imperative for Bangladesh to have such systematic surveys periodically in order to understand and consequently implement targeted programmes.

The Bangladesh Household Remittance Survey (BHRS) was carried out in order to obtain a comprehensive understanding of remittance channeling and utilization patterns of migrants at the household level. The BHRS was implemented by collecting data from a nationally representative sample of 10,926 migrant households. It also provides understanding, detailing patterns and characteristics of remittance transfers, determining patterns of utilization among migrant families as well as data on social and economic impacts of remittances at the household level.

As we know, labour migration is an important and beneficial livelihood option for labour migrants from Bangladesh. In 2009 alone approximately 475,000 migrants went abroad, sending approximately 10.7 billion US dollars in remittances. World Bank figures state that Bangladesh is one of the top 10 remittance receiving countries globally.

Remittances have major development impacts on Bangladesh's economy and society—representing the second largest source of the much needed foreign currency earnings. Apart from these macro level impacts, remittances continue to directly contribute to the development of migrants' families and communities. However, to harness these development impacts both at the macro and micro level, the entire remittance channeling and utilization system needs to be managed efficiently. This requires greater understanding of remittances inflows, patterns and its utilization - particularly at the household level.

I must thank the IOM for undertaking this auspicious initiative for providing vital tools for policy makers as well as practitioners in designing and implementing future migration and remittance policies.

**Dr. Atiur Rahman**

Governor

Bangladesh Bank (Central Bank of Bangladesh)





# ACKNOWLEDGEMENTS

The International Organization for Migration (IOM) Dhaka is pleased to present the "Bangladesh Household Remittance Survey 2009: Summary Report" which is a summary publication highlighting some of the key findings from a nationwide household survey.

The Bangladesh Household Remittance Survey (BHRS), the first of its kind in Bangladesh interviewed a total of 10,673 households across the country, and led to comprehensive information on the socio-economic profiles of migrants, remittance channeling as well as utilization behaviour of migrants and receiving households.

On behalf of IOM, I would like to take this opportunity to thank Mitra and Associates Ltd. for their efforts in developing and carrying out this extensive and comprehensive survey. We are also grateful to the Bangladesh Bank and the Payment Systems Division (PSD) team, Ministry of Expatriates' Welfare and Overseas Employment and the Bureau of Manpower Employment and Training for their continued support throughout the process.

Special thanks to Ms. Priyanka Debnath from Research and Development Initiatives for the considerable editorial advice on the report.

And finally, I wish to thank my colleagues at IOM - Samiha Huda, Disha Sonata Faruque, Noushin Safinaz, Kristina Mejo, Elizabeth Warn and Rudolf Anich who have worked tirelessly on the survey and the subsequent report.

We sincerely hope that this report will provide important insights and comprehensive knowledge about the remittance scenario in Bangladesh to all relevant stakeholders.

**Rabab Fatima**

Regional Representative for South Asia  
International Organization for Migration  
Dhaka



# DEFINITION OF KEY TERMS

<b>Household:</b>	A household is a group of individuals living together in the same dwelling and sharing some basic activities, such as eating from the same kitchen.
<b>Migrant household:</b>	A household was defined as a migrant household if it had at least one of its members living or working abroad at the time of the survey.
<b>MCM and LCM districts:</b>	There are 64 districts in Bangladesh. Districts that had the same or a higher proportion of migrant households than the national average were defined as MCM districts (that is, districts with More Concentration of Migrant households). Thus, LCM districts (that is, districts with Less Concentration of Migrant households) were the districts having less proportion of migrant households than the national average.
<b>Migrant's data:</b>	Since migrants were living abroad, data about them was obtained from another member of his/her household chosen as respondent for the survey questionnaire. Thus, information reported in this survey about migrants should not be understood as information provided directly by the migrants themselves.
<b>Respondent:</b>	A respondent was defined as a member of a migrant household who answered the questions in the survey about the household and its migrant(s). The respondent was usually the head of the household. In cases when the household head was not available to be interviewed, another adult member of the household who was able to answer the survey questions was interviewed.



# TABLE OF CONTENTS

<b>EXECUTIVE SUMMARY</b>	<b>011</b>
<b>Chapter 1 INTRODUCTION</b>	<b>017</b>
1.1 Background Information	017
1.2 Objectives of this Survey	018
1.3 Methodology	019
<b>Chapter 2 BACKGROUND CHARACTERISTICS OF MIGRANTS' HOUSEHOLDS</b>	<b>023</b>
<b>2.1 Household Characteristics</b>	<b>023</b>
2.1.1 Housing Conditions	023
2.1.2 Water and Sanitation	024
2.1.3 Possession of Selected Assets	025
2.1.4 Possession of Land	026
<b>2.2 Characteristics of Migrants</b>	<b>027</b>
2.2.1 Age and Sex	027
2.2.2 Marital Status	027
2.2.3 Education	028
<b>Chapter 3 DECISION, PROCESSING AND CONDITIONS OF MIGRATION</b>	<b>031</b>
3.1 Countries of Destination and Current Residence	031
3.2 Decision to Migrate	034

3.2.1 Sources of Information	035
3.2.2 Reasons behind Migration	035
<b>3.3 The Process of Migration</b>	<b>036</b>
3.3.1 Contract of Employment	036
3.3.2 Migration Agency/Agent	037
3.3.3 Costs of Migration	038
3.3.4 Problems in processing migration	043
<b>3.4 Conditions of Migration</b>	<b>043</b>
3.4.1 Availability of Jobs and Remuneration in Accordance with the Employment Contract	043
3.4.2 Problems Faced After Arrival	044
3.4.3 Migrants Jobs (Current Jobs) in the Country of Destination	045
3.4.4 Current Remuneration	045
3.4.5 Monthly Savings	047
 <b>Chapter 4 REMITTANCES FROM MIGRANTS</b>	 <b>49</b>
4.1 Volume of Remittances	050
4.2 Frequencies of Remittances	051
4.3 Amounts of Remittances Sent Each Time	052
4.4 Differences in Remittances	052
4.4.1 Countries of Employment	052
4.4.2 Types of Job/Occupation	053
4.4.3 Levels of Remuneration/Duration of Stay	054
4.4.4 Levels of Education	056
4.5 Changes in Frequency and Amount of Remittances	057
4.6 Purposes and Uses of Remittances	060
 <b>Chapter 5 CHANNELS OF REMITTANCES</b>	 <b>063</b>
5.1 Awareness of Remittance Channels	063
5.2 Uses of Specific Remittance Channels	064
5.2.1 Amounts Sent through Specific Channels	065
<b>5.3 Advantages/Disadvantages of Using a Particular Channel</b>	<b>067</b>
5.3.1 Time Taken to Receive Remittances	067
5.3.2 Number of Visits Needed to Receive Remittances	070
5.3.3 Amounts of Fees Paid to Receive Remittances	071



5.3.4	Transportation Costs to Receive Remittances	072
5.3.5	Problems Encountered While Receiving Remittances	073
<b>5.4</b>	<b>Respondents' Opinions about Formal/Informal Channels</b>	<b>074</b>
5.4.1	Reasons of Using/not Using Formal Channels	074
5.4.2	Problems in Using Formal Channels	075
5.4.3	Risks Involved with Informal Channels	076
5.4.4	Preferred Channel	077
<b>Chapter 6</b>	<b>BANK ACCOUNTS AND CHANNELS OF REMITTANCES</b>	<b>079</b>
<b>6.1</b>	<b>Recipient's Bank Accounts</b>	<b>079</b>
6.1.1	Possession of Accounts	079
6.1.2	Types of Bank Accounts	080
6.1.3	Purposes of Bank Accounts	081
6.1.4	Reasons for Not Having Bank Accounts	082
<b>6.2</b>	<b>Migrants' Bank Accounts</b>	<b>082</b>
6.2.1	Possession of Accounts	082
6.2.2	Types of Bank Accounts	083
6.2.3	Purposes of Bank Accounts	084
6.2.4	Reasons for Not Having Bank Accounts	084
<b>6.3</b>	<b>Bank Accounts and Remittances through Formal Channels</b>	<b>085</b>
<b>Chapter 7</b>	<b>CONTRIBUTIONS TO HOUSEHOLDS' INCOMES AND EXPENDITURES</b>	<b>087</b>
<b>7.1</b>	<b>Households' incomes</b>	<b>087</b>
7.1.1	Incomes from Agriculture	087
7.1.2	Incomes from Enterprise/Business	088
7.1.3	Incomes from Salaries/Wages	089
7.1.4	Incomes from Other Sources	089
7.1.5	Total Household Income from All Sources	090
7.1.6	Income from Remittances	091
7.1.7	Contributions of Remittances to Overall Household Income	092
7.1.8	Household Expenses	092
7.1.9	Household Expenses from Remittances	094

<b>Chapter 8</b>	<b>IMPACT OF REMITTANCES</b>	<b>097</b>
8.1	Improvements in Consumption of Food	097
8.2	Improvements in Educational Opportunities	098
8.3	Increased Ability to Procure Medical Services	099
8.4	Increases in Household Income	101
<b>Chapter 9</b>	<b>CONCLUSION AND RECOMMENDATIONS</b>	<b>105</b>
<b>ANNEXES</b>		<b>109</b>
Annex 1	Detailed Sampling and Methodology	109
Annex 2	Complete Questionnaire	

# EXECUTIVE SUMMARY

"The Bangladesh Household Remittance Survey (BHRS)," was undertaken in order to obtain a comprehensive understanding of remittance channeling and utilization patterns of migrants at the household level. The specific objectives of this survey are to:

- determine and detail the patterns and characteristics of remittance transfers to individual households, including average transfer size, frequency, transfer mechanisms, costs, sending and receiving points, characteristics of senders and receivers, among other aspects;
- determine patterns of utilization of remittances among migrant households receiving remittances;
- gather data on the social and economic impacts of remittances at the household level.

BHRS was implemented by collecting data from a nationally representative sample of 10,926 migrant households. The survey defined *migrant household* as a household that has at least one of its members currently living/working abroad. The sample was selected from six divisions in Bangladesh- Barisal, Chittagong, Dhaka, Khulna, Rajshahi and Sylhet.

## Migrant Profile

Data was collected on the background and characteristics of the migrant households. The data collected found that the migrants are mostly male (98.3 %) and the average age of a migrant is 32 years. Among the migrants, 60 per cent were married during the time of the survey. Most migrants had little education. Nevertheless, there were marked variations in education between female and male migrants. Overall, men were found to be more educated than females; however, there was a higher rate of female migrants with an university education than their male counterparts.

## Choice of Destination

The Middle East is the major region of destination for migrants from Bangladesh. seventy three per cent of current Bangladeshi migrants included in the survey went to a country in the Middle East. The two major destination countries in the Middle East are the Kingdom of Saudi Arabia (KSA) and the United Arab Emirates (UAE). All other Middle Eastern countries together accounted for 15 per cent of migrants' destination. Malaysia accounted for the third highest proportion of Bangladeshis migrating to a country after KSA and UAE, accounting for 15 per cent of the surveyed migrant population.

## Sources of information and main motivations behind the decision to migrate

Relatives and *Intermediaries* were the two most common sources of information from where the potential migrants gained information about countries of destination and their chances of migrating into those countries. *Intermediaries*, followed by *relatives*, also emerged to be the major agents helping migrants with their overall process of emigration from Bangladesh. More than half (52 %) of the migrants in the survey based their decision to go to the country of their current residence due to an available job offer there. Approximately 79 per cent of the migrants in the survey had a contract of employment before they went to the country of their current country of destination. Ninety-two per cent received the contract within one year of beginning their migration efforts, with more than half (53 %) received the contracts within 3 months.

## Cost of Migration

In terms of overall cost of migration, 75 per cent of the migrants reported having spent a total amount ranging from Taka 100,001 to Taka 300,000. About 10 per cent of migrants reported having spent over Taka 300,000. The cost of migration varied with the country of destination. For instance, migrants who went to a country in the Middle East spent on average Taka 199,844. This average was much higher (Taka 228,100) for those who went to an Asian country outside the Middle East. It was highest for those who went to North America, Australia or New Zealand. The migration costs included: payments for government fees, recruiting agency fees, fees for visas and airfare. It also included payments to intermediaries and other middle men.

## Problems in completing migration process

Seventy seven per cent of migrants in the survey reported to have faced no problems in completing the necessary paperwork to migrate to their current country of destination. Nevertheless, 23 per cent reported having several types of problems while processing their migration. Furthermore, one in five migrants reported having faced problems after their arrival in the country of destination. The most commonly faced problem was a *delay in finding a job* reported by 9 per cent of migrants who did not have a contract before they arrived. Among migrants who migrated to a country with a contract, more than one-fifth (21 %) reported that their positions and benefits were not the same as described in their contracts. Several clauses and benefits mentioned in the contract were not provided to the migrants. Furthermore, it was found that only 54 per cent of migrants received the actual remuneration they were promised in their employment contracts.

## Migrant's employment and income

An overwhelming majority of the migrants were employed as low skilled or semi-skilled laborers in factories, agricultural sites, and construction sites. An average migrant was found to be earning an income of Taka 21,363 per month and saving Taka 13,210 per month.

## Remittance amount sent

Remittances sent by migrants are a major source of income for their households in Bangladesh. Nearly half (48 %) of the migrants sent money ranging between Taka 50,000 and Taka 150,000 to their households within the one year period prior to the survey. On an average, a migrant was found to have sent Taka 81,710 during the one year period before the survey. There were marked differences in the volume of money sent by male and female migrants. Only 40 per cent of female migrants sent more than Taka 50,000 compared to nearly 60 per cent of male migrants. One of the reasons for this could be that female migrants on average earned a lower salary than their male counterparts.

The study also explored the relationships between the average amount of remittances sent and the different countries of destination, types of jobs of migrants, levels of education and the duration of their stay. The data shows that the average amount of remittances sent from the Middle Eastern countries were higher than those sent from Malaysia and other Asian countries. Nevertheless, the amount sent was highest for those migrants living in North America, Australia and New Zealand. The amount of remittances also increased with the duration of stay of the migrant. The highest average remittances between Taka 116,694 and Taka 169,483 were sent by migrants who were conducting business, working as doctors/engineers/teachers, carrying out government services and working as caretakers/guards. Furthermore, there was a positive relationship between the amount sent and migrants' levels of education. Migrants with more education sent more money in the one year before the survey. But the variations did not appear to be pronounced until migrants had an education beyond grade IX. It is important to note that the positive relationship between levels of migrants' education and the amount they remit only holds to be the case for male migrant workers.

## Reasons for sending remittances

Over 80 per cent respondents mentioned that *meeting family expenses* was the primary purpose for which migrants sent remittances. The following major reasons for sending remittances were *paying off debts* and *celebration of Eid festival (Muslim religious festival)*. This was followed by the purposes of *medical treatment and education of children* (21-22 %). Ultimately, the study data shows that in fact households did spend remittances for the purposes intended by migrants.

## Remittance sending channels

The data collected also shows that remittances were mostly sent through formal channels, mainly banking institutions. Out of the total amount of remittances received by the surveyed households during the one year period before the survey, 73 per cent was received through banks and another 8 per cent through formal money transfer agencies. Only 18 per cent of the total remittances were sent through informal channels. However, it is plausible that the money sent

through informal channels was somewhat underreported in the survey due to the *invisible* nature of the transfer and the *sensitivity* surrounding receiving money through informal channels.

The data demonstrates that female migrants were less likely to use informal channels than their male counterparts. Female migrants sent only 7.5 per cent of their remittances through informal channels while the proportion was higher at 19 per cent for male migrants. More than 90 per cent of the respondents receiving remittances through a formal channel reported having received it within 15 days. On the other hand, recipients on average had to wait less than 5 days to receive money that was sent through informal channels. There were little variations in the time taken to receive remittances among the six political divisions of the country. From the data, it is evident that a respondent was more likely to require making at least two visits to receive a payment from the bank or the post office. On the contrary, recipients receiving remittances through informal channels mostly received it during one visit. Most of the recipients mentioned that they did not have to pay any fees to collect the remittances. Nevertheless, 10 per cent of the recipients receiving money through bank and post offices mentioned that they had to pay *informal extra money* to the officers for disbursing their payments. Safety and security were the main reasons behind using formal channels of transfer whereas receiving money faster and on time were the reasons given for opting for informal channels.

## Remittances and Bank Accounts

Among the migrant households who received remittances in the year before the survey, 8,712 were found to have at least one bank account, while 1,400 reported having no bank account. From the analysis of the data, it is clear that there is a strong association between receiving remittances through formal or informal channels and having a bank account. Among households having bank accounts, 83 per cent were found to have received remittances consistently through formal channels and only 6 per cent always through informal channels. In contrast, among households having no bank accounts, 65 per cent were found to have received remittance always through informal channels and only 27 per cent always through formal channels.

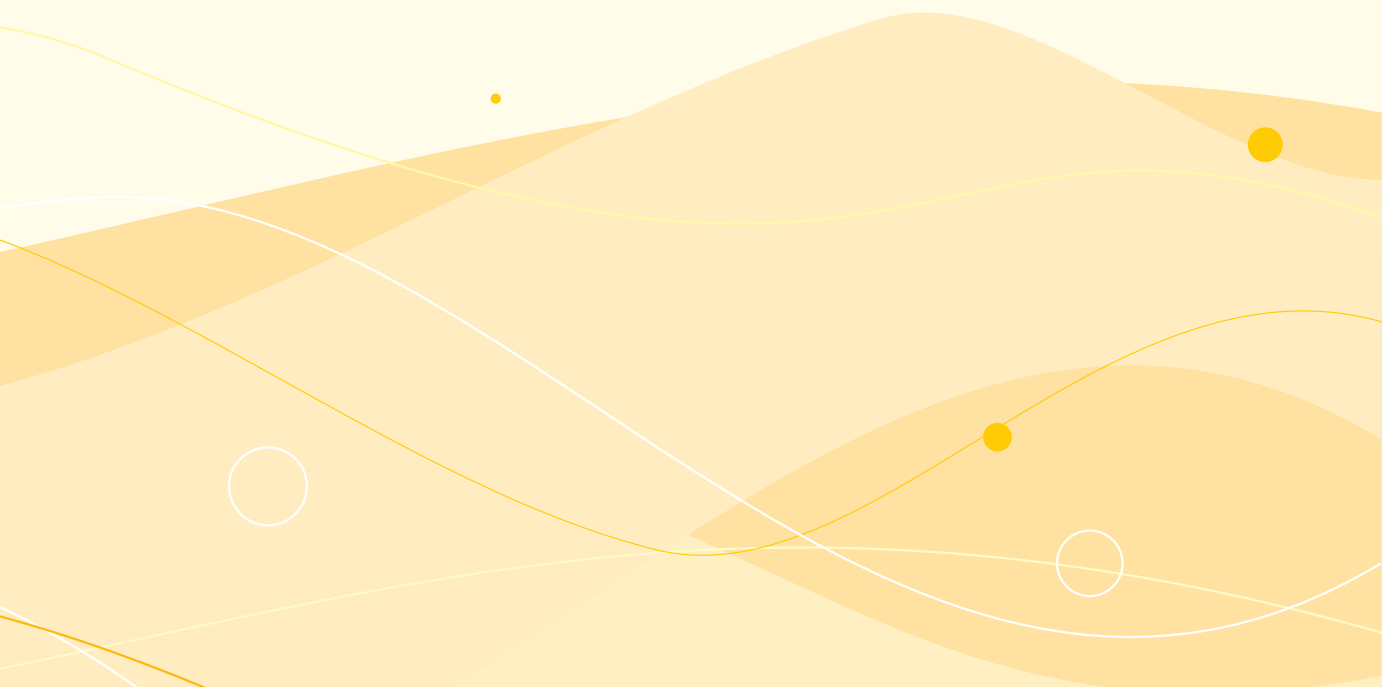
## Different sources of household income

An average migrant household was found to have an annual income of only Taka 27,141 from agriculture. The average annual income per migrant household from enterprise/business was calculated to be only Taka 14,188. Furthermore, it was found that an average annual income per migrant household from wages/salaries was Taka 16,146. Average annual income from other sources (leasing of pond, agricultural land, interest from savings, etc.) in the one year before the survey was Taka 6,979. After accounting for all sources of household income mentioned above, the average annual total income per migrant household in the one year before the survey was Taka 64,455. However, this average masks the large variations that each migrant household had in their own income.

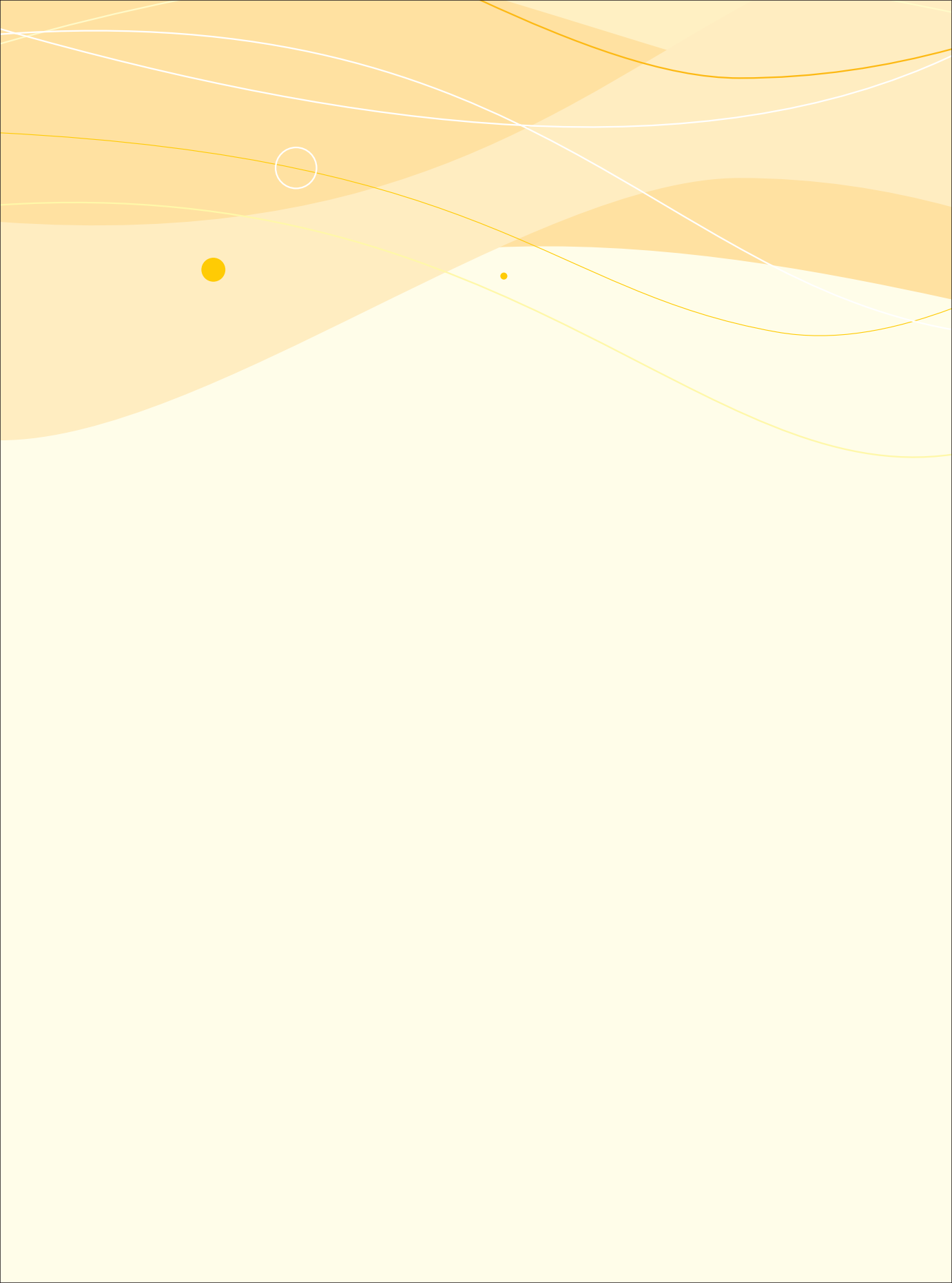
An average migrant household was found to have received a total of Taka 98,708 as remittances in the year before the survey, with about one-third (34 %) receiving an amount of Taka 50,000 or less and another one-third (33 %) receiving between Taka 50,001 and Taka 100,000. The overall annual income of an average migrant household including remittances was Taka 163,163 in the year before the survey. On average, remittances made up 61 per cent of the overall household income in the year before the survey.

## Household Expenditure

Household expenses were broken down into two categories: disposable goods and services and durable goods and services. An average household was found to have spent Taka 109,130 of remittance money towards 63 per cent of its total household expenses (durable and disposable) in the one year before the survey. There were little variations in the proportion of household expenses met with remittance money, by level of household expenses. Data showed that remittances have led to improvements in the consumption of food among the majority of migrant households. There are clear indications of remittances having a positive impact on the level of educational opportunities available in the migrant households. Approximately 82 per cent of the surveyed households mentioned using remittances to buy books, papers, and other learning materials and 66 per cent mentioned using it to pay tuition fees/exam fees/transportation costs for their children. Most migrant households used some portion of their remittances towards procuring medical treatment and medicines. About 72 per cent used it to obtain treatment and another 81 per cent used it to purchase medicines.







# CHAPTER 1

## INTRODUCTION

The International Organization for Migration (IOM) has been implementing a three-year Remittance and Partnership Payment (RPP) project funded by DFID UK since January 2007. The Household Survey, also referred to as "The Bangladesh Household Remittance Survey (BHRS)" was undertaken as part of the overall RPP project to obtain a comprehensive understanding of remittance channeling and utilization patterns of migrants at the household level. The survey was implemented using a nationally representative sample of households (for detailed description of the methodology, see Annex 1) and a structured questionnaire (see Annex 2).

### 1.1 Background Information

Bangladesh is located in the northeastern part of South Asia and covers an area of 147,570 square kilometers. It is almost entirely surrounded by India, except for a short southeastern frontier with Myanmar and a southern coastline on the Bay of Bengal. Most of Bangladesh is low and flat and the soil composition is alluvial. The most significant feature of the landscape is the extensive network of large and small rivers that are of primary importance to the socioeconomic life of the nation. Chief among these are the Ganges-Padma, Brahmaputra-Jamuna, and Meghna rivers. Bangladesh has a climate dominated by seasonal monsoons and is subject to frequent natural calamities, such as floods, cyclones, tidal bores and drought.

Bangladesh is one of the most densely populated countries in the world. The country has a population of about 150 million, with a corresponding population density of more than 920 persons per square kilometer. During the first half of the last century the population increased by 45 per cent. Bangladesh ranks 146th among nations on the Human Development Index (HDI) as presented in the 2009 Human Development Report. The country's HDI value is 0.543, placing it in the category of medium human development countries.

Bangladesh struggles to emerge from poverty. Bangladesh ranks 112th among 135 countries on the Human Poverty Index (HPI). The HPI is a multidimensional measure of poverty for developing countries and it takes into account social exclusion, lack of economic opportunities, and deprivations in survival, livelihood, and knowledge. The average per capita income was USD 621 during the 2008-2009 fiscal year.

Agriculture is the single largest producing sector of the economy, contributing about 22 per cent to the Gross Domestic Product (GDP). This sector also employs around 78 per cent of the total labour force. Rice, wheat, jute, sugarcane, tobacco, oilseeds and potatoes are the principal crops. The country produces about 51 million kilograms of tea per year, a sizeable quantity of which is exported to foreign markets. The manufacturing sector, although small, is increasing in importance as a result of foreign investments. It contributes about 17 per cent to the country's GDP. The manufacturing sector is dominated by the ready-made garments industry.

Labour migration is an important and beneficial livelihood option for Bangladeshis. In 2008, approximately 875,000 migrants went abroad.<sup>1</sup> In addition to temporary labour migrants, it is estimated that 5.6 million expatriate Bangladeshis are living permanently in developed and developing countries. Migration has not only been reducing domestic unemployment, it has also encouraged socio-economic development possibilities at the national, community and individual levels.

Remittances have major development impacts on Bangladesh's economy and society. World Bank figures state that Bangladesh is one of the top 10 remittance recipient countries globally. The remittances sent by migrants bring much-needed foreign exchange and are the second largest source of foreign exchange earnings for Bangladesh. Apart from macro implications, such as impact on trade balance and foreign exchange reserve of the country, remittance remains a private fund, being diverted directly to the development of migrants' families and communities. The same World Bank report suggests that remittances could lead to a 6% decline in the poverty headcount ratio in Bangladesh.

However, to maximize the potential gains of remittances, the system needs to be managed efficiently. Taking into consideration that remittances are private funds, there could be proactive measures put in place to ensure that remittances are channeled and utilized in a manner that benefits all stakeholders. In order to do so, there needs to be a thorough understanding of remittance inflows and patterns of its utilization particularly from the perspective of migrants and their households.

## 1.2 Objective of the Survey

Against this backdrop, the "Bangladesh Household Remittance Survey (BHRS)" was undertaken by IOM with the following specific objectives:

- Determine and detail the patterns and characteristics of remittance transfers to individual households, including average transfer size, frequency, transfer mechanisms, costs, sending and receiving points, characteristics of senders and receivers, among others;
- Determine patterns of utilization of remittances among migrant households receiving remittances;
- Gather data on the social and economic impacts of remittances at the household level.

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<sup>1</sup> According to data collected from the Bureau of Manpower, Employment and Training (BMET).

## 1.3 Methodology

BHRS was implemented by collecting data from a nationally representative sample of migrant households from all 6 administrative divisions of Bangladesh (i.e. Barisal, Chittagong, Dhaka, Khulna, Rajshahi and Sylhet). A Migrant household has been defined as a household that had at least one of its members currently living/working abroad during the time of the survey. The selection of the migrant household was made independently of their current status (i.e. regular or irregular) in the country of destination

The districts of the six divisions of the country were divided into two strata, with one stratum consisting of MCM districts (that is, the districts with More Concentration of Migrant households) and the other stratum consisting of LCM districts (that is, districts with Less Concentration of Migrant households). As there are no MCM districts in the divisions of Barisal, Khulna and Rajshahi, the MCM districts were located only in three divisions--- Chittagong, Dhaka and Sylhet. As a result, the sample was drawn from nine strata instead of 12, including one stratum for each of the three divisions (Barisal, Khulna and Rajshahi) and two strata for each of the other three divisions (Chittagong, Dhaka and Sylhet).

Following this, clusters were formed with one or more *mauzas*<sup>2</sup> or part of a *mauza*, depending on the cluster's size as set in terms of number of general households. These clusters were selected independently from each stratum using the Probability Proportional to Size (PPS) method of selection. The total sample was made up of 457 clusters (i.e. 257 from MCM districts and 200 from LCM districts) including 143 clusters from the division of Dhaka, 140 from Chittagong, 85 from Rajshahi, 44 from Khulna, 25 from Barisal and 20 from Sylhet.

Before starting the household listing in a cluster, the cluster was located and its geographical boundaries identified. Then, all households in every selected cluster were listed, identifying only the migrant households. Household listings were done by taking a complete census of the households in each of the clusters. This involved visiting every household in the designated area.

As a result, for every cluster, all of the identified migrant households were included in the sample. When a cluster had more than the required number of migrant households to be selected from, the required number of migrant households was selected by using the systematic sampling technique. This way, a total of **10,926 households** were selected in the sample.

In total, although 10,926 migrant households were initially selected, **10,673 households** were successfully interviewed, achieving a response rate of 97.7 per cent.

For detailed description of the sampling design and methodology, please see Annex 1.

## 1.4 Questionnaire

The questionnaire used in the survey for data collection comprised several sections, briefly described below.

**Cover Sheet**     **Identification of Sample Households:** Used to record the address of each sample household and its interview status for this survey.

**Section 1**        **Identification of Migrant Households:** Used to identify the migrant household and the migrant.

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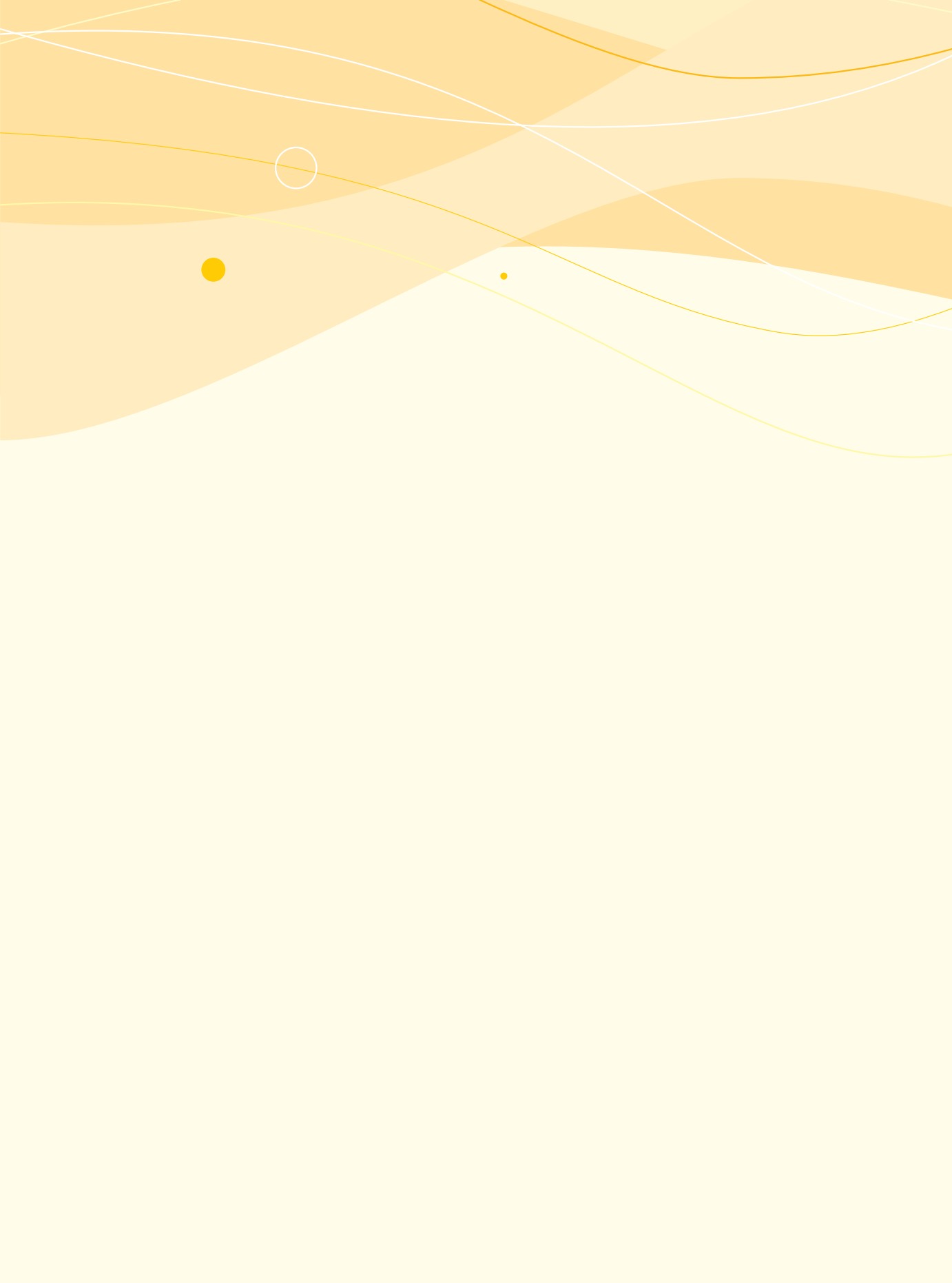
<sup>2</sup> *Mauza* refers to a type of administrative district, today most closely synonymous with a village.

- Section 2**      **Characteristics of Migrant Household:** Used to obtain demographic and socio-economic information about the household.
- Section 3**      **Migrant's Profile and the Reasons for Migrating:** This section was used to collect information about the migrant's age, education, employment status before migration and the reasons for migrating.
- Sections 4**      **First/Current Countries of Destination:** Here, information was obtained about the migrant's first country of destination along with his/her current country of destination.
- Sections 5**      **Migration to Current Country:** This section collected information about the process that the migrant followed to migrate into their current country of destination. The interviewer also recorded the cost of migration, the job the migrant is performing in the country of destination, the migrant's salary and saving rate while being in the destination country, problems encountered, etc.
- Sections 6**      **Marital Status:** Used to obtain information on the current marital status of the migrant, if s/he was married more than once, if s/he is currently living with his/her spouse and some information on the spouse.
- Sections 7**      **Migrant's Children:** Used to collect information as to the number of children the migrant has, including the age of the children, their education level and current residence,
- Sections 8A**      **Total Remittances:** This section was aimed at obtaining information about the total amount of money the migrant has sent home so far, the date when the migrant started sending money and whether there have been changes in the frequency or amount of remittances being sent by them.
- Sections 8B**      **Awareness of Channels:** Used to ascertain if a respondent was aware of channels that s/he could use to bring remittances from a migrant.
- Sections 9**      **Remittances in Last 12 Months:** Used to obtain information as to the number of times the migrant has sent money to their households during the 12 month period preceding the survey. Additional information, such as, the amount of remittances sent each time, the purpose behind sending remittances and the activities in which it was spent, was also collected.
- Sections 10**      **Channels of Remittances:** This section recorded information about the channels that were used to sent remittances, how long it took to receive the money through each channel, and the types of problems/hassles encountered by the migrant household while receiving the money.
- Sections 11**      **Preferred Channel:** This section helped to obtain data about the remittance receiving channel most preferred by the recipients.
- Sections 12**      **Bank Accounts:** Used to collect data about whether a remittance recipient/migrant had a bank account or not, the type of bank account and the main motivations behind having or not having a bank account.
- Sections 13**      **Control over Remittances:** This section captured information regarding who in the migrant household controlled remittances and its spending structure.
- Sections 14**      **Receipt of Goods:** This section recorded information about goods other than money that were sent to the households by the migrant

- Sections 15 Household Income:** This section collected information about the annual income of a household from its own sources such as agriculture, business/enterprise, wages/salaries, etc.
- Sections 16 Household Expenditure:** This section was used to gather information about the annual expenditure of a household, including its expenses for both disposable and durable goods/services.
- Sections 17 Asset, Investment and Loan-repayment:** This section collected data on the different purposes for which remittances were used, for instance, to buy land, build a house, buy/start a business, to pay off loans, etc.
- Sections 18 Loans:** This section obtained information on any outstanding loans that the migrant household has and the reason behind taking the loan.
- Sections 19 Food Consumption:** This section collected information on the different types of food the household consumed during the seven days preceding the survey.
- Sections 20 Impact:** This section obtained information about whether the inflow of remittances had helped the household to improve its consumption of food, enhance its educational opportunities, pay for its medical services/medicines and raise its overall income.

The questionnaire was pre-tested in two locations near Dhaka city before it was finally adopted.

For the detailed and complete questionnaire, please see Annex 2.





## CHAPTER 2

# BACKGROUND CHARACTERISTICS OF MIGRANTS' HOUSEHOLDS

This chapter presents information on socioeconomic characteristics of migrants' households including sources of drinking water, sanitation facilities, availability of electricity, housing construction materials, possession of household durable goods and ownership of a homestead and land. The chapter also describes the demographic characteristics of the migrants such as, age, sex, educational attainment and marital status. This information is pertinent for understanding the context in which the survey findings were obtained as well as for interpreting the findings further.

## 2.1 Household Characteristics

### 2.1.1 Housing Conditions

Tin was the most common roofing material in the migrant households. Overall, 82.5 per cent of the households lived in dwellings built with tin roofs (Table 2.1), with approximately another 16.1 per cent living in dwellings with cement or concrete roofs. Only a small proportion (1.2 per cent) of the household was found to be living in dwellings with thatched roofs.

Just over four in ten (42.7 %) migrant households lived in dwellings with tin walls and 35.4 per cent in dwellings with brick and cement walls. About 20.3 per cent of the households lived in dwellings with walls made of natural materials such as cane, palm, trunks, dirt, or bamboo with mud.

More than six in ten households (66.0 %) used earth and/or sand as the flooring material. Ceramic tiles/cement was the next most common flooring material among the migrant households (33.5 %).

TABLE 2.1		
Housing characteristics		
Main roof material	Number (N <sup>1</sup> )	Percentage
Thatch / palm leaf/ bamboo	126	1.2
Tin	8,801	82.5
Ceramic tiles/Cement	1,722	16.1
Other	24	0.2
Main wall material		
Cane/palm/trunks/mud/dirt/bamboo with mud/stone with mud	2,164	20.3
Plywood/ wood planks /shingles/cardboard	126	1.2
Tin	4,562	42.7
Cement/stone with lime /cement/bricks	3,778	35.4
Other	43	0.4
Flooring material		
Earth, sand, palm, bamboo	7,048	66.0
Wood planks/parquet, polished wood	45	0.4
Ceramic tiles/cement/carpet	3,575	33.5
Other	5	0.1
<b>N1</b>	<b>10,673</b>	<b>100.0</b>

N<sup>1</sup> is the number of migrant households included in the sample.

### 2.1.2 Water and Sanitation

Table 2.2 shows the distribution of migrant households by their source of drinking water and the type of toilet facilities used. Access to an improved source of drinking water was universal among the migrant households (98.8 %). Tube wells were the most common source of drinking water (86.9 %). Piped water was available to only 9.1 per cent of the households.

Every migrant household (99.1 %) reported having a latrine in their household (Table 2.1). Most of the migrant households (73.7 %) had an improved toilet facility (flush toilet or pit latrine with slab). Pit latrine with slab was the most common improved toilet facility among the migrant households (47.3 %).

TABLE 2.2

## Source of drinking water and type of latrine facilities

Source of drinking water	Number (N <sup>1</sup> )	Percentage
<b>Improved source</b>	<b>10,537</b>	<b>98.8</b>
Piped water into dwelling/yard/plot	975	9.1
Public tap / standpipe	223	2.1
Tube well or borehole	9,275	86.9
Protected dug well	62	0.6
Rainwater	1	0.0
Protected spring	1	0.0
<b>Non-improved source</b>	<b>136</b>	<b>1.2</b>
Unprotected dug well	25	0.2
Tanker truck/cart with small tank	4	0.0
Surface water (river/dam/lake/pond/ stream/canal/irrigation)	73	0.7
Other	34	0.3
<b>Improved facility</b>		
<b>Improved source</b>	<b>7,866</b>	<b>73.7</b>
Flush/pour flush to piped sewer system	507	4.7
Flush/pour flush to septic tank	1,239	11.6
Flush/pour flush to pit latrine	159	1.5
Pit latrine with slab	5,051	47.3
Ventilated improved pit latrine	910	8.5
<b>Non-improved facility</b>	<b>2,809</b>	<b>26.3</b>
Flush/pour flush no to sewer/ septic tank/ pit latrine	75	0.7
Pit latrine without slab / open pit	2,315	21.7
Bucket toilet	11	0.1
Hanging toilet / hanging latrine	304	2.8
No facility/bush/field	93	0.9
Other	11	0.1

N<sup>1</sup> is the number of migrant households (10,673) included in the sample.

### 2.1.3 Possession of Selected Assets

Table 2.3 gives a break-down of selected possessions owned by migrant households.

Overall, 94.9 per cent of the households owned jewellery, 91.4 per cent a chair, 90.3 per cent a table, 89.9 per cent a cell phone, 84.7 per cent a watch or clock and 78.8 per cent an almirah (wardrobe). The next most commonly owned items in the households were televisions (51.9 %), bicycles (29.4 %), DVD players (20.5 %), refrigerators (18.1 %), and deep/shallow tube wells (13.6 %). About seven in ten (67.1 %) migrant households had access to electricity.

TABLE 2.3

## Possession of selected assets

Assets	Number (N <sup>1</sup> )	Percentage *
Wardrobe	8,410	78.8
Table	9,634	90.3
Chair	9,760	91.4
Electricity	7,165	67.1
Radio	3,054	28.6
Television	5,536	51.9
DVD	2,186	20.5
Animal-drawn cart	120	1.1
Sewing machine	959	9.0
Tractor/Power tiller	257	2.4
Rickshaw <sup>3</sup>	162	1.5
Deep/shallow tube-well	1,447	13.6
Computer	296	2.8
Car/Bus/Truck/Microbus	84	0.8
Boat with a motor	81	0.8
Refrigerator	1,934	18.1
Jewellery	10,125	94.9
Watch	9,039	84.7
Bicycle	3,139	29.4
Mobile telephone	9,596	89.9
Motorcycle or motor scooter	572	5.4

N<sup>1</sup> is the number of migrant households (10,673) included in the sample.

\* Percentages add up to more than 100 per cent due to multiple answers provided by respondents.

### 2.1.4 Possession of Land

Almost all migrant households (97.8 %) owned their homestead land. However, a sizeable proportion did not have any other land except the homestead land. Only 57.3 per cent of households reported owning other land (Table 2.4). Among those who had other land, 28.1 per cent of households reported having only 100 decimals (one decimal is 1/100th of an acre), 13.6 per cent reported having between 50-100 decimals and 14.5 per cent reported having less than 50 decimals. However, a sizeable number of households (12.6 %) had between 101-200 decimals of cultivable land and another 11.5 per cent households had between 201-500 decimals of cultivable land. Approximately, only 5.1 per cent of the households had 500 or more decimals of cultivable land. On average, a migrant household owned 124.1 decimals of cultivable land.

<sup>3</sup> Rickshaw is a mode of human-powered transport. A runner draws a two-wheeled cart which seats one or two persons.

TABLE 2.4

Ownership of homestead land and other land		
Ownership of homestead land	10,436	97.8
Not ownership of homestead land	237	2.2
<b>N<sup>1</sup></b>	<b>10,673</b>	<b>100.0</b>
Cultivable land (in decimal)		
No cultivated land	4,558	42.7
< 50	1,543	14.5
50-100	1,451	13.6
101-200	1,349	12.6
201-500	1,228	11.5
> 501	544	5.1
<b>Total</b>	<b>10,673</b>	<b>100.0</b>
<b>Mean</b>		<b>124.1</b>

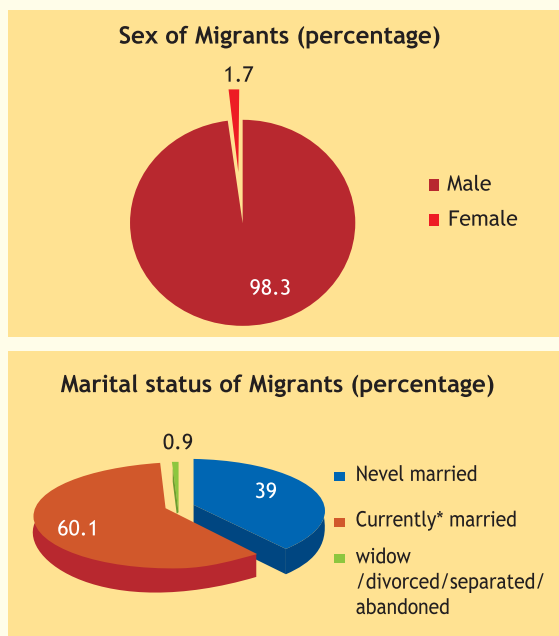
N<sup>1</sup> is the number of migrant households included in the sample.

## 2.2 Characteristics of Migrants

### 2.2.1 Age and Sex

The migrants were mostly male (98.3 %) with 1.7 per cent female. Among the migrants, 43.5 per cent (the majority) were in the 20-29 year age group, 33.3 per cent in the 30-39 year age group and twenty (20.3) per cent were in the age group of 40 and above.

Figure 2.5 Selected demographic characteristics of migrants



Only a negligible percentage of migrants (2.0 %) were under 20 years of age. The mean age of migrants in this survey is 32 years. The following bar-graph provides more information about the age distribution of migrants.

### 2.2.2 Marital Status

Six in ten (60.1 %) migrants were married during the time of the survey, while another 39.0 per cent of them were never married. Few of the migrants (0.9 %) were widowed/divorced/separated/ or deserted.

TABLE 2.5

## Level of education of migrants

Levels of education	Number	Percentage
<b>All migrants</b>		
Never attended	1,305	10.1
Primary incomplete	1,645	12.8
Primary completed	1,858	14.4
Secondary incomplete	4,780	37.1
Secondary completed	1,712	13.3
Higher secondary completed	882	6.8
Degree and above	621	4.8
Others	90	0.7
<b>N<sup>1</sup></b>	<b>12,893</b>	<b>100.0</b>
<b>Male migrants</b>		
Never attended	1,258	9.9
Primary incomplete	1,608	12.7
Primary completed	1,816	14.3
Secondary incomplete	4,735	37.4
Secondary completed	1,703	13.4
Higher secondary completed	872	6.9
Degree and above	598	4.7
Others	83	0.7
<b>N<sup>2</sup></b>	<b>12,763</b>	<b>100.0</b>
<b>Female migrants</b>		
Never attended	47	21.9
Primary incomplete	37	17.2
Primary completed	42	19.5
Secondary incomplete	45	20.9
Secondary completed	9	4.2
Higher secondary completed	11	5.1
Degree and above	22	10.2
Others	2	0.9
<b>N<sup>3</sup></b>	<b>215</b>	<b>100.0</b>

N<sup>1</sup> is the number of migrants included in the sample<sup>4</sup>.

N<sup>2</sup> is the number of male migrants included in the sample, excluding 'Not Stated' cases for education.

N<sup>3</sup> is the number of female migrants included in the sample, excluding 'Not Stated' cases for education.

### 2.2.3 Education

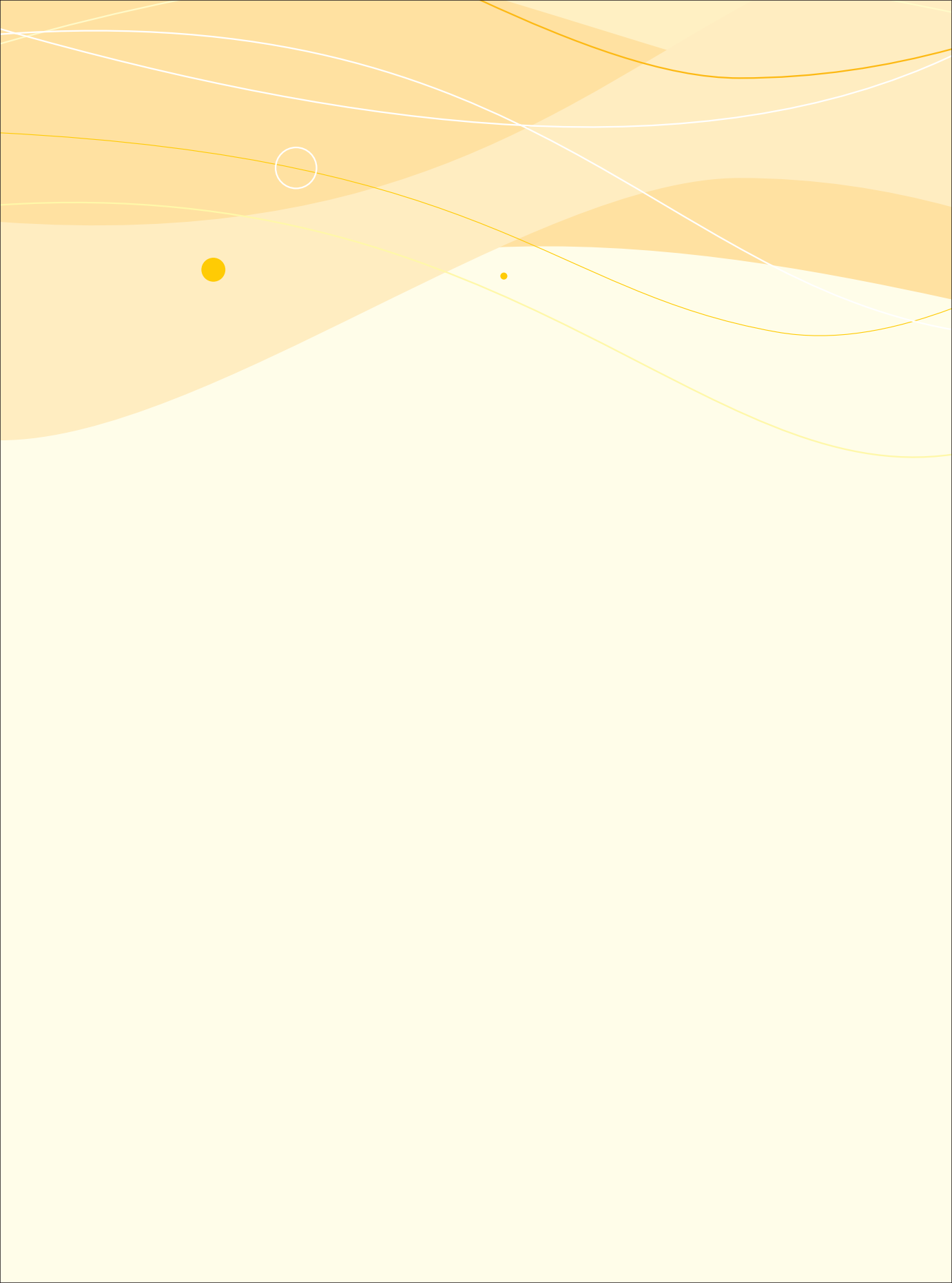
Most migrants had little education. As shown in Table 2.5b, 50.4 per cent of the migrants had some secondary education, with about 37.1 per cent having incomplete secondary education and about 13.3 per cent with complete secondary education. Twenty seven per cent of migrants had

4 From the 10,673 households, information on a total of 12,893 migrants was obtained (male 12,676 and female 217).

some primary or complete primary education. Another 10 per cent of migrants had no education. Only 11.6 per cent of migrants completed their higher secondary education and above.

There were marked variations in education between female and male migrants. Levels of education generally were lower among female migrants. For instance, 22 per cent of females had no education while 17 per cent had begun primary education (but left it incomplete) and 20 per cent had completed their primary education. For male migrants, these proportions were lower at 10 per cent and 27 per cent respectively. Interestingly however, there were a higher proportion of female migrants with an education at the degree level relative to their male counterparts (10% versus only 5 %).





## CHAPTER 3

# DECISION, PROCESSING AND CONDITIONS OF MIGRATION

The decision to migrate, the processing of migration and the conditions migrants face in the destination countries are among some of the important factors that need to be understood and documented in order to undertake efforts towards promoting safe migration from a country and improving the well-being of the migrants.

**Therefore, a primary objective of the survey was to research and gather information about:**

- the migrant's motivation behind the decision to migrate;
- how the migrant completed the process of migration from Bangladesh (country of origin) to his/her country of destination;
- conditions the migrant faced after arrival in their country of destination.

### 3.1 Countries of Destination and Current Residence

The Middle East is the major region of destination for migrants from Bangladesh. As shown in Table 3.1, more than 7 in 10 (73 %) of current Bangladeshi migrants included in the survey went to a country in the Middle East. The two major destination countries in the Middle East are the Kingdom of Saudi Arabia (KSA) and the United Arab Emirates (UAE). Among the migrants, the highest proportion (34 %) went to KSA and the second highest (24 %) to UAE. All other Middle Eastern countries together accounted for 15 per cent of migrants' destination, with Kuwait having 6 per cent, followed by Oman with 4 per cent and Qatar with 2 per cent. Outside the Middle East, Malaysia is the only major country receiving migrants from Bangladesh. Among the surveyed migrants, 15 per cent went to Malaysia, the third highest proportion of Bangladeshis migrating to a country after KSA and UAE. Singapore had 3 per cent of Bangladeshi migrants.

From the data collected for this survey, it was found that migration from Bangladesh to Europe and Africa, as well as to Canada-USA and Australia-New Zealand was very limited. Only about 3 per cent of the surveyed migrants went to a country in Europe while slightly over one per cent went to Canada-USA, and even fewer to a country in Africa or to Australia-New Zealand.

Figure 3.1 First destination

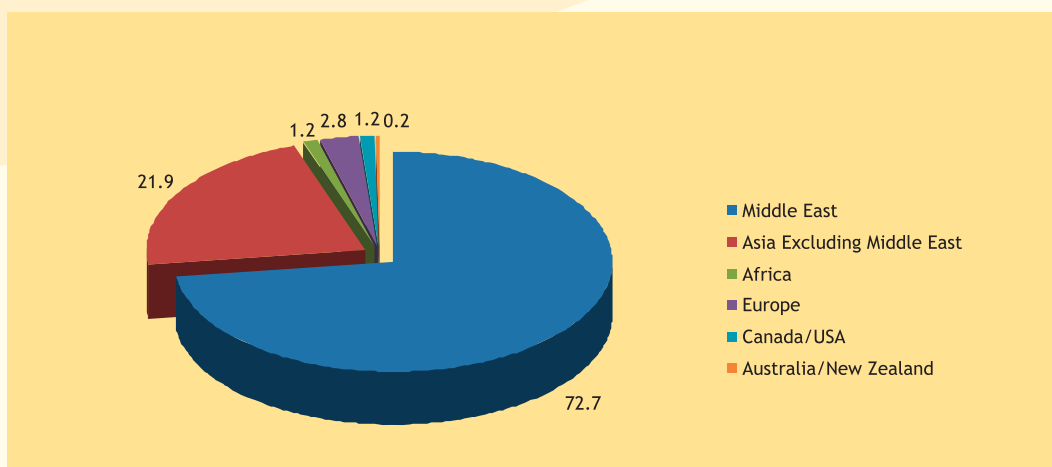


TABLE 3.1

## First country of destination (country wise breakdown)

Middle East	72.7
Kingdom of Saudi Arabia	2
United Arab Emirates (UAE)	24.0
Kuwait	6.0
Oman	3.6
Qatar	2.1
Bahrain	1.8
Other Countries	1.0
Asia excluding Middle East	21.9
Malaysia	14.7
Singapore	3.5
Maldives	1.4
Pakistan	0.8
India	0.4
South Korea	0.3
Other Countries	0.7
Africa	1.2
Europe	2.8
Canada/USA	1.2
Australia/New Zealand	0.2
All	100.0

N1 is the number of migrants included in the sample.

As shown in Table 3.2, only 6 per cent of the migrants were reported to have moved to another country from the country they first migrated to. Most the current Bangladeshi migrants (73 %) were found to be living in a country in the Middle East, with another 14 per cent living in Malaysia (Table 3.3). Only 7 per cent were currently resident in a country outside Asia.

TABLE 3.2

Currently living in the first country of destination or a different country		
Whether living in the first country of destination country or in a different country	Number (N <sup>1</sup> )	Percentage
First country of destination	12,131	94.1
Different countries	762	5.9
<b>Total</b>	<b>12,893</b>	<b>100.0</b>

N1 is the number of migrants included in the sample.

Figure 3.3 Current residence (%)

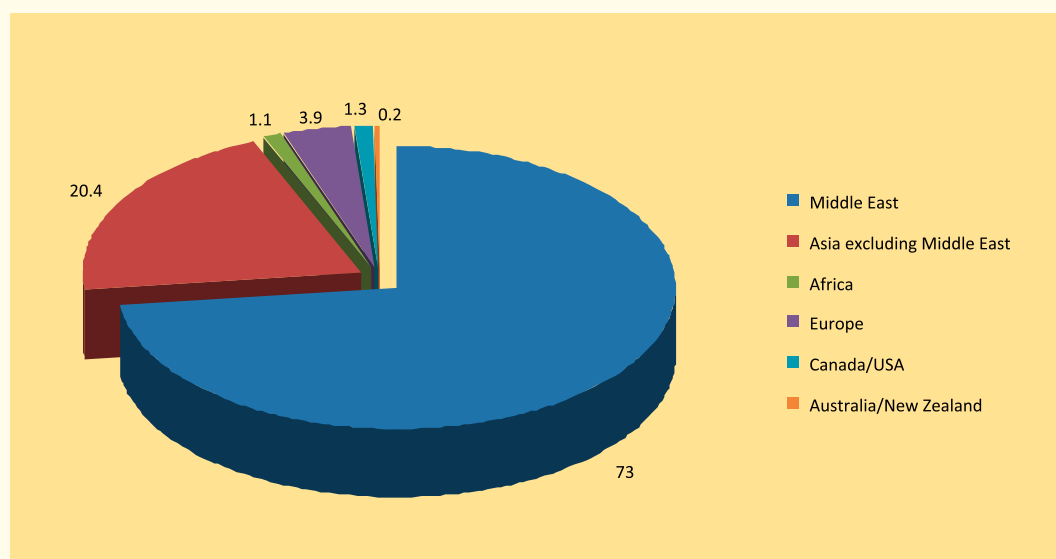


TABLE 3.3

## Country of current residence (country wise breakdown)

Country of current residence	Number (N <sup>1</sup> )	Percentage*
<b>Middle East</b>	<b>9,410</b>	<b>73.0</b>
Kingdom of Saudi Arabia	4,427	34.3
UAE	3,162	24.5
Kuwait	745	5.8
Oman	459	3.6
Qatar	263	2.0
Bahrain	235	1.8
Other countries	117	0.9
<b>Asian excluding Middle East</b>	<b>2,635</b>	<b>20.4</b>
Malaysia	1823	14.1
Singapore	440	3.4
Maldives	180	1.4
Pakistan	44	0.3
India	41	0.3
South Korea	38	0.3
Other countries	69	0.5
<b>Africa</b>	<b>144</b>	<b>1.1</b>
<b>Europe</b>	<b>505</b>	<b>3.9</b>
<b>Canada/USA</b>	<b>167</b>	<b>1.3</b>
<b>Australia/New Zealand</b>	<b>32</b>	<b>0.2</b>
<b>All</b>	<b>12,893</b>	<b>100.0</b>

N<sup>1</sup> is the number of migrants included in the sample.

\* Percentages do not add-up to 100 per cent due to rounding up for the process of weighting.

## 3.2 Decision to Migrate

The decision to migrate is a major one in a migrant's life. The survey tried to explore the sources of information and main motivations behind the decision to migrate. The interviewers of the survey asked questions to gather data on the following:

- Sources of information-- Where did the migrant find the information necessary to make the decision to migrate.
- Factors that motivated the migrant to migrate to their particular country of destination.

### 3.2.1 Sources of Information

**Fig: First sources of information**

*Relatives* and *Intermediaries* were the two most common sources of information from where the migrants in the survey first learned about factors they could use to determine if migration to their eventual country of destination was a viable option. As shown in the following pie-chart, *Relatives* were reported as a source of first information for 56 per cent of the migrants and the *Intermediaries* were reported as a first source by 45 per cent. *Migrant Recruiting Agency/Agent* was reported as a source of first information by only 10 per cent of the migrants. Neighbours and friends were also reported among the sources, providing the first information to 7 and 12 per cent of the migrants respectively. There were no marked variations in the sources of information between female and male migrants (as shown in Table 3.4b).

TABLE 3.4			
Sources of information on the country of current residence by gender			
Sources of information	Male (%)*	Female (%)*	All (%)*
Relative	55.5	53.3	55.5
Agent/Recruiting agent	9.7	9.3	9.7
Friend	6.9	1.9	6.8
Intermediary	45.1	41.0	45.0
Neighbour	11.6	11.9	11.6
Colleague	1.0	2.4	1.0
Training Agency	2.0	1.7	2.0
Others	1.8	9.2	2.0

The number of migrants (12,893) included in the sample (i.e. male 12,676 and female 217).

\* Percentages add up to more than 100 per cent due to multiple answers provided by respondents.

### 3.2.2 Reasons behind Migration

Reasons behind migrating to the country of choice are presented in Table 3.5 below. From the survey data, it became obvious that the availability of jobs in the country of destination served as the prime reason behind migrating to that country. As reported by respondents, more than half (52 %) of the migrants in the survey decided to go to the country of their current residence due to a job offer from that country. Another 21 per cent decided to go to the country of their current residence knowing that it was *possible* for them to find a job there. Costs of migration were also an important factor in the decision to migrate to a country. Fourteen per cent of the migrants reported that the decision to migrate to their current country of destination was because it was too expensive to migrate to any other country.

TABLE 3.5

Reasons behind migrating to the current country of residence/destination		
Country of current residence	Number (N <sup>1</sup> )	Percentage*
Offered work	6,756	52.4
Possible to find work	2,681	20.8
Too expensive to go elsewhere	1,810	14.0
Higher salary	414	3.2
Positive perception of country	391	3.0
Find a better employment	157	1.2
Know someone there	111	.9
For education	171	1.3
Others	402	3.1
	12,893	100.0

N<sup>1</sup> is the number of migrants included in the sample.

\* Percentages do not add-up to 100 per cent due to rounding up for the process of weighting.

### 3.3 The Process of Migration

In an attempt to understand how a migrant got her/his migration process completed, the following information was collected by the surveyors:

- whether the migrant had a contract of employment (job offer) before the migrant went to the country of destination and how many months/years of effort was given by the migrant to secure the contract;
- the migration agent or agency which s/he went to;
- what was the financial cost of migration;
- whether s/he faced any problems in getting all the necessary papers completed.

#### 3.3.1 Contract of Employment

As depicted in Figure 3.6, most of the migrants (79 %) in the survey had a contract of employment before they went to the country of their current residence. Nevertheless, there was a significant minority, more than one in five (21 %), who did not have a contract before they went to the country of their current residence. However, the survey further explored the time that it took to receive each of these contracts of employment and found that among those who had a contract, most (92 %) received it within one year of beginning their efforts, with more than half (53 %) receiving the contracts within 3 months and 22 per cent within 4 to 6 months (Table 3.7). The data showed that only 7 per cent of migrants had to wait for more than a year to receive their contract of employment. On average, a migrant had to wait approximately 6 months to receive the contract.

Figure 3.6 Status of employment contract before migration (%)

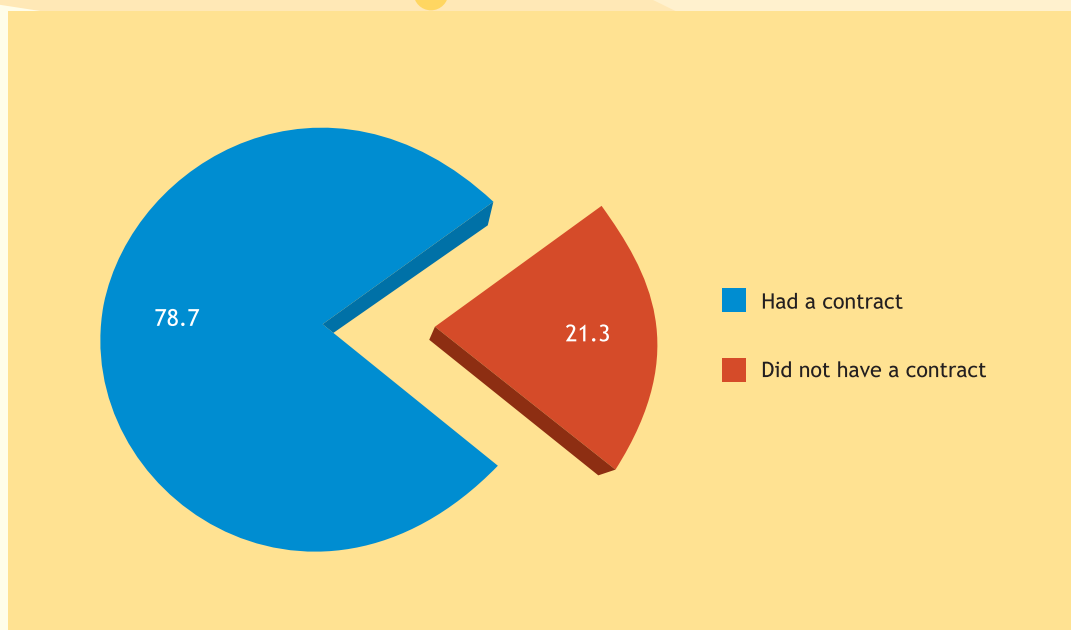


TABLE 3.7

## Time taken to receive employment contract

Time taken	Number (N <sup>1</sup> )	Percentage*
0-3 months	5,351	52.7
4-6 months	2,179	21.5
7-12 months	1,840	18.1
13 months or more	725	7.1
Don't know	53	.5
<b>Total</b>	<b>10,148</b>	<b>100.0</b>
<b>Mean number of months taken</b>		<b>5.87</b>

N<sup>1</sup> is the number of migrants included in the sample, who had a contact of employment before migration.

\* Percentages do not add-up to 100 per cent due to rounding up for the process of weighting.

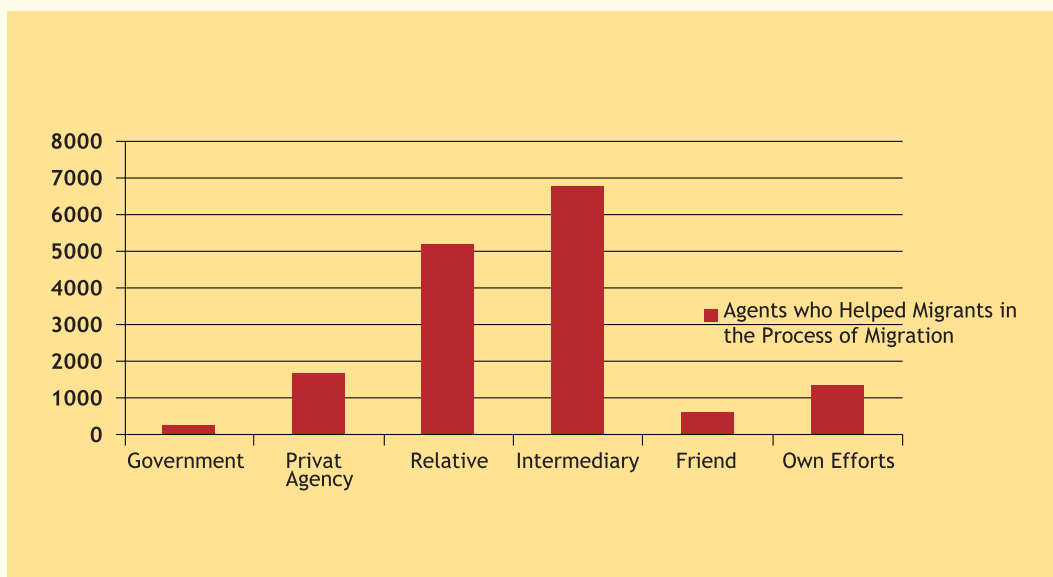
### 3.3.2 Migration Agency/Agent

Intermediaries, followed by *relatives*, emerged to be major agents engaged in organizing emigration from Bangladesh. When respondents were asked about the agents who helped them migrate to their country of destination, 53 per cent mentioned *Intermediaries* as their agents (Figure 3.8). Forty per cent mentioned having their *Relatives* as their agents. Only a few (2 %) of the migrants reported having migrated through Bangladeshi government channels. The proportion



migrating through private agencies in Bangladesh were also not substantial (13 %). The latter is an interesting finding since it is widely assumed that many of the intermediaries that work as agents in fact are agents of the private agencies. The bar-graph below (Figure 3.8) shows the total number of migrants who have sought services from each type of agents mentioned above.

**Figure 3.8 Agents who helped in the process of Migration**



Total Number of migrants in the above sample for the bar-graph is 12,893.

### 3.3.3 Costs of Migration

Figure 3.9a shows the cost of migration for each surveyed migrant. For less than one per cent of the migrants, the respondents (member of migrant household) were unable to provide the information about the total costs involved in the process of migration.

Three-fourths (75 %) of the migrants reported having spent a total amount ranging from Taka 100,001 to Taka 300,000 for migration. About 10 per cent of migrants reported having spent over Taka 300,000 while another 13 per cent reported having spent less than Taka 100,000. After analyzing the survey data, it was found that an average migrant spent Taka 219,394 towards their migration.

As shown in Table 3.9b, there were wide variations in migration costs between male and female migrants. While a male migrant on average had to spend Taka 220,844 to successfully migrate, the amount was considerably lower for female migrants at only Taka 133,564.

Figure 3.9a Costs of migration per migrant (%)

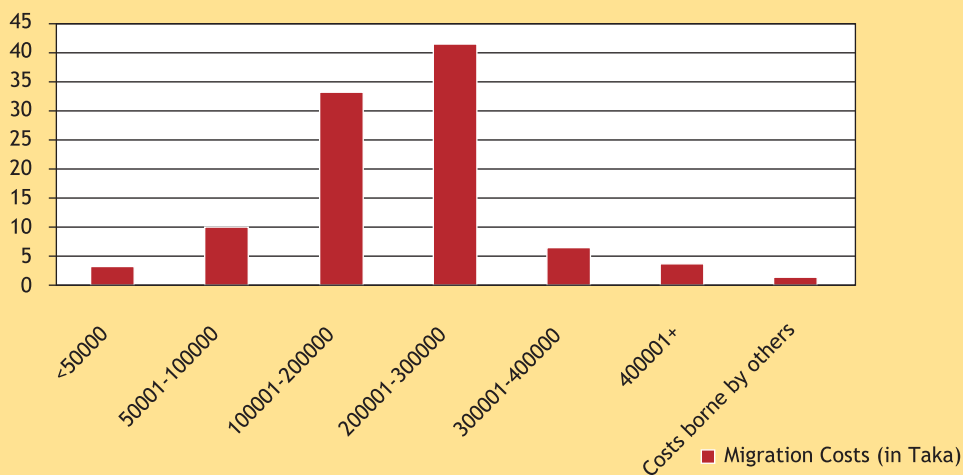


TABLE 3.9

## Sex segregated data on costs of migration

Migration Costs (in Taka)	Male (%)*	Female (%)*	All (%)*
< 50000	2.9	13.2	3.1
50001-100000	9.2	44.1	9.8
100001-200000	33.4	23.5	33.3
200001-300000	42.3	9.3	41.8
300001-400000	6.7	2.5	6.6
400001+	3.8	3.9	3.8
Cost borne by others	1.6	3.4	1.6
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>N<sup>1</sup></b>	<b>12,114</b>	<b>205</b>	<b>12319</b>
<b>Mean Cost of Migration</b>	<b>220,843.69</b>	<b>133,564.72</b>	<b>219,394.98</b>

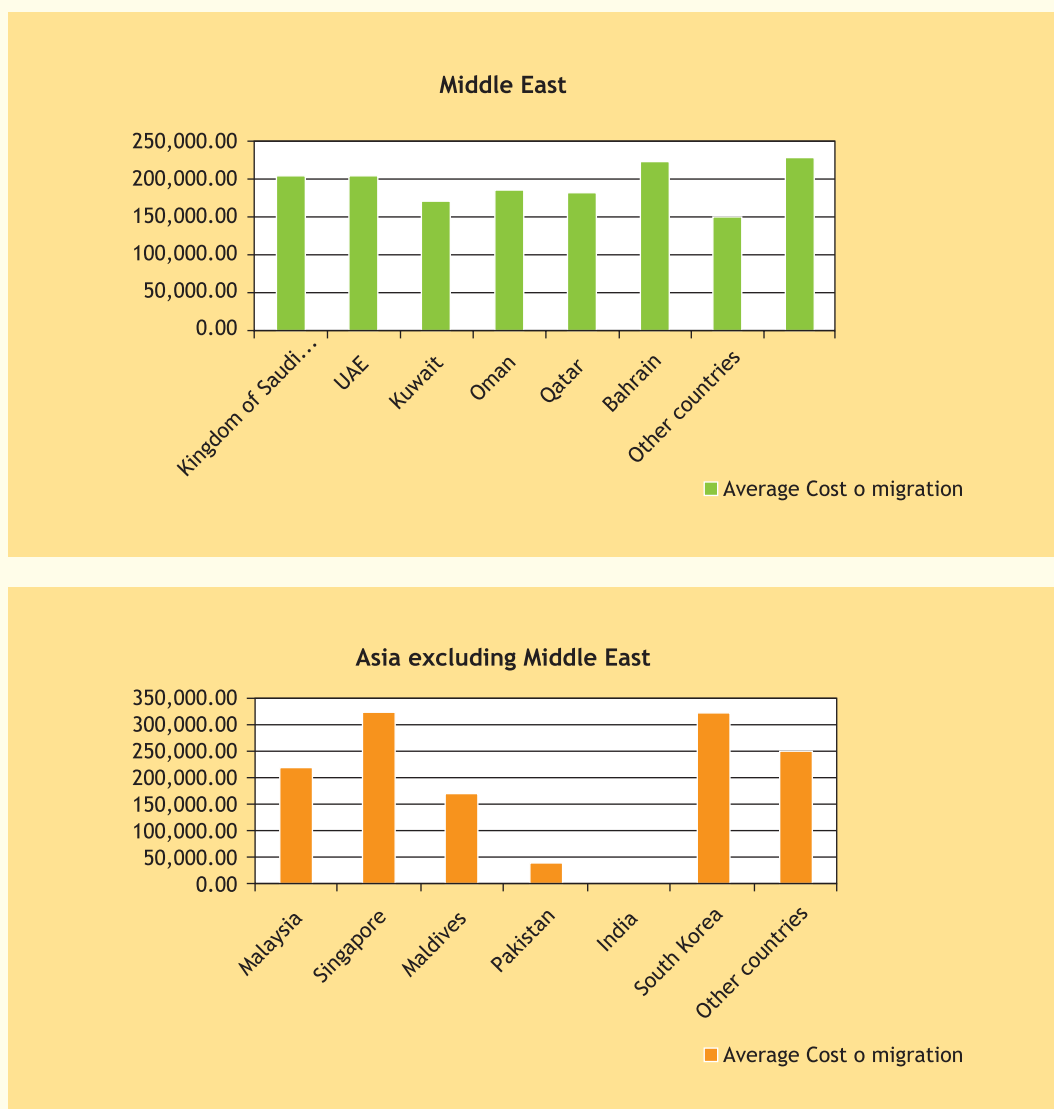
N<sup>1</sup> is the number of migrants included in the sample, excluding those whose costs of migration the respondents were unable to report.

\* Percentages do not add-up to 100 per cent due to rounding up for the process of weighting.

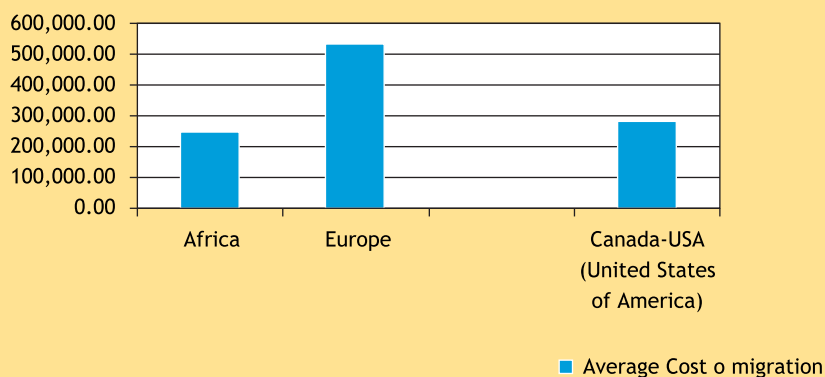
As the survey data indicates, the costs of migration varied by countries of destination (Figure 3.9b). While migrants who went to a country in the Middle East spent on average Taka 199,844, the average was much higher (Taka 228,100) for those who went to an Asian country outside the

Middle East. For migrants going to Africa, the average was Taka 242,508 and for those going to Canada and USA, the average was Taka 277,834. The amount was much higher for destinations in Europe, Australia and New Zealand. The data in the table below also shows cost variation among countries within the same region/continent. For instance, the average cost of migration for a migrant going to KSA was Taka 203,306, for someone going to UAE was Taka 205,500 and for those going to Bahrain it was Taka 222,209. The costs for migration to these three countries are reported to be substantially higher relative to other Middle Eastern countries including Kuwait, Oman and Qatar. Nevertheless, overall costs were much higher for the other Asian countries outside the Middle East region. For instance, it was Taka 322,600 for South Korea and Taka 324,549 for Singapore.

**Figure 3.9b Average cost of migration per migrant by country of destination**



## Other Continents



The amount of money spent for migration (migration cost) included payments for government fees, recruiting agency fees, fees for visas and airfare. It also included payments to intermediaries and other helpers. Table 3.10a provides a breakdown of the payments made by migrants. As the data shows, out of the total money spent by migrants, 60 per cent was paid to intermediaries and 18 per cent to other helpers and 9 per cent towards the cost of visa. Ticket fare involved 2 per cent of the expenditure and the government fees constituted less than one per cent. The amount paid to intermediaries possibly also included the payment for government fees in most cases. This became evident after discussion with the respondents.

TABLE 3.10a

## A break-down of the costs of migration

Items of costs	Mean expenses (in Taka)	Percentage
Government fee	1,763.33	0.80
Agency	22,569.90	10.29
Visa	20,460.29	9.33
Ticket fare	5,417.02	2.47
Intermediary	130,518.93	59.49
Other helpers	38,665.50	17.62
<b>Mean expenses</b>	<b>219,394.98</b>	<b>100.0</b>

Total number of migrants included in this sample is 12,319, excluding those for whom the respondents were unable to provide information about remittances.

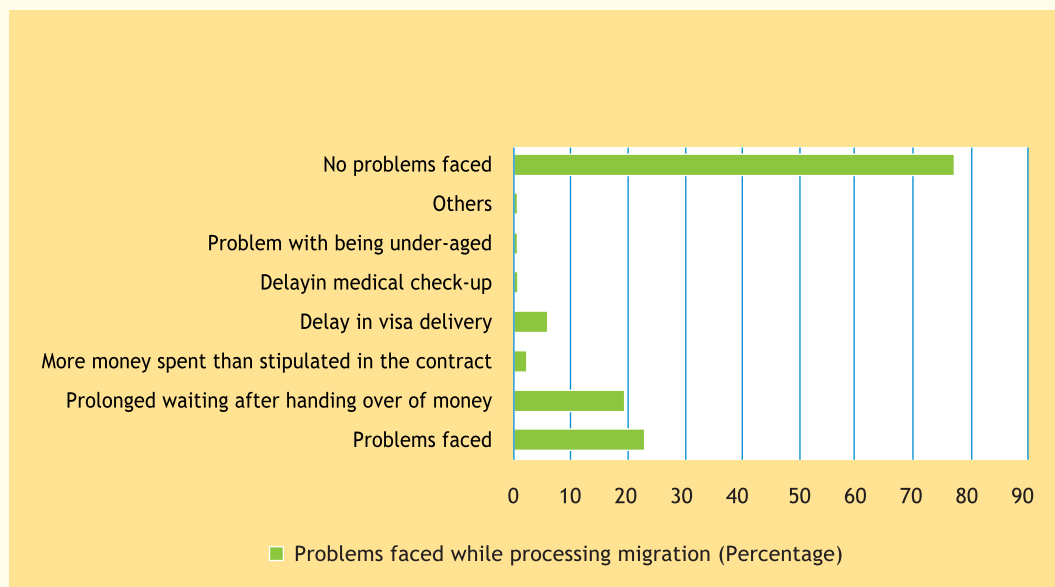
Table 3.10b shows the sources the migrants used in order to procure funds to pay for their migration costs. An overwhelming majority of the migrants (67 %) took a loan in order to cover partial or full cost of their migration. Money from *family members* was the next most common source (41 %) followed by *selling of land* (24 %), *mortgaging of land* (23 %) and *selling of other assets* such as jewellery, cattle, trees, etc. (20 %).

TABLE 3.10b		
Sources of securing funds to pay for migration costs		
Sources	Number	Percentage*
Taking Loan	8,692	67.4
Family	5,271	40.9
Selling land	3,147	24.4
Mortgaging Land	2,975	23.1
Selling assets such as jewellery, cattle, trees, homes	2,597	20.1
Personal savings		
In-laws	1,144	8.9
Provided by NGO	536	4.2
Dowry	382	3.0
	68	0.5
Mean expenses	219,394.98	100.0

Total number of migrants included in the sample is 12,893.

\* Percentages add to more than 100 per cent due to multiple answers provided by respondents.

Figure 3.11 Problems faced while processing migration (%)



\*Percentages add to more than 100 per cent due to multiple answers provided by respondents.

### 3.3.4 Problems in Processing Migration

As evident in Figure 3.11, 77 per cent of migrants reported to have faced no problems in completing the necessary papers for their migration to the country of their current residence. Nevertheless, 23 per cent reported having several types of problems while processing their migration. A break-down of these problems is provided in the figure below. *Prolonged wait of many days in getting all the papers completed after handing over of the money to the agent* was the major problem experienced by one-fifth (20 %) of the migrants. No other reported problem appeared as serious.

## 3.4 Conditions of Migration

Conditions that a migrant encounters and lives with after his/her arrival in the country of destination were evaluated by collecting information about the following:

- whether the migrant got the job and remuneration as per his/her employment contract;
- whether the migrant faced any problems after arrival in the country of destination;
- the job the migrant was currently doing and the remuneration she/he received in the country of destination.

### 3.4.1 Availability of Jobs and Remuneration in Accordance with the Employment Contract

Among migrants who migrated to a country with a contract, more than one-fifth (21 %) reported not having received their job as per their contract rules (Table 3.12). Several clauses and benefits mentioned in the contract were not provided to the migrants. An even more worrying finding was that only 54 per cent of the migrants got the remuneration they were promised in their employment contracts (Table 3.13). This is an important element of uncertainty that these migrants have to address once they are in the country of destination. This usually generated a feeling of mistrust between the migrants and the contracts they secure before they leave the country. This problem is further compounded by the fact that most migrants surveyed had little education and even less knowledge about the legalities and the loopholes in the contract. They also reported not being able to interpret some of the clauses and conditions mentioned in the contract and had to believe and accept whatever their employers offered. Once they were in the country of destination after spending a large sum of money (borrowed money that needed to be repaid), they felt like they had no choice but to accept whatever was offered to them.

TABLE 3.12

#### Job status as per the employment contract

Whether the migrant received their job as per all the clauses mentioned in the contract	Number	Percentage
Yes	7,945	79.4
No	2,066	20.6
N <sup>1</sup>	10,011	100.0

N<sup>1</sup> is the number of migrants included in the sample who went receiving a job contract.

TABLE 3.13

Remuneration as per the employment contract		
Whether the migrant received the remuneration as specified in the contract	Number (N <sup>1</sup> )	Percentage
Yes	5,386	53.8
No	4,586	45.8
Don't know	39	0.4
All	10,011	100.0

N<sup>1</sup> is the number of migrants included in the sample who went receiving a job contract.

### 3.4.2 Problems Faced After Arrival

As shown in Table 3.14, one in five migrants reported having faced problems after their arrival in their country of destination. The most commonly faced problem was delay in *finding a job* reported by 9 per cent of migrants who did not have a contract before they left. Another 7 per cent reported that *employers did not offer as good a job as stipulated in the contract*. The working conditions were different than those promised. So, while some migrants reported getting paid less than they were promised, others mentioned deviations from the changes in the job type and job conditions promised. A significant proportion of migrants reported facing a combination of all these problems. Another crucial problem mentioned by four per cent of the surveyed population was that their papers were not in order (a feature they learned once they reached the destination country). They were not able to obtain a *work-permit* and subsequently had to *become an irregular migrant* in the country of destination. One per cent of the migrants reported having to serve time in jail owing to their irregular status.

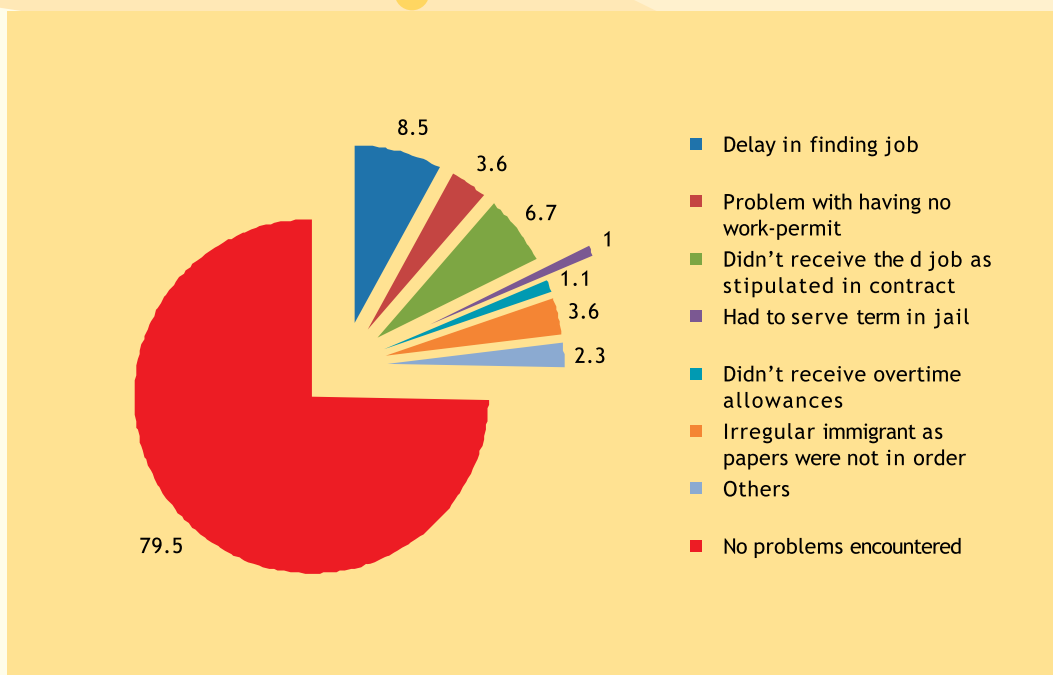
TABLE 3.14

Problems faced after arrival	
Problems faced	Percentage*
Problems encountered	20.5
No problems encountered	79.5

The total number of migrants for this sample is 12,893.

\* Percentages add to more than 100 per cent due to multiple answers provided by respondents

Figure 3.14 Breakdown of Problems Encountered (%)



### 3.4.3 Migrants' Jobs (Current Jobs) in the Country of Destination

Table 3.15 shows the distribution of migrants by jobs they were currently doing. An overwhelming majority of the migrants were employed as low skilled or semi-skilled labourers in factories, agricultural sites, construction sites, etc. The highest proportion of migrants, nearly a quarter (24 %), was employed as Welding Machine Operators, and the next highest proportion, 17 per cent, as General Labour. The other commonly held jobs were the jobs of Agricultural Labourers (held by 7 %), *Construction Workers* (6 %), *Waiters/Cooks* (5 %), followed almost equally by those for *Drivers of Motor Vehicles* (4 %), *Janitors* (4 %) and *Gardeners* (4 %). Approximately two per cent of the migrants were reported to be currently unemployed. A discernible 13 per cent of the migrants were reported as being employed in private companies. The respondents (migrant household members) were not able to provide further details about these companies or the types of jobs performed by the migrant there.

### 3.4.4 Current Remuneration

Table 3.16 presents the distribution of migrants by their current remunerations per month. Migrants who were unemployed or yet to receive their remuneration are excluded from the table. The table also excludes migrants whose remuneration could not be reported by their respondents. Thus, the table is based on 11,407 migrants out of the total survey population of 12,893 migrants.



More than half (54 %) of the migrants were reported to be receiving a remuneration of Taka 10,001-20,000 per month. Approximately, 22 per cent were earning below Taka 10,001 and 23 per cent above Taka 20,000 per month. Thus, an average migrant was found to be earning an income of Taka 21,363 per month.

TABLE 3.15

## Current jobs

Current jobs	Number (N <sup>1</sup> )	Percentage*
Government service	43	0.3
Private job in a company <sup>5</sup>	1,634	12.7
Construction worker	791	6.1
Garments worker	246	1.9
Salesman	272	2.1
Domestic help	165	1.3
Gardener	474	3.7
Janitor	478	3.7
Driver of motor vehicle	496	3.8
Hotel waiter/cook	639	5.0
Shepherd of sheep/camels	73	0.6
Welding machine operator	3,074	23.8
Butcher	12	0.1
Tailor	255	2.0
General Labour	2,195	17.0
Agriculture labour	942	7.3
Business	254	2.0
Fisherman	10	0.1
Barber	59	0.5
Doctor/Engineer/Teacher	32	0.3
Domestic help	25	0.2
(Islamic religious leader)_	35	0.3
Student	36	0.3
Guard/caretaker	79	0.6
Handicrafts	2	0.0
Others	159	1.2
Unemployed	207	1.6
Unavailable	208	1.6
<b>Total</b>	<b>12,893</b>	<b>100.0</b>

N<sup>1</sup> is the number of migrants included in the sample.

\* Percentages do not add-up to 100 per cent due to rounding up for the process of weighting.

TABLE 3.16

Current remunerations		
Remunerations (in Taka <sup>6</sup> )	Number (N <sup>1</sup> )	Percentage
<= 5000	247	2.2
5001-10000	2,309	20.2
10001-20000	6,195	54.3
20001-30000	1,528	13.4
30001-40000	401	3.5
40001-500000	727	6.4
<b>Total</b>	<b>11,407</b>	<b>100.0</b>
<b>Mean (taka)</b>	<b>21,363.66</b>	

N<sup>1</sup> is the number of migrants included in the sample, who were reported to be receiving remunerations.

### 3.4.5 Monthly Savings

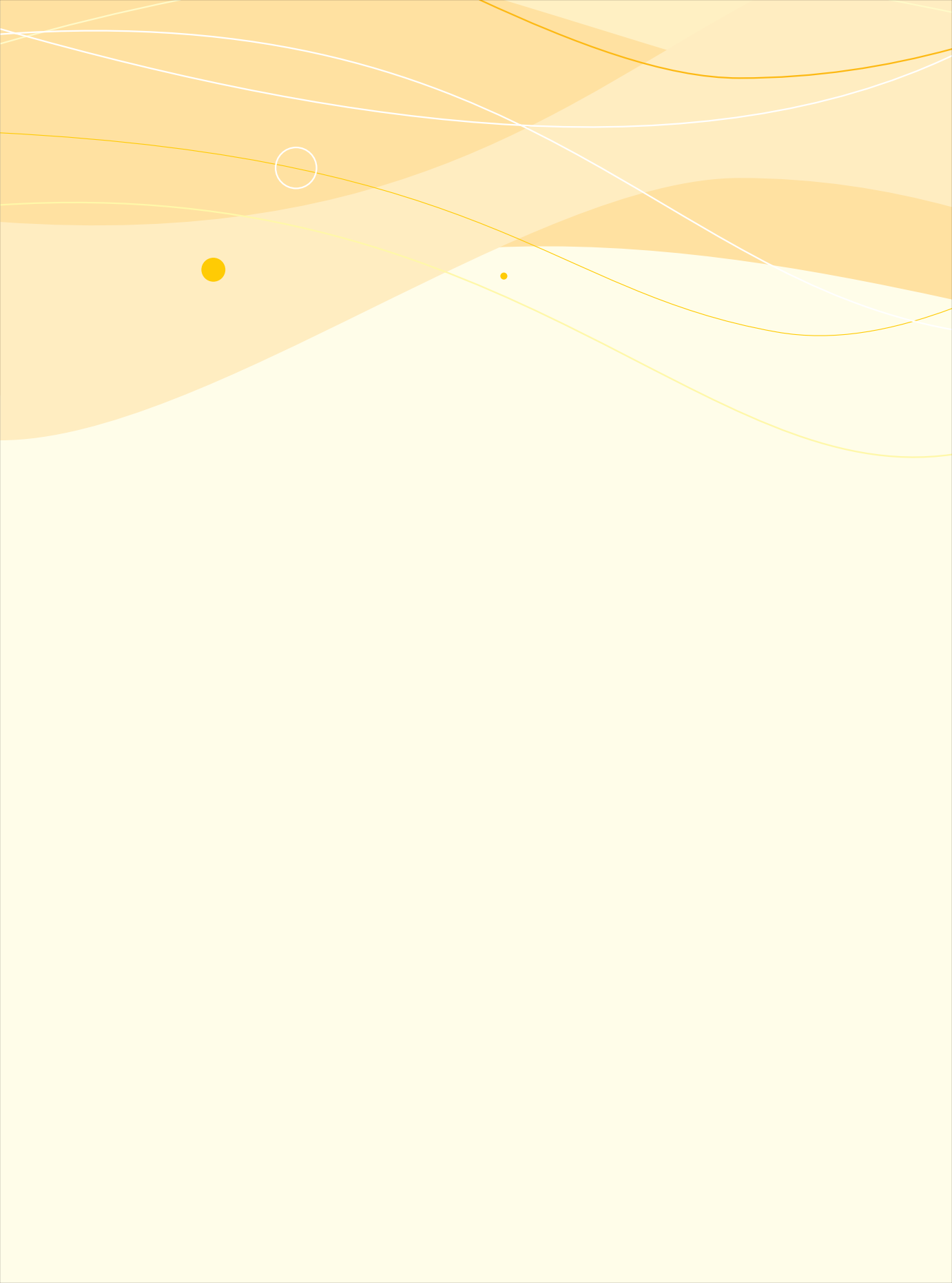
Table 3.16 presents information about the migrant's savings per month. An average migrant was found to be saving Taka 13,210 per month with 38 per cent saving between Taka 5001-10,000 a month and 26 per cent, Taka 10,001-20,000 a month. About a significant minority, 16 per cent could save Taka 5,000 or less.

TABLE 3.17

Monthly savings		
Savings (in Taka)	Number (N <sup>1</sup> ) *	Percentage
00	295	2.3
<= 5000	1,742	13.5
5001-10000	4,874	37.8
10001-20000	3,342	25.9
20001-30000	545	4.2
30001-40000	201	1.6
40001-500000	344	2.7
Don't know	1,551	12.0
<b>Total</b>	<b>12,893</b>	<b>100.0</b>
<b>Mean</b>	<b>13,210.02</b>	

N<sup>1</sup> is the number of migrants included in the sample.

\* Numbers do not add-up to 12,893 due to rounding errors for weighting.



## CHAPTER 4

# REMITTANCES FROM MIGRANTS

Remittances sent by migrants are a major source of income for their households in Bangladesh. For some migrant households, it featured as the major or only source of income. The International Organization of Migration defines migrant remittances as "monetary transfers that a migrant makes to the country of origin". In other words, remittances are personal cash transfers from a migrant worker or immigrant to a relative in their country of origin. They can also be funds invested, deposited or donated by the migrant to the country of origin. The definition can be further broadened to include in-kind personal transfers and donations.

For low-skilled and less educated migrants, migration sometimes provide an opportunity to earn more than they could if they were living in their home country. As such, income from remittances is expected to improve/strengthen the economic situations of a household. A major focus of the survey was therefore to ascertain how often the migrants sent money to their households in the one year before the survey, and how much money they sent each time they remitted. Moreover, for Bangladesh, remittances are the second largest source of foreign exchange earnings having important macro implications, such as impact on trade balance and foreign exchange reserve of the country. As will be discussed in this section, a large amount of remittances are also sent through informal channels, thus, making it difficult to measure the exact volume of total remittances that flow into the country each year.

**The findings on remittances presented in this section include:**

- volume of remittances reflecting the amount of money a migrant remitted to their household during the one year period preceding this survey;
- frequency of remittances reflecting how often a migrant sent money in the reference year;
- amount sent each time reflecting how much money on average a migrant sent at a time in the reference year;
- differences in remittances reflecting variations in remittance-sending behavior of migrants according to their background characteristics.

## 4.1 Volume of Remittances

Figure 4.1a presents the volume of money that the migrants sent to their households the year preceding this survey. Forty-eight per cent of the migrants sent between Taka 50,000 and 150,000 within the stipulated one year period. Among them, 18 per cent sent between Taka 50,001 and 75,000, 15 per cent between Taka 75,001 and 100,000 and another 15 per cent between Taka 100,001 and 150,000. However, a large percentage (30 %) were reported to have sent Taka 50,000 or less, while another 11 per cent reported having sent no money at all. Only 11 per cent sent an amount which was above Taka 150,000. On average, a migrant was found to have sent Taka 81,710 during the one year period before the survey.

As shown in Figure 4.1b, there were marked differences in the volume of money sent by male and female migrants. Only 40 per cent of female migrants sent more than Taka 50,000 in the one year before the survey, compared to nearly 60 per cent of male migrants. Thus, while on average a male migrant was found to have sent Taka 82,197, the amount was lower at only Taka 53,220 for their female counterparts. One of the reasons for this could be that female migrants on average earned a lower salary than their male counterparts. Although the number of female migrants studied in this survey is low, a large majority of these migrants worked as domestic help in the country of origin. This meant substantially lower earnings for these female workers affecting the amount of money they could remit back to their country of origin.

Figure 4.1a Volume of remittances sent during last one year (%)

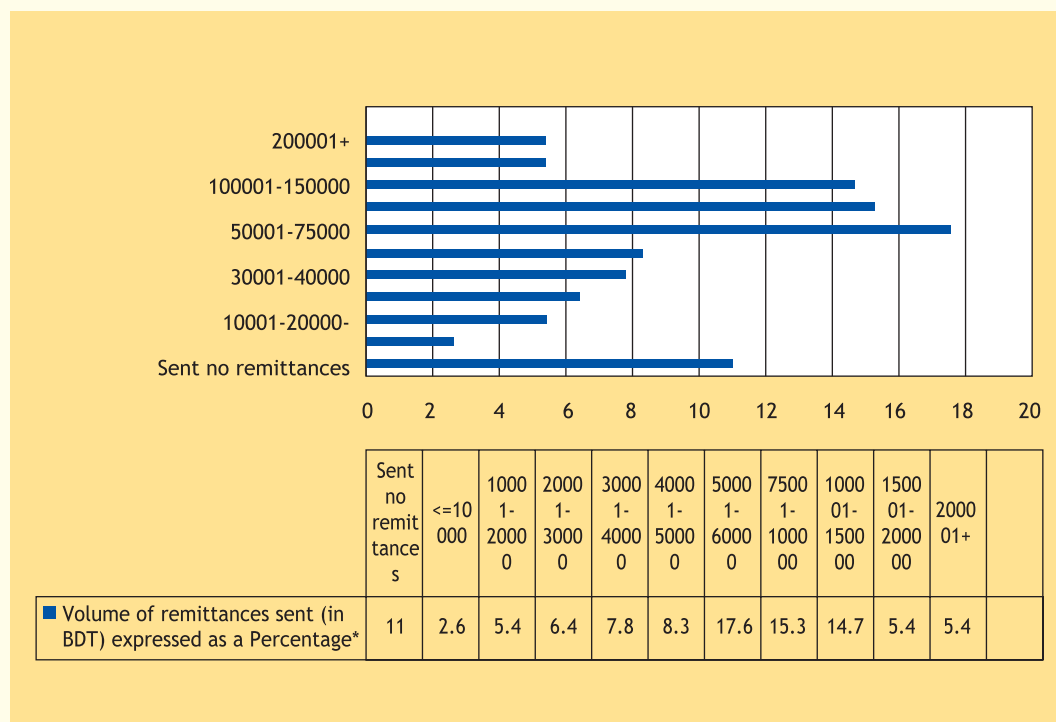
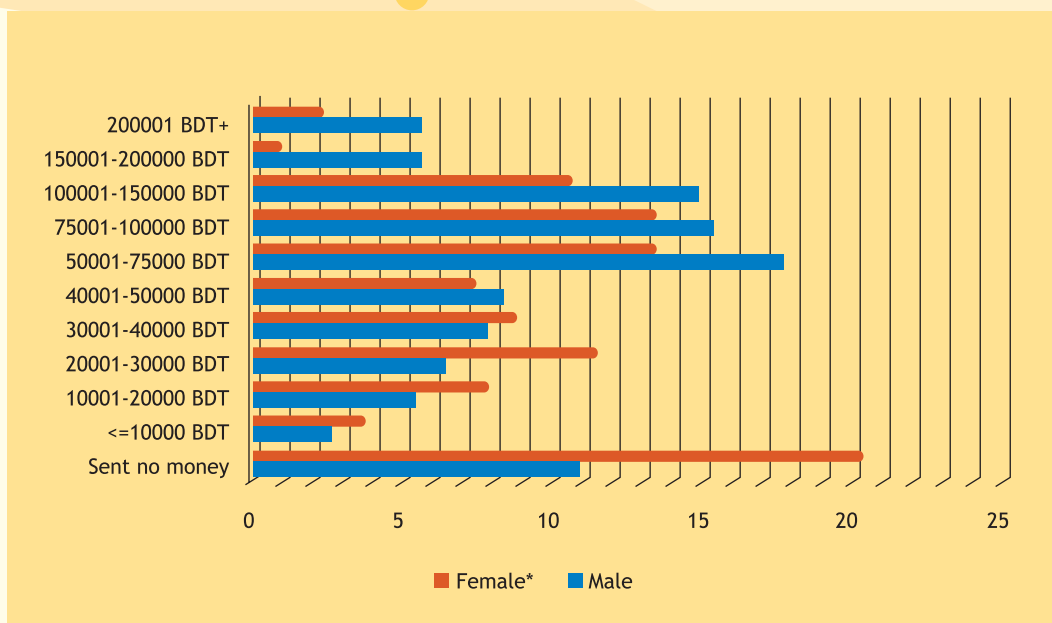


Figure 4.1b Sex segregated data on the volume of remittances sent in last one year (%)



## 4.2 Frequencies of Remittances

As shown in Table 4.2, among the migrants who sent remittances during the one year before the survey, 43 per cent sent these remittances 3 or 4 times a year. This was followed by nearly a quarter (24 %) of migrants who sent remittances 5 to 6 times a year. Thus, on average, migrants who sent remittances home did so 4 times a year.

TABLE 4.2		
Number of times money sent in last one year		
Number of times	Number (N <sup>1</sup> )	Percentage
1	1,044	9.1
2	1,892	16.5
3	2,478	21.6
4	2,424	21.1
5	1,190	10.4
6	1,529	13.3
7 or more	914	8.0
<b>Total</b>	<b>11,471</b>	<b>100.0</b>
<b>Mean number of Times</b>	<b>4.03</b>	

N<sup>1</sup> is the number of migrants included in the sample who sent money in the one year before the survey.

### 4.3 Amounts of Remittances Sent each Time

Table 4.3 shows the average amount (volume) of remittances migrants sent each time during the one year period preceding the survey. As can be seen in the table, the highest proportion of migrants (37 %) sent on average Taka 10,001-20,000 each time they sent money back to their households. Another 23 per cent reported sending between Taka 20,001-30,000 each time while another 10 per cent mentioned sending between Taka 30,001-40,000. There was also a substantial proportion, 18 per cent, sending on average installments of Taka 10,000 or less.

TABLE 4.3		
Average amount of remittances sent each time		
Average amounts (in Taka)	Number (N <sup>1</sup> )	Percentage
<=10000	2,093	18.2
10001-20000	4,258	37.1
20001-30000	2,576	22.5
30001-40000	1,141	9.9
40001-50000	618	5.4
50001-75000	431	3.8
75001-100000	179	1.6
100001+	175	1.5
<b>Total</b>	<b>11,471</b>	<b>100.0</b>
<b>Mean number of Times</b>	<b>25,490.71</b>	

N<sup>1</sup> is the number of migrants included in the sample who sent remittances during the one year preceding the survey.

### 4.4 Differences in Remittances

This section highlights the differences in remittance-sending behaviour by migrants' characteristics, such as their countries of current destination, types of jobs, levels of education and remuneration.

#### 4.4.1 Countries of Employment

Table 4.4 contains information about average remittances<sup>7</sup> (ARs) received from migrants, country wise. As Table 4.4 illustrates, there are marked variations in ARs by country of destination. In the Middle East region, ARs from KSA were Taka 88,300, from Kuwait it was Taka 94,230 and from Qatar it was Taka 104,637. The ARs from other countries in the Middle East including Bahrain, Oman and UAE were much lower, ranging from Taka 65,545 to 71,278.

ARs received from Malaysia (approximately, Taka 61,989) were generally less than the average remittances received from the Middle Eastern countries. However, among the other Asian countries outside the Middle East, the AR was higher at Taka 106,166 for Singapore and at Taka 91,961 for South Korea. The AR for migrants working in Europe/USA/Canada was the highest ranging from Taka 131,009 to Taka 138,462. This is more than double the amount sent by

<sup>7</sup> Average Remittances (AR) refer to the average amount of remittance that migrants sent during the one year period preceding the survey

migrants in Malaysia. Reasons for this could be higher incomes in these countries along with a high exchange rate conversion. However, as mentioned earlier, migrants living in Europe/America/Australia/New Zealand made up only 5 per cent of all migrants from Bangladesh, having a marginal impact on the total remittance inflow.

**TABLE 4.4**

Remittances sent in the last one year by countries of destination/employment		
Countries of destination/employment	Number (N <sup>1</sup> )	Average Amount
<b>Middle East</b>	<b>9,371</b>	<b>81,570.751</b>
Kingdom of Saudi Arabia	4,408	88,300.16
UAE	3,099	70,572.27
Kuwait	771	94,230.30
Oman	467	65,545.34
Qatar	269	104,637.40
Bahrain	231	71,278.93
Other countries	126	68,267.15
<b>Asia, excluding Middle East</b>	<b>2,823</b>	<b>72,432.17</b>
Malaysia	1,895	61,988.50
Singapore	458	106,166.01
Maldives	186	502,10.83
Pakistan	103	136,920.34
India	56	36,780.09
South Korea	41	91,960.71
Other Asian countries	85	108,124.89
<b>Africa</b>	<b>158</b>	<b>89,111.98</b>
<b>Europe</b>	<b>362</b>	<b>131,009.77</b>
<b>Canada/USA</b>	<b>151</b>	<b>138,462.61</b>
<b>Australia and New Zealand</b>	<b>28</b>	<b>76,386.70</b>
<b>Total</b>	<b>12,893</b>	<b>81,709.99</b>

N<sup>1</sup> is the number of migrants included in the sample.

#### 4.4.2 Types of Job/Occupation

There were also notable variations in remittances sent by migrants in the one year before the survey, by types of their job. As shown in Table 4.5, the highest AR range was Taka 116,694-169,483, sent by migrants who were doing business, working as doctors/engineers/teachers, doing government service and working as caretakers/guards. The next highest amount, Taka 80,521-100,561, was sent by those working as drivers of motor vehicles, waiters/cooks, imams, salesmen, barbers, garment workers, tailors or those working in jobs at private companies.



Among the holders of other jobs, there are no remarkable variations except for those who were students, unemployed, or working as fishermen or craftsmen. However, these data should be read with caution as some of the estimates were based on very small numbers of migrants.

TABLE 4.5

## Remittances sent in the last one year by types of job/occupation

Types of job/occupation	Number (N <sup>1</sup> ) *	Average Amount
Government service	43	126,265.49
Private job in a company	1,634	97,132.90
Construction worker	791	75,501.89
Garments worker	246	82,843.86
Salesman	272	92,501.11
Domestic help	165	60,902.48
Gardener	474	65,527.40
Janitor	478	78,296.53
Driver of motor vehicle	496	100,561.53
Hotel waiter/cook	639	97,664.05
Shepherd of sheep/camels	73	65,255.77
Welding machine operator	3,074	77,086.35
Butcher	12	65,827.23
Tailor	255	80,520.58
General Labour	2,195	78,166.30
Agriculture Labour	942	62,936.52
Business	254	169,483.83
Fisherman	10	46,399.92
Barber	59	86,070.53
Doctor/Engineer/Teacher	32	159,940.99
Domestic help (Male)	25	77,173.34
Islamic religious leader	35	96,451.36
Student	36	7,121.84
Guard/caretaker	79	116,694.06
Handicrafts	2	46,714.36
Others	159	83,531.92
Unemployed	207	29,755.74
Unavailable	208	54,973.74
<b>Total</b>	<b>12,893</b>	<b>81,709.99</b>

N<sup>1</sup> is the number of migrants included in the sample.

\* Number do not add-up to 12,893 due to rounding up for the process of weighting.

#### 4.4.3 Levels of Remuneration/Duration of Stay

Remittances sent by migrants had a strong correlation with their individual remuneration, showing, as expected, that they sent more money if they earned more. As shown in Table 4.6a, migrants who had a monthly remuneration of Taka 10,000 or less, each sent on average between

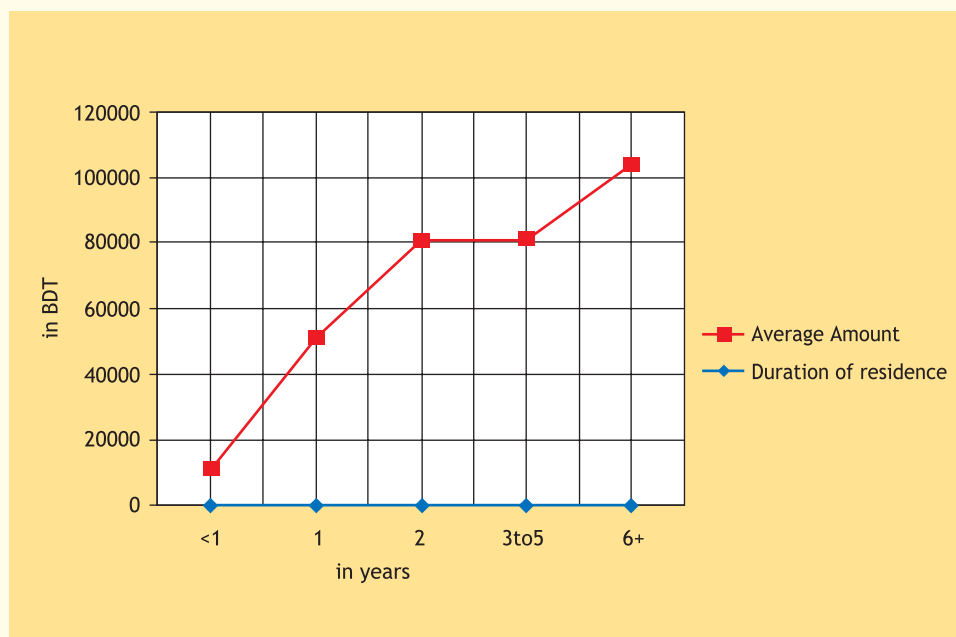
Taka 48,242 and Taka 53,168 in the one year before the survey. The figure rose sharply with every increase in the level of remuneration, ranging from Taka 48,242 for those earning below Taka 5,000 to Taka 201,939 for those earning above Taka 500,000.

TABLE 4.6a		
Remittances sent in the last one year by levels of remunerations		
Levels of remunerations (in Taka)	Number (N <sup>1</sup> )	Average Amount
<= 5000	247	48,241.95
5001-10000	2,309	53,167.71
10001-20000	6,195	76,675.81
20001-30000	1,528	109,457.25
30001-40000	401	142,374.28
40001-500000	727	201,939.19
<b>Total</b>	<b>11,407</b>	<b>85,981.71</b>

N<sup>1</sup> is the number of migrants included in the sample who were receiving remunerations.

As with their remunerations, remittances sent by migrants bore a strong correlation to their duration of stay abroad. Migrants sent more money if they stayed for longer duration in the country of their current residence/destination. As shown in Figure 4.6, migrants who stayed in the country of their current residence for less than one year, each sent on average only Taka 11,389 in the one year before the survey. The amount rose sharply with every increase in the duration of stay, reaching Taka 104,052 for those who stayed abroad for 6 years or more.

**Figure 4.6**  
Remittances sent in the last one year by duration of stay in country of current residence



#### 4.4.4 Levels of Education

Remittances sent by migrants also had a high correlation to their level of education. As shown in Table 4.7a, migrants with more education sent more money in the one year before the survey. But the variations did not appear to be pronounced until migrants had an education beyond grade IX. Migrants who had no schooling, each sent on average Taka 69,082 (in the one year before the survey). The amount rose with every increase in educational level. As can be seen in the table (4.7a), migrants holding professional degrees appear to be the ones remitting the highest amounts.

It is important to mention here that the positive relationship between levels of migrants' education and the amount they remit only holds for male migrant workers. As can be seen from the data in Table 4.7b, there seems to be no clear patterns of relationship between remittances sent and the level of education of female migrants.

TABLE 4.7a		
Remittances sent in the last one year by levels of education		
Levels of education	Number (N <sup>1</sup> )	Average Amount
No schooling (No education)	1,305	69082.81
Class <sup>8</sup> I-IV (Incomplete primary education)	1,645	70387.61
Class V (Complete primary education)	1,858	74228.40
Class VI-IX (Incomplete secondary education)	4,780	78990.08
SSC (Complete secondary education)	1,712	88567.75
HSC (Complete higher secondary education)	882	102058.42
Honors degree or Pass Course Degree	450	122526.42
Masters Degree	151	134601.41
Other professional degrees (such as in Medicine, engineering).	19	178507.17
Others	85	116351.87
<b>Total</b>	<b>12,887</b>	<b>81709.99</b>

N<sup>1</sup> is the number of migrants included in the sample, excluding 'Not Stated' cases for education.

<sup>8</sup> In Bangladesh the word "class" is more commonly used than "grade"

TABLE 4.7b

Sex segregated data on Remittances sent in the last one year by education level

Levels of education	Average Amount		
	Male	Female	All (N <sup>1</sup> )
No schooling (No education)	69,513.84	57,534.73	69,082.81
Class I-IV (Incomplete primary education)	71,114.69	38,902.52	70,387.61
Class V (Complete primary education)	74,562.06	59,844.68	74,228.40
Class VI-IX (Incomplete secondary education)	79,146.33	62,658.84	78,990.08
SSC (Complete secondary education)	88,773.97	48,908.26	88,567.75
HSC (Complete higher secondary education)	102,875.46	36,348.55	102,058.42
Honours degree or Pass Course	124,873.31	36,983.62	122,526.42
Masters Degree	140,148.98	28,568.93	134,601.41
Other professional degrees (such as in Medicine, Engineering, etc).	201,136.44	45,555.62	178,507.17
Others	115,015.60	163,764.82	116,351.87
<b>Total</b>	<b>12,671</b>	<b>216</b>	<b>12,887</b>
<b>Mean Amount</b>	<b>82,197.19</b>	<b>53,220.10</b>	<b>81,709.99</b>

N<sup>1</sup> is the number of migrants included in the sample, excluding 'Not Stated' cases for education.

## 4.5 Changes in Frequency and Amount of Remittances

A specific intention in the survey was to ascertain if there were any changes over time in the frequency and/ or amount of remittances sent by a migrant and the reasons behind such changes. As shown in Figure 4.8a, 44 per cent of migrants reported having changed either the frequency with which they remit or the overall amount that they remit. Within this 44 per cent many reported a change in both frequency as well as amount.

As shown in Tables 4.8b and 4.8c, among migrants who reported changing the amount they remitted, 54 per cent reported to have increased and 46 per cent reported to have decreased the amount they remitted. Furthermore, 40 per cent reported increasing the frequency of their remittances (number of times they remitted money back home) whereas 55 per cent reported a decrease in their frequency level.

Increases (decreases) in amounts of remittances bore a strong correlation with increases (decreases) in migrants' incomes (Figures 4.8d and 4.8e). Among migrants sending increased amounts, 81 per cent were reported to be doing so because of increases in their incomes while 31 per cent were doing so to meet the increased family expenses at home (Figure 4.8d).

In contrast, as shown in Figure 4.8e, among those sending decreased amounts, 54 per cent were reported to be doing so because of earning less salary/wages than before, while 23 per cent were doing so because of rises in their own cost of living in the country of destination. The other reasons mentioned included having no job at present (21 %) and not receiving salary regularly (20.2 %). The latter is a crucial finding as migrants abroad have limited or no means of protesting against such exploitations.

Figure 4.8a Changes in remittances (%)

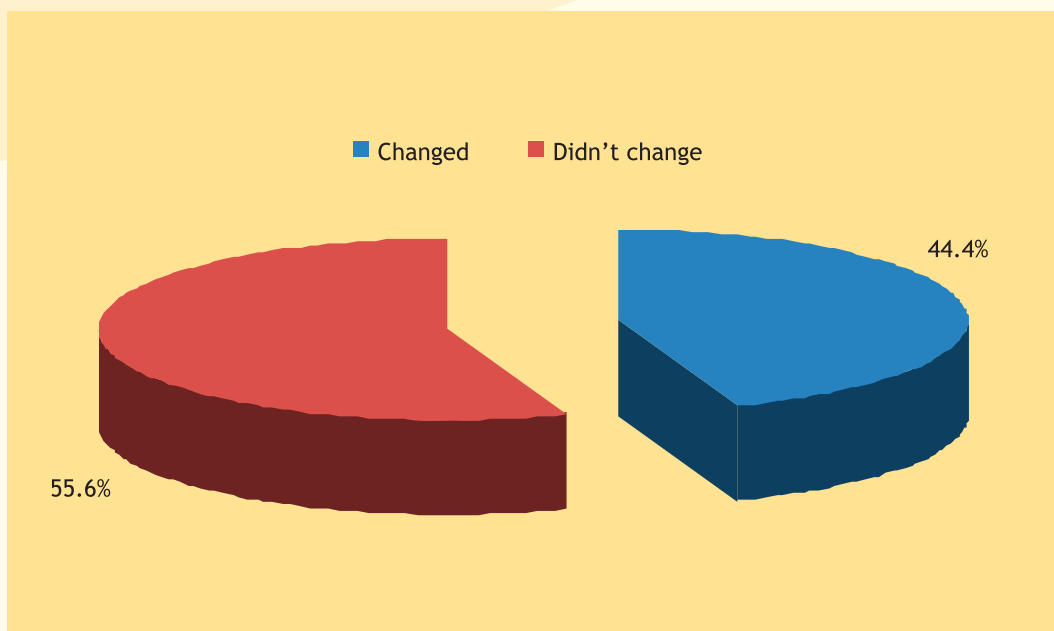


Figure 4.8b Changes in amounts of remittances sent (%)

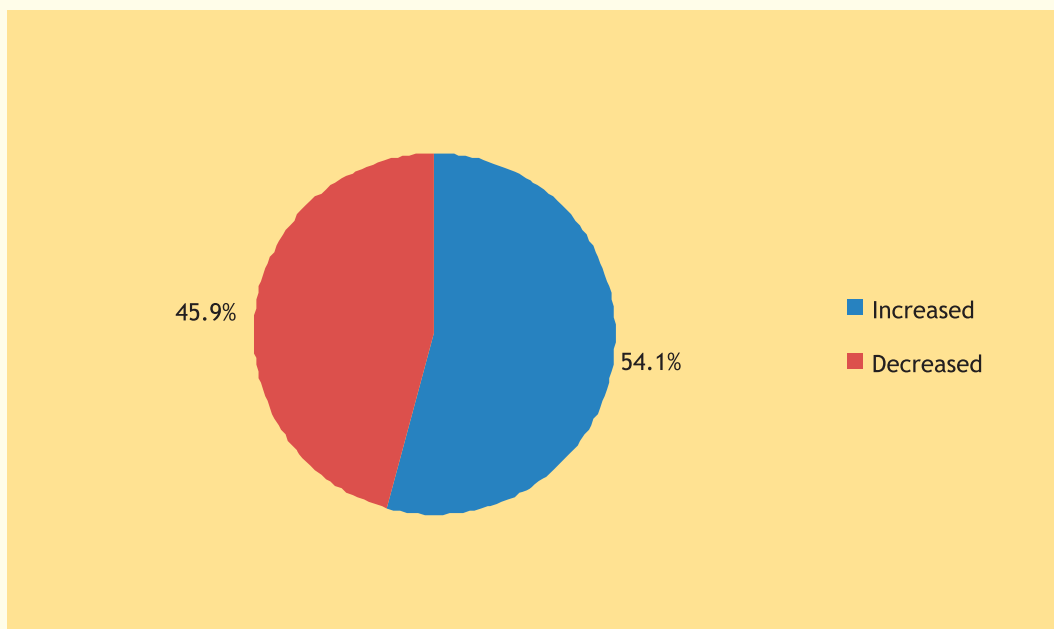
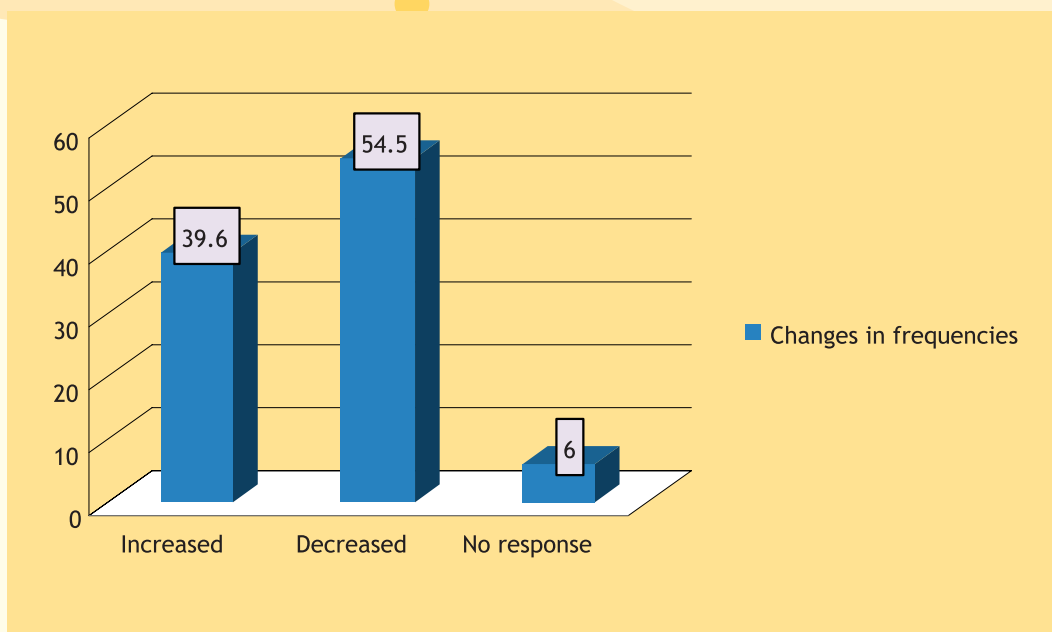


Table 4.8c Changes in frequencies of remittances being sent (%)



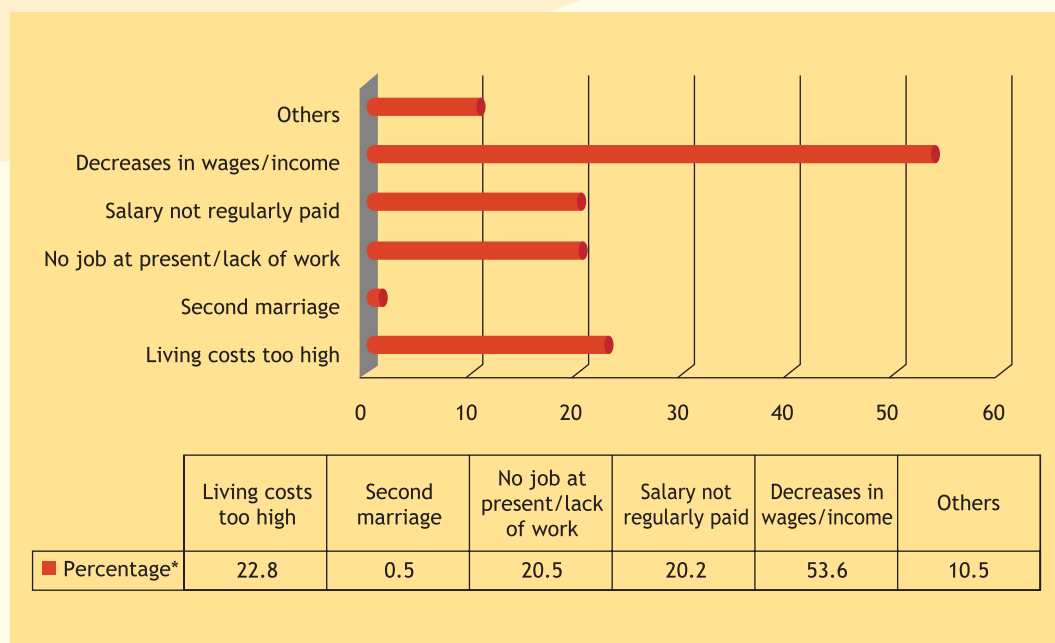
\* Percentages do not add-up to 100 per cent due to rounding up for the process of weighting.

Table 4.8d Reasons for increases in amounts of remittances being sent (%)



\* Percentages add to more than 100 per cent due to multiple answers provided by respondents.

Figure 4.8e Reasons for decreases in amounts of remittances (%)



\* Percentages add to more than 100 per cent due to multiple answers provided by respondents.

## 4.6 Purposes and Uses of Remittances

Each remittance recipient was asked about the intended purposes for which migrant remitted the money and what was the actual activity for which it was spent. As shown in Table 4.9a, over 80 per cent mentioned that *meeting family* expenses was the primary purpose for which migrants sent remittances. The next major reasons for sending remittances were *paying off debts* and *celebration of Eid festival (Muslim religious festival)* as mentioned by 38 and 39 per cent of respondents, respectively. This was followed by the purposes of *medical treatment* and *education of children* (21 % and 22 %, respectively).

TABLE 4.9a

## Migrants intended purposes for sending remittances

Purposes for sending remittance	Number (N <sup>1</sup> )	Percentage*
For family expenses	10,464	81.2
Purchase of land/property	646	5.0
Paying off debts	5,045	39.1
Savings	606	4.7
Construction/repairing of house	849	6.6
Mortgaging of land	845	6.6
For running a business	163	1.3
Sending brother abroad	160	1.2
Marrying off brother/sister	331	2.6
Education of children	2,748	21.3
Buying of rice	67	0.5
Purchasing of cattle	103	0.8
Medical treatment	2,875	22.3
Lending money to sister	37	0.3
Celebration of Eid festival	4,930	38.2
Others	1,245	9.7
<b>Total</b>	<b>12,893</b>	

N<sup>1</sup> is the number of migrants included in the sample.

\* Percentages add to more than 100 per cent due to multiple answers provided by respondents.

As shown in Table 4.9b, remittances were mostly spent for the purposes they were sent for by migrants. Thus, remittances were found to be most commonly spent for family expenses (spent by over 80 per cent of respondents) followed by *celebration of Eid festival* (48 %), *paying off debts* (43 %), *medical treatment* (34 %) and *education of children* (30 %). However, from the survey data it was found that families did spend a higher share of the remittances for *celebration of Eid festival*, *paying off debts*, *medical treatment* and *education of children* than was advised by the migrants sending the money. For example, while 38 per cent of remittances were sent for celebrating Eid, in reality 48 per cent was spent towards this activity.



TABLE 4.9b

## Breakdown of final expenditure of remittances

Expenditure of remittance money	Number (N <sup>1</sup> )	Percentage*
For family expenses	10,462	81.1
Purchase of land/property	653	5.1
Paying off debts	5,489	42.6
Savings	919	7.1
Construction/repairing of house	935	7.3
Mortgaging of land	930	7.2
For running a business	195	1.5
Sending brother abroad	170	1.3
Marrying off brother/sister	376	2.9
Education of children	3,844	29.8
Buying of rice	85	0.7
Purchasing of cattle	132	1.0
Medical treatment	4,413	34.2
Lending money to sister	49	0.4
Celebration of Eid festival	6,162	47.8
Others	1,535	11.9
<b>Total</b>	<b>12,893</b>	

N<sup>1</sup> is the number of migrants included in the sample.

\* Percentages add to more than 100 percent due to multiple answers provided by respondents.

## CHAPTER 5

# CHANNELS OF REMITTANCES

As mentioned earlier, there are two types of remittance channels used to transfer remittances-- formal channels and informal channels. The formal channels include banks, post offices and money transfer agencies. The informal channels include unofficial money transfer agents, acquaintances, friends and relatives.

**A major focus of the survey was to explore the following:**

- knowledge of respondents on available remittance channels;
- how often, and to what extent, a specific channel was used in transferring remittances;
- what were the advantages/disadvantages experienced in receiving remittances through a particular channel.

### 5.1 Awareness of Remittance Channels

Table 5.1 shows the awareness of specific remittance channels among respondents. Almost all respondents (98 %) were aware of formal bank channels. However, only 53 per cent knew about the money transfer agencies and an even smaller number (27 %) knew about post office facilities for remittance transfer. Forty per cent of the interviewees reported knowing individuals privately transferring remittances from countries of destinations.

TABLE 5.1

## Awareness of specific remittance receiving channels

Specific channels	Number	Percentage*
<b>Formal channels</b>		
Bank	10,106	94.7
Money transfer agency	5,519	51.7
Post office	2,814	26.4
<b>Informal channels</b>		
<i>Hundi</i> <sup>9</sup> /intermediary	724	6.8
Individuals	4,130	38.7
Others <sup>10</sup>	81	0.8
Don't know of any channel	320	3.0
<b>N<sup>1</sup></b>	<b>10,673</b>	

N<sup>1</sup> is the number of respondents interviewed from migrant households.

\* Percentages add to more than 100 per cent due to multiple answers provided by respondents.

## 5.2 Uses of Specific Remittance Channels

### 5.2.1 Amounts Sent through Specific Channels

For every installment of remittances received by the migrant households during the last one year, information was obtained as to which channel the money was sent through.<sup>11</sup> Table 5.2a is constructed based on the data collected.

The survey found that the remittances were mostly sent through formal channels mainly banking institutions. Out of the total amount of remittances received by the surveyed households during the one year period before the survey, 73 per cent was received through banks and another 8 per cent through money transfer agencies. Only 18 per cent of the total remittances were sent through informal channels with 10 per cent being sent through unofficial money transfer agents and 8 per cent through acquaintances.<sup>12</sup> However, it is plausible that the money sent through informal channels was somewhat underreported in the survey due to *invisible* nature of the transfer and sensitivity surrounding receiving money through informal channels.

9 Informal foreign exchange dealer.

10 'Others' include all the means which could not be specified as either informal money transfer agents (*Hundi*) or acquaintances.

11 For the details about how the information was collected, see the survey questionnaire enclosed as Appendix A.

12 Acquaintances included relatives, friends, neighbours or any other individuals either known to migrants or recipients or both. Acquaintances do not include the individuals who work as informal money lenders.

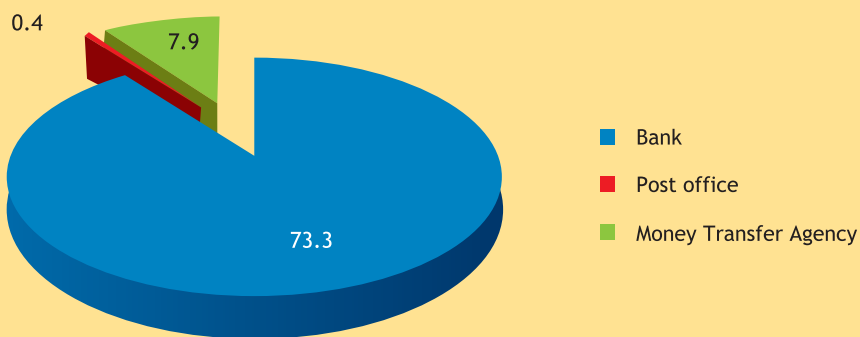
TABLE 5.2a

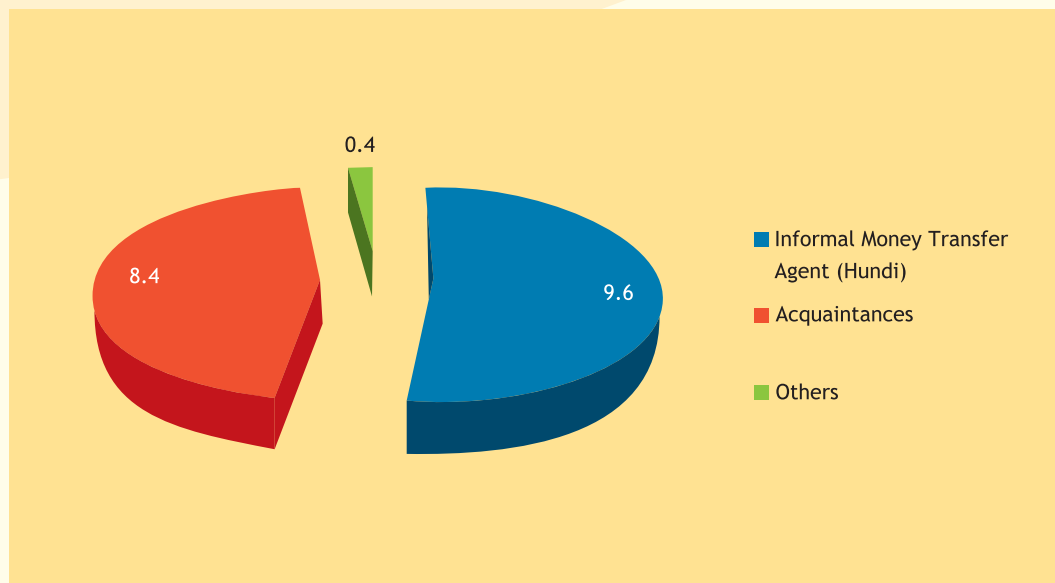
## Amounts of remittances sent in last one year through specific channels

Channels	Amounts sent	Percentage
<b>Formal channels</b>		
Bank	772,239,604	73.3
Post office	4,665,747	0.4
Money Transfer Agency	82,853,273	7.9
<b>Informal channels</b>		
Informal Money Transfer Agent (Hundi)	101,189,677	9.6
Acquaintances	88,713,641	8.4
Others	3,852,982	0.4
<b>Total</b>	<b>1,053,514,924</b>	<b>100.0</b>
N <sup>2</sup> = 12893		

N<sup>1</sup> is the number of migrants included in the sample.

Figure 5.2a Amount of Money sent through Formal channels (% of Total Amount)



**Figure 5.2b Amount of Money sent through Informal channels (% of Total Amount)**

As shown in Table 5.2b, there were significant differences in the choice of using formal vs. informal channels between male and female migrants. The data clearly indicates that female migrants were less likely to use informal channels than their male counterparts. Female migrants sent only 7.5 per cent of their remittances through informal channels while the proportion was higher at 19 per cent for male migrants. The use of money transfer agencies was more common among female than male migrants (18 vs. 7.8 %).

**TABLE 5.2b**

Sex-segregated data on amounts of remittances sent in last one year through specific channels

Channels	Male		Female		All	
	Amounts sent	Percent	Amounts sent	Percent	Amounts sent	Percent
<b>Formal channels</b>						
Bank	763,728,980	73.3	8,510,624	73.8	772,239,604	73.3
Post office	4,593,205	0.4	72,542	0.6	4,665,747	0.4
Money Transfer Agency	80,759,231	7.8	2,094,042	18.2	82,853,273	7.9
<b>Informal channels</b>						
Informal Money Transfer Agent (Hundi)	100,868,634	9.7	321,043	2.8	101,189,677	9.6
Acquaintances	88,174,823	8.5	538,818	4.7	88,713,641	8.4
Others	3,852,982	0.4	0	0.0	3,852,982	0.4
<b>Total</b>	<b>1,041,977,855</b>	<b>100.0</b>	<b>11,537,069</b>	<b>100.0</b>	<b>1,053,514,924</b>	<b>100.0</b>
<b>N<sup>2</sup></b>	<b>12,676</b>		<b>217</b>		<b>12,893</b>	

N<sup>2</sup> is the number of migrants included in the sample.

### 5.3 Advantages/Disadvantages of Using a Particular Channel

In an attempt to document advantages and disadvantages of using a specific remittance sending channel, the respondent was asked a series of questions about every channel through which he/she received remittances during the one year period before the survey. The questions included:

- how long did it take to receive remittances through the channel?
- how many visits did you have to make to the channel (bank/agency etc.) in order to receive the payment?
- did you have to pay any fees to receive the final payment?
- how much did you have to pay towards transportation cost to receive the payment?
- did you face any problems in receiving the payment?

The data collected are presented in Tables 5.3a through to 5.7b.

#### 5.3.1 Time Taken to Receive Remittances

Figure 5.3a provides information about the duration of time taken to receive remittances through different formal channels. A similar chart is provided (Figure 5.3b) for remittances received through informal channels.

Most of the respondents receiving remittances through a formal channel reported having received it within 15 days (Figure 5.3a). The data indicates that money sent through money transfer agencies reaches the fastest to the recipients. Above 95 per cent of the time, the recipients receive the money within 7 days. In the case of banks, money reaches the recipients within 8-15 days 31 per cent of the time.

Among the formal channels, the post office took the longest time. For instance, 49 per cent of the time, the post office took between 8 to 15 days to disburse the payment to the final recipient. Recipients on average had to wait 8 days to receive money through formal channels. On the other hand, recipients on average had to wait less than 5 days to receive money that was sent through informal channels.

As shown in Tables 5.3a and 5.3b, there were little variations in the time taken to receive remittances through a channel among the six political divisions of the country- Barisal, Chittagong, Dhaka, Khulna, Rajshahi and Sylhet. In every division, most of the respondents receiving remittances through a formal channel received them within 15 days. For informal channels too there were little variations among the divisions, with more than 90 per cent in every division receiving remittances within 15 days.

Figure 5.3a Time taken to receive remittances through formal channels (%)

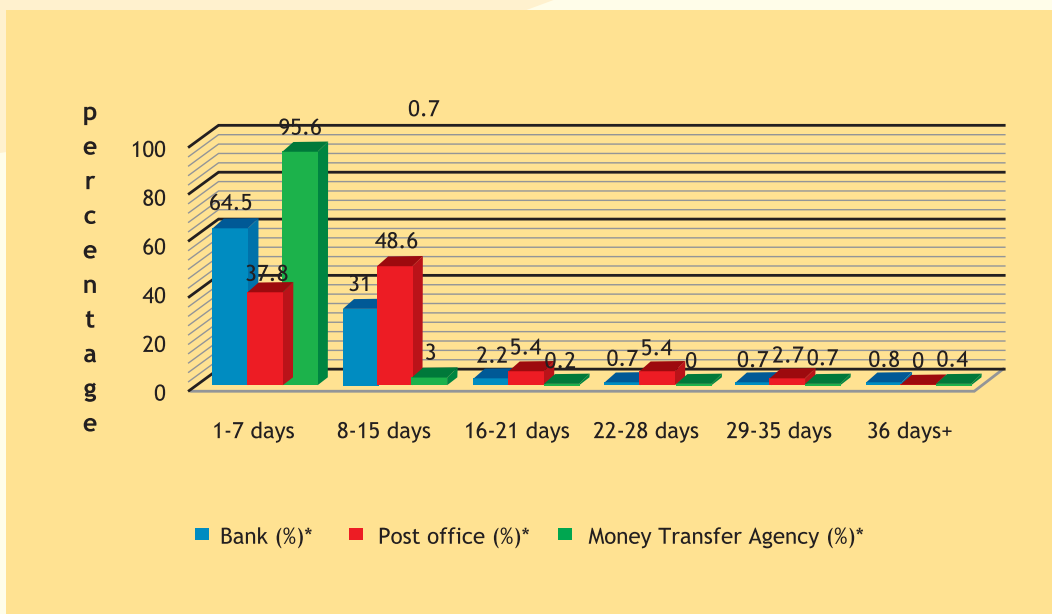
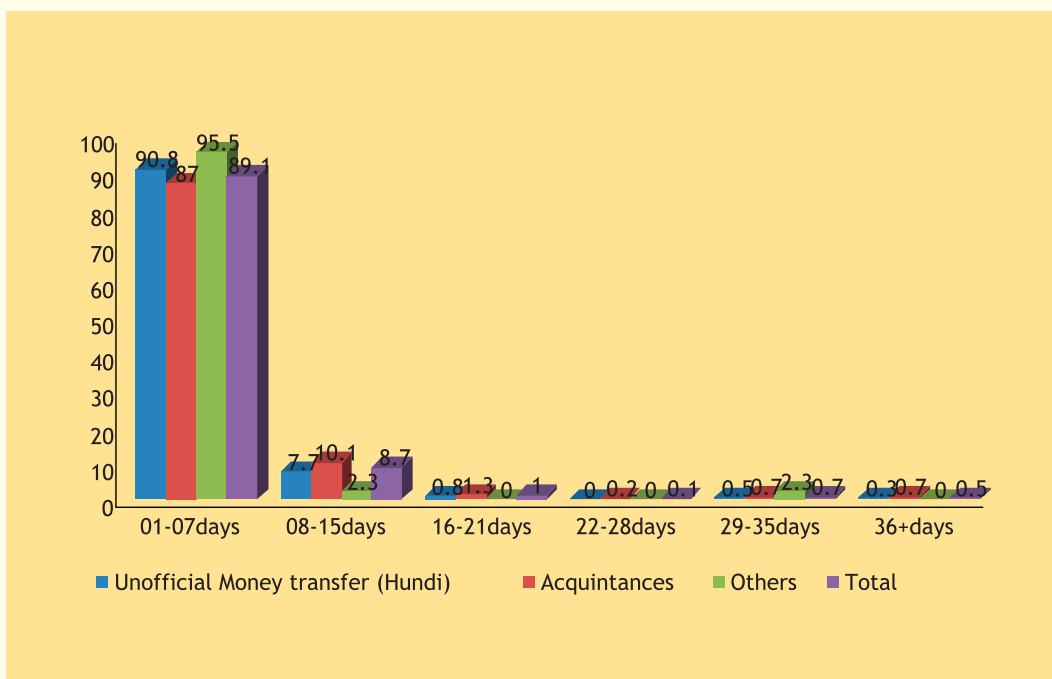


Figure 5.3b Time taken to receive remittances through informal channels



\* Percentages do not add-up to 100 per cent due to rounding up for the process of weighting.

Table 5.3a Time taken to receive remittances through formal channels (District wise breakdown)

	1-7 days	8-15 days	16-21 days	22-28 days	29-35 days	29-35 days
Barisal (%)	75.1	21.6	2.1	0.9	0.3	0
Chitta-gong (%)*	67	28.8	2.4	0.3	0.8	0.8
Dhaka (%)	66.8	28.8	2	0.7	0.8	0.9
Khulna (%)	73.1	24.7	1.1	0.6	0.2	0.3
Rajshahi (%)*	66.6	27.9	1.8	1.6	0.7	0.3
Sylhet (%)*	69.6	27.5	1.5	0.1	0.8	0.4

Table 5.3b Time taken to receive remittances through informal channels (District wise breakdown)

	1-7 days	8-15 days	16-21 days	22-28 days	29-35 days	29-35 days+
Barisal (%)	72.7	18.2	0	0	9.1	0
Chitta-gong (%)*	91.6	7.1	0.1	0.1	0.4	0.6
Dhaka (%)	87.4	10.3	0	0	0.5	0.5
Khulna (%)	88.5	9.2	0	0	2.3	0
Rajshahi (%)*	91.7	7.4	0.5	0.5	0	0
Sylhet (%)*	84.7	8.7	5.5	0	0.5	0.5



### 5.3.2 Number of Visits Needed to Receive Remittances

Most (more than 80 %) of the respondents who received remittances through money transfer agencies had to make only one visit to them to receive the payment, while the comparable proportions for the bank and the post office were only around 57 per cent (Table 5.4a). From the data, it is evident that a respondent was much more likely to require paying at least two visits to receive a payment from the bank or the post office than from the money transfer agencies—about 43 per cent compared to only 15 per cent for the money transfer agencies.

TABLE 5.4a				
Number of visits needed to receive remittances through formal channels				
Number of visits	Bank (%)	Post office (%)	Money Transfer Agency (%)	Total (%)
1	57.7	56.8	84.8	60.7
2	32.0	16.2	12.4	29.8
3	6.9	13.5	1.5	6.3
4+	2.7	8.1	0.3	2.5
Don't know	0.7	5.4	1.0	0.7
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>N<sup>1</sup></b>	<b>7,735</b>	<b>37</b>	<b>960</b>	<b>8,732</b>

N<sup>1</sup> is the number of recipients who received remittances through each of these channels.

As shown in Table 5.4b, more than 50 per cent of respondents reporting receipt of remittances through informal channels were unable to provide information about the number of visits needed to receive a payment from those channels. However, among those who provided the information, most reported having received a payment from an informal channel in only one visit.

TABLE 5.4b				
Number of visits needed to receive remittances through informal channels				
Number of visits	Unofficial Money Transfer Agents (Hundi) (%)	Acquaintances (%)	Others (%)	Total (%)
1	35.7	38.0	77.3	37.5
2	5.3	6.8	6.8	6.0
3	1.5	1.5	0.0	1.5
4+	0.8	1.2	6.8	1.1
Don't know	56.7	52.5	9.1	53.9
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>N<sup>2</sup></b>	<b>1,330</b>	<b>1,216</b>	<b>44</b>	<b>2,590</b>

N<sup>2</sup> is the number of recipients who received remittances through each of these channels.

### 5.3.3 Amounts of Fees Paid to Receive Remittances

Most of the respondents (above 87 %) who received remittances through a formal channel reported that they did not have to pay any fee when receiving the payment (Table 5.5a). Those who paid a fee usually paid an amount of Taka two hundred or less. Practice of paying a fee to receive remittance was even less common for informal channels (Table 5.5b). Ninety five per cent of respondents receiving remittances through informal channels reported that they did not have to pay any fee while collecting the money the migrants sent through these channels (Table 5.5b).

TABLE 5.5a				
Amount of fees paid to receive remittances through formal channels				
Amount of fees (in taka)	Bank (%)	Post office (%)	Money Transfer Agency (%)*	Total (%)*
5-50	2.2	8.1	0.9	2.1
51-100	4.2	0.0	2.4	4.0
101-200	3.6	0.0	1.1	3.3
201+	2.3	5.4	0.9	2.2
Didn't have to pay	86.7	86.5	93.9	87.5
Don't know	1.0	0.0	0.7	1.0
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>N<sup>1</sup></b>	<b>7,735</b>	<b>37</b>	<b>960</b>	<b>8,732</b>

N<sup>1</sup> is the number of recipients who received remittances through each of these channels.

\* Percentages do not add-up to 100 per cent due to rounding up for the process of weighting.

TABLE 5.5b				
Amount of fees paid to receive remittances through informal channels				
Amount of fees	Unofficial Money Transfer Agents (Hundi) (%)*	Acquaintances (%)	Others (%)	Total (%)
5-50	1.0	0.1	9.1	0.7
51-100	1.9	1.0	2.3	1.5
101-200	1.1	0.3	4.5	0.8
201+	1.7	0.5	2.3	1.2
Didn't have to pay	93.0	97.7	81.8	95.0
Don't know	1.2	0.4	0.0	0.8
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>N<sup>2</sup></b>	<b>1,330</b>	<b>1,216</b>	<b>44</b>	<b>2,590</b>

N<sup>2</sup> is the number of recipients who received remittances through each of these channels.

\* Percentages do not add-up to 100 per cent due to rounding up for the process of weighting.

### 5.3.4 Transportation Costs to Receive Remittances

Most of the respondents who received remittances through formal channels had to use transportation to go there to collect the payment (Table 5.6a). However, for collecting remittances from post offices, a large percentage (38 %) reported that they did not have to use any transportation due to the proximity of the post offices. Thirteen per cent of recipients did not have to use transportation to collect money from banks and this percentage was even lower for those who received money from money transfer agencies (10 %). On average to receive remittances from formal channels, 50 per cent of the respondents spent Taka 50 or less towards transportation cost. Another 27 per cent spent between Taka 51 and Taka100. Only 10 per cent on average reported having spent more than Taka 100 toward transportation cost for collecting remittances from a formal channel.

**TABLE 5.6a**

**Transportation costs incurred to receive remittances through formal channels**

Transport costs (in Taka)	Bank (%)*	Post office (%)	Money Transfer Agency (%)	Total (%)
<= 20	18.6	32.4	20.1	18.8
21-50	31.5	16.2	27.5	31.0
51-100	26.7	10.8	30.2	27.0
101-150	2.9	2.7	3.9	3.0
151-200	4.7	0.0	6.0	4.8
201+	2.0	0.0	2.1	2.0
No transport cost	13.0	37.8	9.8	12.8
Don't know	0.7	0.0	0.4	0.6
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>N<sup>1</sup></b>	<b>7,735</b>	<b>37</b>	<b>960</b>	<b>8,732</b>

N<sup>1</sup> is the number of recipients who received remittances through each of these channels.

\* Percentages do not add-up to 100 per cent due to rounding up for the process of weighting.

While most respondents receiving remittances through formal channels had to spend money for transportation, the reverse was true for those who received remittances through informal channels. On average, over 75 per cent of respondents who received remittances through informal channels mentioned that they did not have to use any sort of transportation to receive their payment as they often have the money delivered straight to their homes (Table 5.6b).

TABLE 5.6b

Transportation costs incurred to receive remittances through informal channels				
Transport costs (in Taka)	Unofficial Money Transfer Agents (Hundi) (%)	Acquaintances (%)*	Others (%)*	Total (%)*
< 20	3.9	2.4	6.8	3.2
21-50	6.5	6.1	4.5	6.3
51-100	6.6	6.0	22.7	6.6
101-150	1.5	0.8	2.3	1.2
151-200	2.8	3.6	2.3	3.2
201+	2.0	3.9	4.5	3.0
No transport cost	76.5	76.7	56.8	76.3
Don't know	0.2	0.4	0.0	0.3
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>N<sup>2</sup></b>	<b>1,330</b>	<b>1,216</b>	<b>44</b>	<b>2,590</b>

N<sup>2</sup> is the number of recipients who received remittances through each of these channels

\* Percentages do not add-up to 100 per cent due to rounding up for the process of weighting.

### 5.3.5 Problems Encountered while Receiving Remittances

Recipients of remittances generally did not encounter severe problems in receiving the money. This is evident in the data provided in Tables 5.7a and 5.7b. Among respondents receiving remittances through informal channels, almost a universal proportion (96 %) on average did not face any problem receiving remittances. For the formal channels also, the comparable proportion was as high as 90 per cent. Nevertheless, there was a notable problem that some recipients reported to be facing while receiving remittances through banks and post offices. Six per cent of respondents receiving remittances through banks and 4 per cent through post offices mentioned that they had to pay *informally some extra money* to the officials of these places in order to expedite the processing of papers to receive remittances.

TABLE 5.7a

Problems encountered while receiving remittances through formal channels				
Problems	Bank (%)*	Post office (%)*	Remittance company (%)*	Total (%)*
Delay in withdrawing money from bank	6.7	3.7	1.5	6.1
Extra money needed to be paid to officials	5.5	3.6	0.4	4.9
Inadequate balance in bank account	0.8	2.5	0.2	0.7
No problems encountered	89.1	87.8	97.8	90.0
Others	0.7	2.5	0.3	0.7
<b>N<sup>1</sup></b>	<b>7,735</b>	<b>37</b>	<b>960</b>	<b>8,732</b>

N<sup>1</sup> is the number of recipients who received remittances through each of these channels.

\* Percentages add to more than 100 per cent due to multiple answers provided by respondents.

TABLE 5.7b

## Problems encountered while receiving remittances through informal channels

Problems	Unofficial Money Transfer Agents (Hundi) (%)*	Person (%)*	Others (%)*	Total (%)*
Didn't receive money in time	1.4	1.9	3.8	1.6
Didn't receive the full amount	0.7	1.2	2.2	1.0
Delay in disbursement of money	1.8	2.4	3.8	2.1
No problems encountered	96.3	95.0	94.0	95.6
Others	0.4	0.7	0.0	0.6
<b>N<sup>2</sup></b>	<b>1,330</b>	<b>1,216</b>	<b>44</b>	<b>2,590</b>

N<sup>2</sup> is the number of recipients who received remittances through each of these channels.

\* Percentages add to more than 100 per cent due to multiple answers provided by respondents.

## 5.4 Respondents' Opinions about Formal/Informal Channels

Opinions of respondents about formal and informal channels were assessed after analyzing the following factors:

- why some households obtained remittances through formal channels and others through informal channels;
- what were the major problems (if any) encountered while receiving remittances through formal or informal channels;
- if respondents were aware of the risks involved in bringing remittances through informal channels.

The results are presented in Tables 5.8 through 5.13.

### 5.4.1 Reasons of Using/Not Using Formal Channels

The most common reason behind using formal channels was that they were viewed to be "*safe and secure*" (Table 5.8). Among respondents who had received remittances at least once through formal channels, more than half (54 %) gave this reason when asked why remittances were sent through formal channels. Approximately 10 to 21 per cent of respondents also provided reasons such as, *money is received in time* (21 % of respondents); *there is no hassle in receiving money* (15 % of respondents); and *there is no risk of their money disappearing before it reached them* (10 % of respondents).

TABLE 5.8

## Reasons for sending remittances through formal channels

Reasons	Number (N <sup>1</sup> )	Percentage*
Receipt of money in time	1,830	21.1
Possibility of receiving money	878	10.1
No hassle in receiving money	1,299	15.0
Safe and secure	4,643	53.5
Others	36	0.4
<b>Total</b>	<b>8,686</b>	<b>100.0</b>

N<sup>1</sup> is the number of migrant households interviewed in the sample who received remittances at least once through formal channels.

\* Percentages do not add up to 100 per cent due to rounding up for the process of weighting.

Reasons of not using formal channels were also ascertained. Respondents who did not receive remittances through formal channels were asked why they opted for informal channels. The most commonly reported reason given by 52 per cent of the respondents was that *"it was easier to receive money through informal channels"* (Table 5.9). The next most commonly reported reason was *"they did not have an account in the bank/they thought there would be trouble/problems in opening a bank account"* (34% of respondents). There was also a sizeable percentage (9 %) that reported encountering delays in receiving remittances through formal channels.

TABLE 5.9

## Reasons for not sending remittances through formal channels

Reasons	Number (N <sup>1</sup> )	Percentage
Trouble/problem in opening account	110	7.7
Delay in receiving money	121	8.5
Have to pay speed money to bank officials	25	1.7
No account in bank	372	26.1
Easy to receive money through informal channels	740	51.9
Others	58	4.1
<b>Total</b>	<b>1,426</b>	<b>100.0</b>

N<sup>1</sup> is the number of migrant households interviewed in the sample who did not receive remittances through formal channels.

### 5.4.2 Problems in Using Formal Channels

As reported, there were generally no major problems in bringing remittances through formal channels. Among respondents who received remittances through formal channels, more than 9 in 10 (93 %) said they did not face any problems in receiving the money (Table 5.10). The small minority (7 %) who did face problems mostly complained of *Delays in receiving the money or not receiving the money in time*. As mentioned earlier some respondents also mentioned about having to pay extra money to the officers to expedite the process.

TABLE 5.10

## Problems faced in bringing remittances through formal channels

Problems	Number (N <sup>1</sup> )	Percentage*
No problem	8,071	92.9
Money not received in proper time	179	2.1
Delay in receiving money	458	5.3
Others <sup>13</sup>	94	1.1
<b>Total</b>	<b>8,686</b>	

N<sup>1</sup> is the number of migrant households interviewed in the sample who received remittances at least once through formal channels.

\* Percentages add to more than 100 per cent due to multiple answers provided by respondents.

### 5.4.3 Risks Involved with Informal Channels

As shown in Table 5.11, most of the respondents-- more than 7 in 10 (73 %) were aware of the risks associated with using informal channels for remittance transfers. Among those aware of the risks, almost every one (96 %) reported that there was always some possibility that the remittance would not reach them at all. However, only 23 per cent reported the hassles and 17 per cent mentioned delays involved in receiving remittances through informal channels (Table 5.12).

TABLE 5.11

## Respondents' Overall Awareness of risks associated with bringing in remittances through Informal channels

	Number (N <sup>1</sup> )	Aware (%)
Awareness level of those who always used formal channels	7,578	73.4
Awareness level of those who used formal as well as informal channels	1,108	77.6
Awareness level of those who always used informal channels	1,426	65.2
<b>Total</b>	<b>10,112</b>	<b>72.7</b>

N<sup>1</sup> is the number of migrant households included in the sample in a category.

13 'Others' also include those who mentioned about having to pay extra money to expedite the process of receiving payments.

TABLE 5.12

## Awareness about specific risks involved with informal channels

Risks involved	Number (N <sup>1</sup> )	Percentage*
Possibility of not receiving remittance	7,414	96.1
Delays in receiving remittance	1,329	17.2
Hassles in receiving remittance	1,770	23.0
Others	61	0.8
N <sup>1</sup>	7,714	

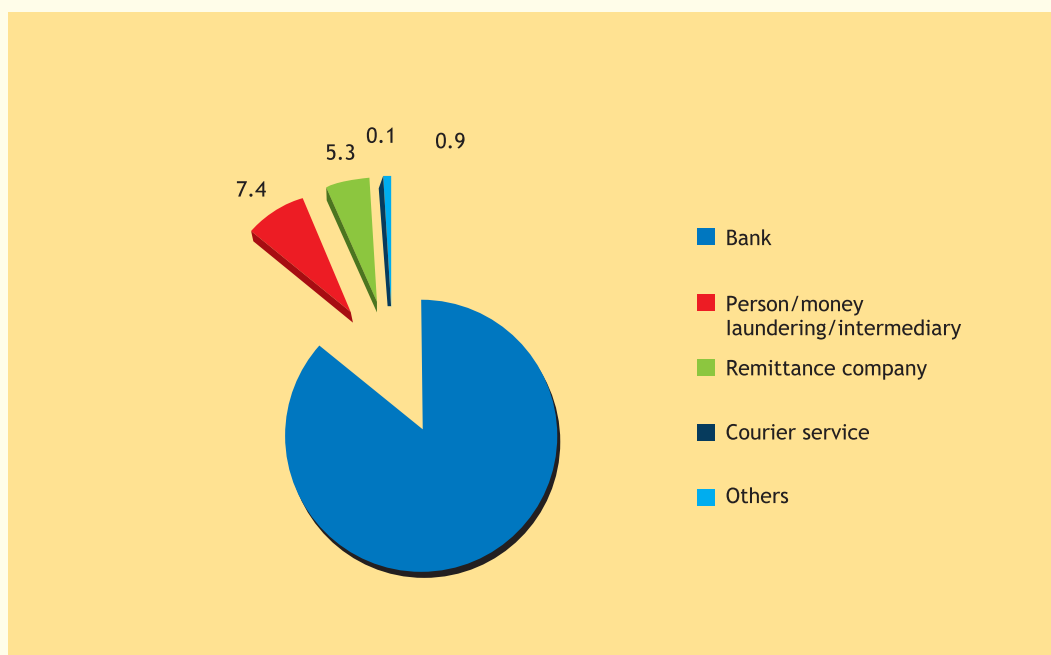
N<sup>1</sup> is the number of migrants households included in the sample, who were aware of risks involved in bringing remittances through informal channels.

\* Percentages add to more than 100 per cent due to multiple answers provided by respondents.

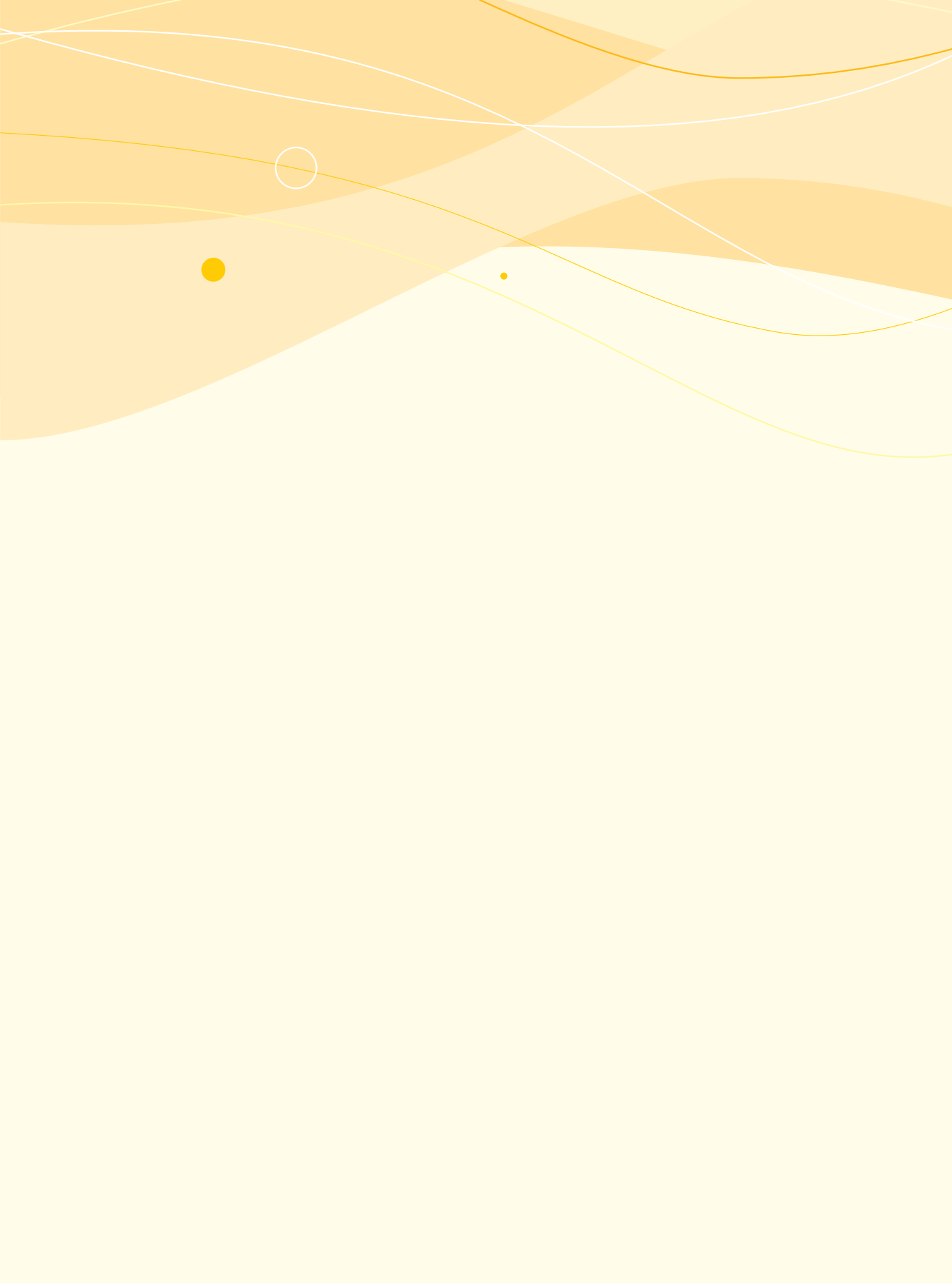
#### 5.4.4 Preferred Channel

Despite the benefits in terms of less transportation cost and less delays in receiving money through informal channels, when respondents were asked through which channel they would prefer to bring remittances, 86 per cent responded that bank was the most preferred channel (Figure 5.13). Only 7 per cent said they preferred to bring remittances through informal channels (unofficial money transfer agents/acquaintances). This choice of formal channels over informal channels needs to be analyzed with caution as respondents are aware that it is officially and legally more acceptable to send money through formal channels versus informal channels. Hence, the answer provided by the respondents for this question could very well be a result of that awareness rather than their actual preference.

Figure 5.13 Preferred channel to bring remittances







## CHAPTER 6

# BANK ACCOUNTS AND CHANNELS OF REMITTANCES

A major interest in the baseline survey was to determine how many recipients/migrants had a bank account. The underlying intent was to see if there was a relationship between having a bank account and the use of formal channels

**The following information was gathered about bank accounts:**

- whether a recipient/migrant had a bank account;
- how many bank accounts a recipient/migrant had;
- what type(s) of bank account(s) the recipients/migrants had;
- purposes for which the account was used;
- reasons for not having a bank account.

### 6.1 Recipient's Bank Accounts

#### 6.1.1 Possession of Accounts

Among 15,664 recipients who had received remittances in the one year before the survey, slightly over 60 per cent had bank accounts (Tables 6.1 - 6.2). Only few recipients were reported to have more than one bank account (3 %).

Figure 6.1 Recipients possessing bank accounts (%)

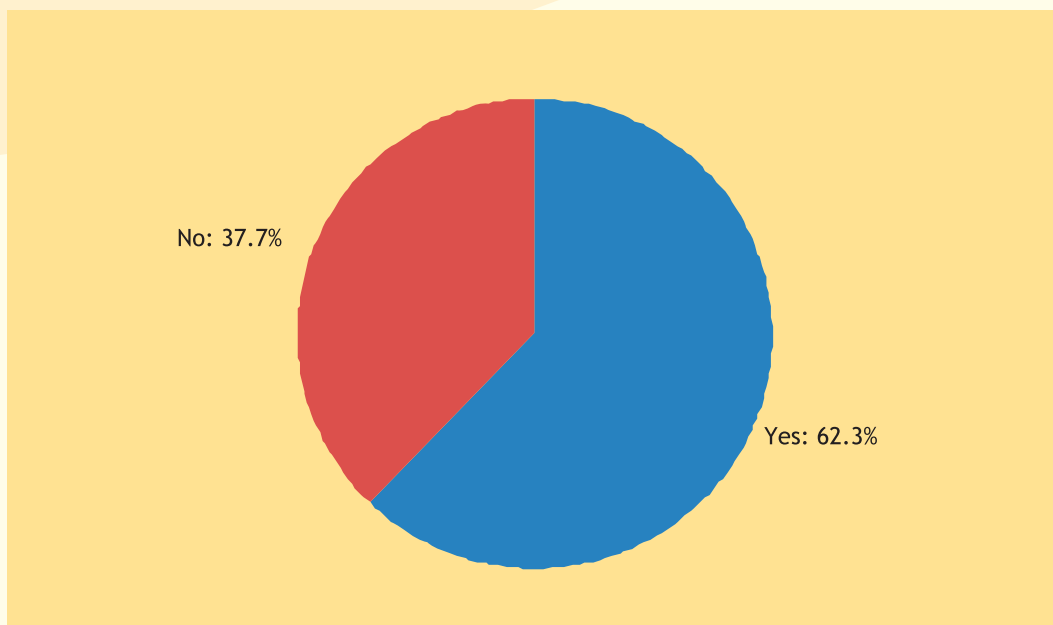


TABLE 6.2

## Number of bank accounts possessed by recipients

Number of bank account	Number (N <sup>1</sup> )	Percentage
1	9,410	96.4
2	316	3.2
3	37	0.4
Total	9,762	100.0

N<sup>1</sup> is the number of recipients included in the sample who had bank accounts.

### 6.1.2 Types of Bank Accounts

The recipients generally had savings accounts. As shown in Table 6.3, among recipients who had only one account, 92 per cent had savings accounts.

TABLE 6.3

## Type of bank accounts possessed by recipients

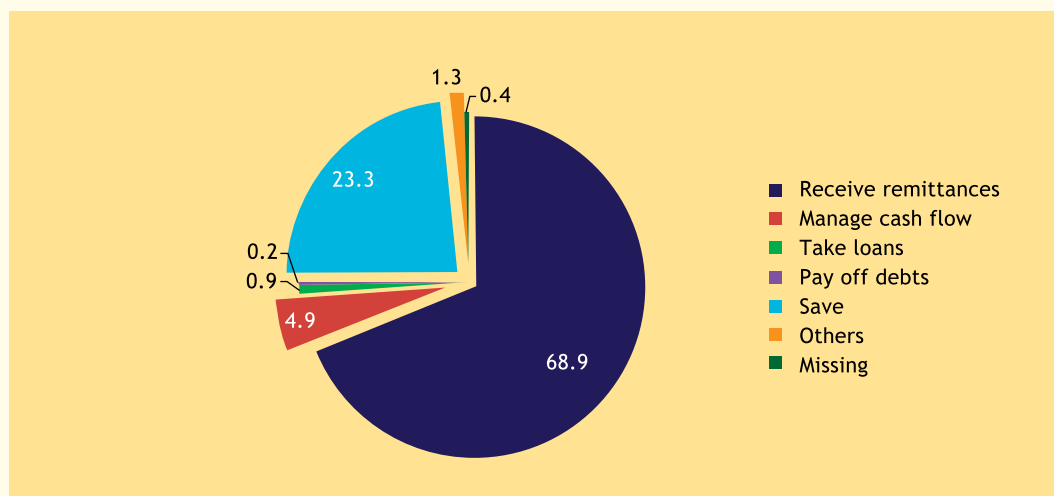
Type of bank accounts	Number (N <sup>1</sup> )	Percentage
<b>For recipients having single bank accounts</b>		
Savings Accounts	8,640	91.8
Current Accounts	764	8.1
Don't know	6	0.1
<b>Total</b>	<b>9,410</b>	<b>100.0</b>
<b>For recipients having two bank accounts</b>		
Savings Accounts	494	84.2
Current Accounts	93	15.8
<b>Total</b>	<b>587</b>	<b>100.0</b>
<b>For recipients having three Bank Accounts</b>		
Savings Accounts	76	76.8
Current Accounts	23	23.2
<b>Total</b>	<b>99</b>	<b>100.0</b>

N<sup>1</sup> is the number of recipients' in each category, excluding 'Not Stated' cases for the type.

### 6.1.3 Purposes of Bank Accounts

The main purposes for having a bank account are presented in Figure 6.4. There were two main purposes of having a bank account. Seventy per cent of the recipients mentioned that they had the account mainly to receive remittances. Another 23 per cent reported having an account for the purpose of saving money.

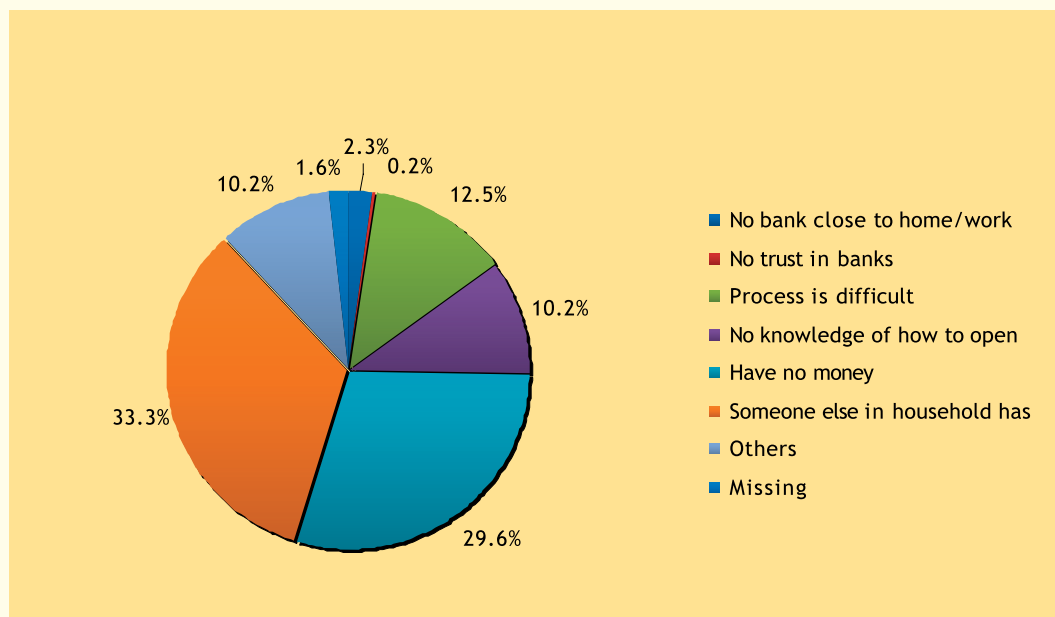
Figure 6.4 Purposes of having bank account by recipients (%)



### 6.1.4 Reasons for Not Having Bank Accounts

The main reasons behind not having a bank account are detailed in Table 6.5. Thirty three per cent of the recipients mentioned that they did not have a bank account because *they had someone else in their household who had a bank account*. Thirty per cent mentioned that *they did not have money to open an account*. The main reasons presented by the rest of the respondents were either *they did not know how to open an account* (reported by 13 %) or *they found the process of opening an account difficult* (10 %).

**Table 6.5 Reasons for not having bank accounts by recipients (%)**



## 6.2 Migrants' Bank Accounts

### 6.2.1 Possession of Accounts

Among the 12,893 migrants included in the survey, less than one-fifth (19 %) had bank accounts in Bangladesh (Table 6.6). Few of the migrants having bank accounts had more than one account (Table 6.7).

TABLE 6.6		
Migrants possessing bank accounts		
Whether possessing a bank account	Number (N <sup>1</sup> )	Percentage
Yes	2,462	19.1
No	10,431	80.9
Total	12,893	100.0

N<sup>1</sup> is the number of migrants included in the sample.

TABLE 6.7

Number of bank accounts possessed by migrants		
Number of bank account	Number (N <sup>1</sup> )	Percentage
1	2,405	97.7
2	49	2.0
3	8	0.3
<b>Total</b>	<b>2,462</b>	<b>100.0</b>

N<sup>1</sup> is the number of migrants included in the sample who had bank accounts.

### 6.2.2 Types of Bank Accounts

As in the case for recipients, bank accounts held by migrants were generally savings account. As shown in Table 6.8, savings accounts made up 96 per cent of bank accounts held by migrants who have only one account. For those migrants who had more than one account, 91 per cent had a savings account. There were eight cases when migrants had more than three bank accounts. Nevertheless, for those with three bank accounts, all of them had at least one savings account.

TABLE 6.8

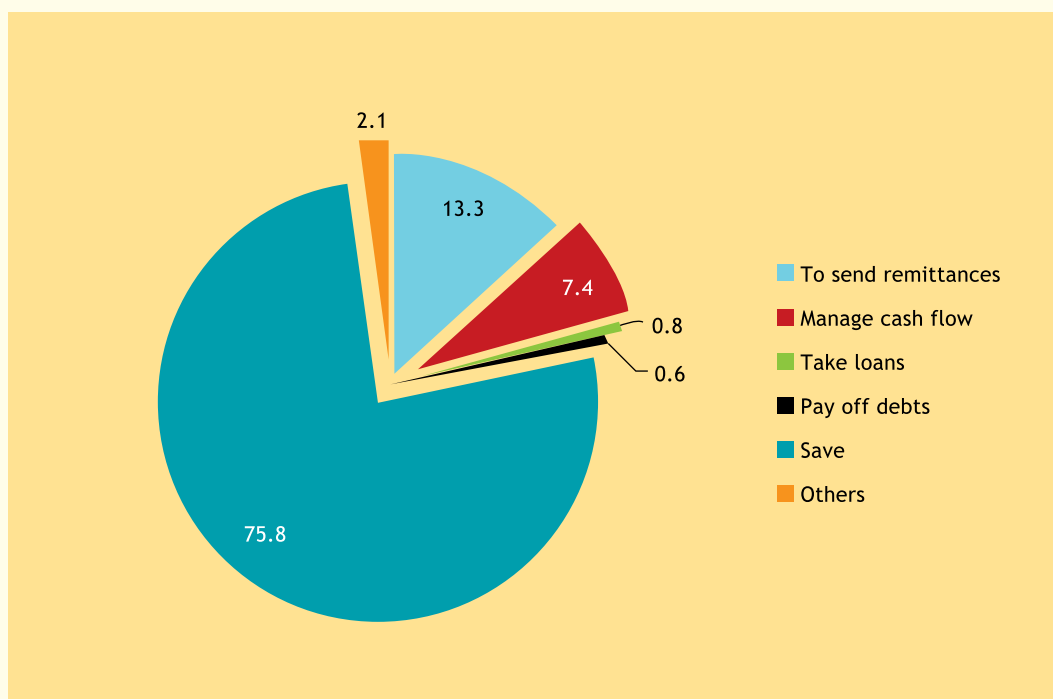
Type of Bank Accounts possessed by migrants		
Type of bank accounts	Number (N <sup>1</sup> )	Percentage
<b>For migrants' having single Bank Accounts</b>		
Saving AC	2,316	96.3
Current AC	81	3.4
Don't know	8	0.3
<b>Total</b>	<b>2,405</b>	<b>100.0</b>
<b>For migrants' having two Bank Accounts</b>		
Saving AC	89	90.8
Current AC	9	9.2
<b>Total</b>	<b>98</b>	<b>100.0</b>
<b>For migrants' having three Bank Accounts</b>		
Saving AC	24	100.0
<b>Total</b>	<b>24</b>	<b>100.0</b>

N<sup>1</sup> is the number of migrants' bank accounts included in the sample, excluding 'Not Stated' for the type.

### 6.2.3 Purposes of Bank Accounts

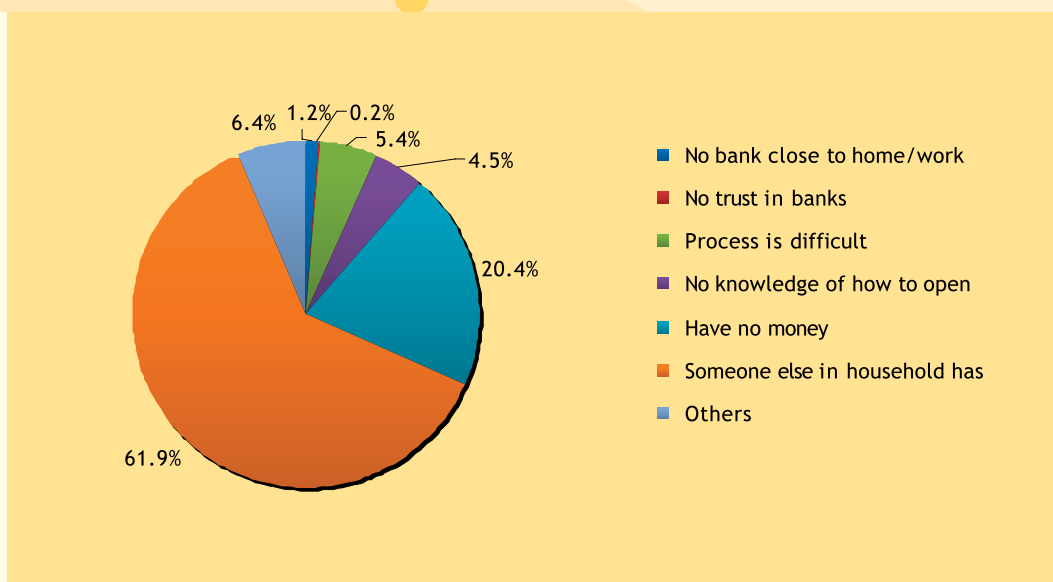
The main purposes of having a bank account by migrants are presented in Figure 6.9. Among the migrants who had a bank account, most (76 %) reported having it "to save money". Thirteen per cent had the account mainly "to send remittances" and to manage the cash flow from them to their households.

Figure 6.9 Purposes of having bank account by migrants (%)



### 6.2.4 Reasons for Not Having Bank Accounts

Similar to remittance recipients, migrants also had the same two main reasons for not opening a bank account. Among those who did not have an account, most (62 %) did not have it because *they had someone else in their household having an account* (Figure 6.10). Another significant 20 per cent did not have an account because *they did not have money to open an account when they were leaving Bangladesh*.

**Figure 6.10 Reasons for not having bank accounts by migrants (%)**

### 6.3 Bank Accounts and Remittances through Formal Channels

Among the migrant households who received remittances in the one year before the survey, 8,712 were found to have at least one bank account and 1,400 reported having no bank account. As the data in Table 6.11 shows, there is a strong association between receiving remittances through formal or informal channels and having a bank account. Households having bank accounts usually received remittances through formal channels, while those with no bank accounts received it mostly through informal channels. To be precise, among households having bank accounts, 83 per cent were found to have received remittances always through formal channels and only 6 per cent always through informal channels. In contrast, among households having no bank accounts, 65 per cent were found to have received remittance always through informal channels and only 27 per cent always through formal channels.

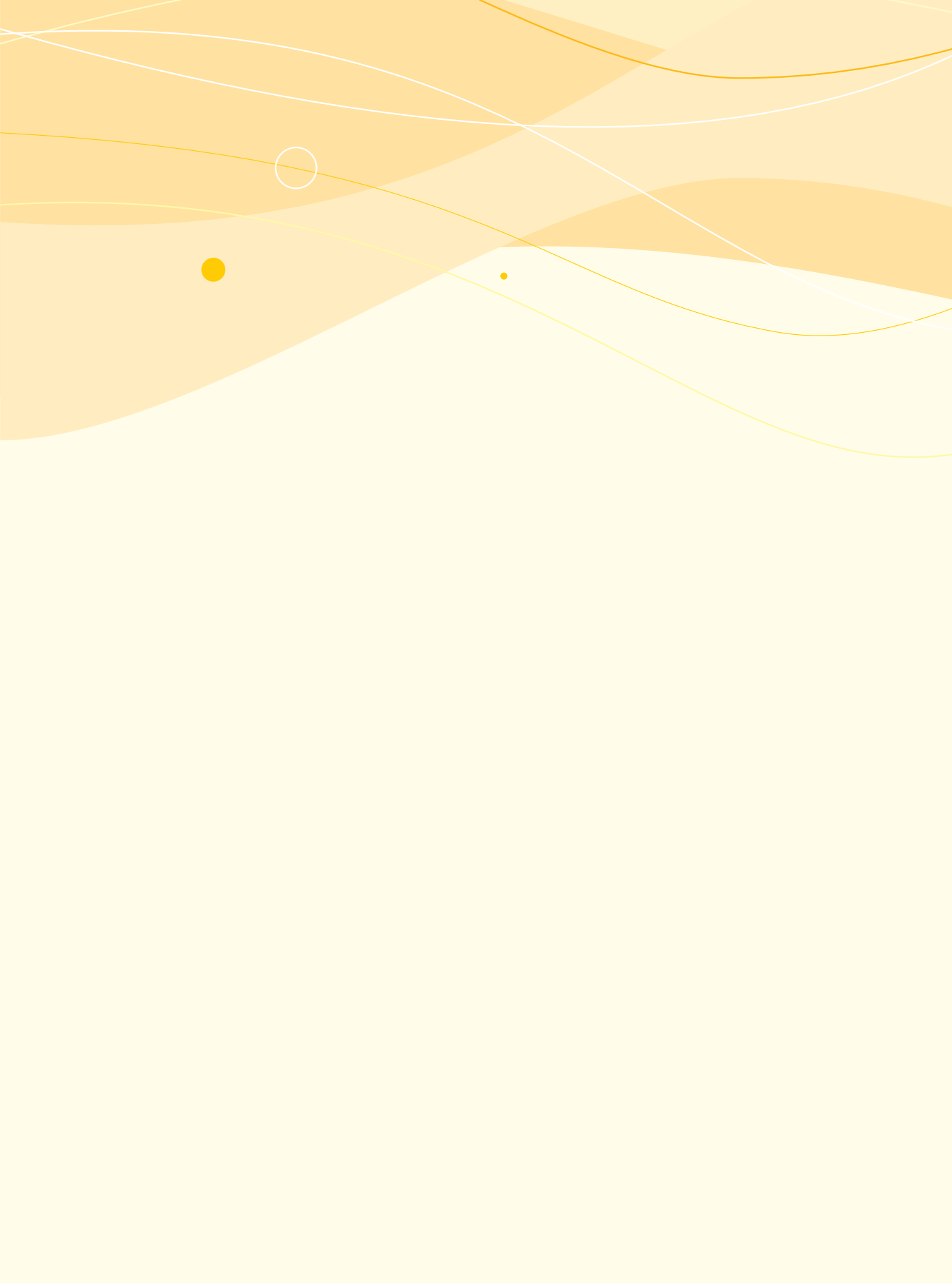
**TABLE 6.11**

#### Mode of receiving remittances and possessing a bank account

Mode of receiving remittances	Having a bank account (%)	Not having a bank account (%)	All (%)
Always through formal channels	82.6	27.5	74.9
Sometime through formal channels	11.5	7.5	11.0
Always through informal channels	5.9	65.0	14.1
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>N<sup>1</sup></b>	<b>8,712</b>	<b>1,400</b>	<b>10,112</b>

N<sup>1</sup> is the number of migrant households included in the sample who had received remittances in the one year before the survey.





## CHAPTER 7

# CONTRIBUTIONS TO HOUSEHOLDS' INCOMES AND EXPENDITURES

Another important objective of the baseline survey was to ascertain the contributions of remittances towards migrant households' incomes and expenditures. Thus, a major effort in the survey was given towards investigating the migrant households' incomes and expenditures to determine what roles/shares remittances had in them.

### 7.1 Households' Incomes

A household's income was ascertained after carefully investigating all its income sources. This included incomes from sources such as agriculture, enterprise/business, salary/wage from employment, etc. For an in-depth understanding of the data collection methods, please refer to the survey questionnaire enclosed as Appendix.

#### 7.1.1 *Incomes from Agriculture*

Table 7.1 provides income information about migrant households in relation to their agricultural income during the one year period before the survey. Migrant households in this survey had generally low income from agriculture. A quarter (25 %) of them were found to have no income from agriculture in the one year before the survey, while another 43 per cent had an income of Taka 30,000 or less from agriculture. Only less than 10 per cent had an income of more than Taka 75,000 from agriculture. Thus, an average migrant household was found to have an annual income of only Taka 27,141 from agriculture in the one year before the survey.

TABLE 7.1

## Household incomes from agriculture

Levels of income (in Taka)	Number (N <sup>1</sup> ) *	Percentage **
00	2,636	24.7
</= 2500	1,790	16.8
2501-10000	1,483	13.9
10001-20000	1,340	12.6
20001-30000	813	7.6
30001-40000	665	6.2
40001-50000	403	3.8
50001-75000	641	6.0
75001-100000	285	2.7
100001-150000	306	2.9
> 150001	310	2.9
<b>Mean</b>	<b>27,141.18</b>	
<b>Total</b>	<b>10,673</b>	<b>100.0</b>

N<sup>1</sup> is the number of migrant households included in the sample.

\* Number do not add-up to 10,673 due to rounding up for the process of weighting.

\*\* Percentages do not add-up to 100 per cent due to rounding up for the process of weighting.

### 7.1.2 Incomes from Enterprise/Business

Approximately 84 per cent of the migrant households owned no enterprise/business (Table 7.2). Those who did own had mostly a small enterprise/business generating an income of Taka 75,000 or less. The average annual income (from enterprise/business) per migrant household in the one year before the survey was calculated to be only Taka 14,188.

TABLE 7.2

## Household income from business/enterprise

Levels of income (in Taka)	Number (N <sup>1</sup> ) *	Percentage **
00	8,986	84.2
</= 20000	438	4.1
20001-40000	365	3.4
40001-75000	387	3.6
75001-150000	282	2.6
> 150001	216	2.0
<b>Mean</b>	<b>14,188.13</b>	
<b>Total</b>	<b>10,673</b>	<b>100.0</b>

N<sup>1</sup> is the number of migrant households included in the sample.

\* Number do not add-up to 10,673 due to rounding up for the process of weighting.

\*\* Percentages do not add-up to 100 per cent due to rounding up for the process of weighting.

### 7.1.3 Incomes from Salaries/Wages

Only about a quarter (24 %) of migrant households had incomes from wages/salaries, with 11 per cent having an income of Taka 40,000 or below from this source in the one year before the survey. Only less than 7 per cent had an income of over Taka 75,000 from salaries/wages. Thus, an average annual income per migrant household from wages/salaries in the one year before the survey was found to be only Taka 16,146.

TABLE 7.3		
Household income from wages/salaries		
Levels of income (in Taka)	Number (N <sup>1</sup> ) *	Percentage **
00	8,102	75.9
</= 20000	623	5.8
20001-40000	577	5.4
40001-75000	665	6.2
75001-150000	493	4.6
> 150001	215	2.0
Mean	16,146.47	100.0
Total	10,673	

N<sup>1</sup> is the number of migrant households included in the sample.

\* Number do not add-up to 10,673 due to rounding up for the process of weighting.

\*\* Percentages do not add-up to 100 per cent due to rounding up for the process of weighting.

### 7.1.4 Incomes from Other Sources

Other sources of household income included the following:

- leasing out of ponds/agricultural land/commercial land;
- renting out of residential houses/buildings;
- renting out of shops/commercial buildings;
- interest from savings/lending.

Only 14 per cent of migrant households had incomes from the above listed sources. The average annual income (per migrant household) from these other sources in the one year before the survey was Taka 6,979 (Table 7.4).

### 7.1.5 Total Household Income from All Sources

After accounting for all sources of household income mentioned above, the average annual total income per migrant household in the one year before the survey was Taka 64,455 (Table 7.5). However, this average masks the large variations that each migrant household had in their own income. A sizeable 13 per cent of the households had no income of their own in the one year before the survey, while another 32 per cent had a total income of their own in the range of Taka 30,000 and below. In contrast, 17 per cent were found to have a total household income of above Taka 100,000 in the one year before the survey.

**TABLE 7.4**

**Household incomes from other sources**

Levels of income (in Taka)	Number (N <sup>1</sup> ) *	Percentage
00	9,154	85.8
</= 10000	627	5.9
10001-20000	270	2.5
20001-40000	208	1.9
40001-75000	180	1.7
75001-150000	131	1.2
> 150001	102	1.0
<b>Mean</b>	<b>6,979.09</b>	
<b>Total</b>	<b>10,673</b>	<b>100.0</b>

N<sup>1</sup> is the number of migrant households included in the sample.

\* Numbers do not add-up to 10,673 due to rounding up for the process of weighting.

**TABLE 7.5**

**Household incomes from all sources**

Levels of income (in Taka)	Number (N <sup>1</sup> )	Percentage
00	1,354	12.7
</= 2500	1,099	10.3
2501-10000	1,148	10.8
10001-20000	1,175	11.0
20001-30000	879	8.2
30001-40000	748	7.0
40001-50000	554	5.2
50001-75000	1,120	10.5
75001-100000	718	6.7
100001-150000	773	7.2
> 150001	1,105	10.4
<b>Mean</b>	<b>64,454.88</b>	
<b>Total</b>	<b>10,673</b>	<b>100.0</b>

N<sup>1</sup> is the number of migrant households included in the sample.

### 7.1.6 Income from Remittances

Table 7.6 shows the total amount of remittances received by migrant households in the one year before the survey. An average migrant household was found to have received a total of Taka 98,708 as remittances in the reference year, with about one-third (34 %) receiving an amount of Taka 50,000 or less and another one-third (33 %) receiving between Taka 50,001 and Taka 100,000. The remaining one-third received above Taka 100,000.

TABLE 7.6		
Amounts of remittances received by households		
Amounts of remittances (in Taka)	Number (N <sup>1</sup> )	Percentage *
</= 30000	2,106	19.7
30001-50000	1,539	14.4
50001-75000	1,816	17.0
75001-100000	1,718	16.1
100001-150000	1,775	16.6
150001-300000	1,339	12.5
> 300001	380	3.6
Mean	98,708.42	
Total	10,673	100.0

N<sup>1</sup> is the number of migrant households included in the sample.

\* Percentages do not add-up to 100 per cent due to rounding up for the process of weighting.

TABLE 7.7		
Households' overall income including remittances		
Levels of overall incomes ( in taka)	Number (N <sup>1</sup> )*	Percentage
</= 30000	758	7.1
30001-50000	864	8.1
50001-75000	1,390	13.0
75001-100000	1,449	13.6
100001-150000	2,347	22.0
150001-300000	2,708	25.4
> 300001	1,156	10.8
Mean	163,163.29	
Total	10,673	100.0

N<sup>1</sup> is the number of migrant households included in the sample.

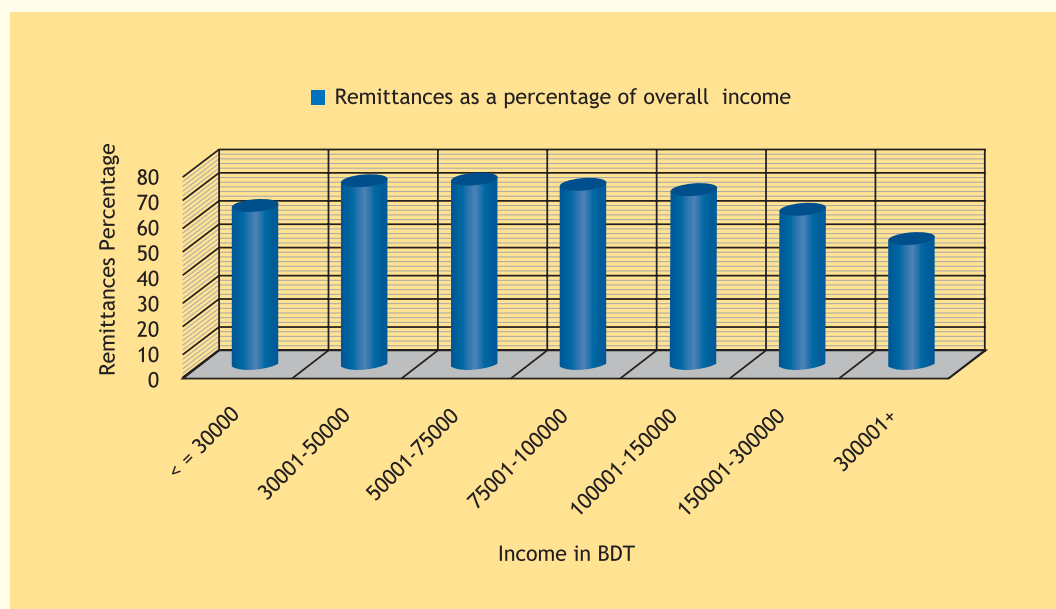
\* Numbers do not add-up to 10673 due to rounding up for the process of weighting.

### 7.1.7 Contributions of Remittances to Overall Household Income

Table 7.7 provides information about household incomes including remittances. The overall annual income of an average migrant household including remittances was Taka 163,163 in the one year before the survey. Nearly, 60 per cent of the migrant households had an overall income of Taka 100,000. It is important to note that on average remittances increased the total household income by a significant amount. The average increased from Taka 64,455 to Taka 163,163. Nevertheless, as mentioned earlier, these aggregate values mask the variations that each migrant household had in their respective income.

The contribution of remittances to the overall household income is displayed in Figure 7.8. On average, remittances made up 61 per cent of the overall household income in the one year before the survey. The contribution, however, varied with level of income. While the contribution was 63 per cent for households having their overall income at or below Taka 30,000, the proportion rose to 73-74 per cent for those having the overall income between Taka 30,001 and Taka 75,000. The contribution level decreased as the overall household income increased, dropping to 50 per cent for households having an overall income of above Taka 300,000.

**Figure 7.8 Remittances as a percentage of overall household income**



### 7.1.8 Household Expenses

Households' expenses were assessed in two categories. In one category, household expenses on disposable goods and services (items) were estimated by asking a respondent about how much his/her household spent in the one month before the survey on items such as food, healthcare, educational expenses, etc. In the other category, expenses for durable goods and services were estimated by asking a respondent about how much his/her household spent in the one year before the survey on items such as household goods (furniture, cooking utensils, etc.) and

household repair (of television, radio, refrigerator, among other items). For the full list of disposable and durable items inquired in the survey please refer to the enclosed questionnaire.

Table 7.9 details information collected on the money spent by households on disposable goods and services during the one month period before the survey. On average, a household was found to have spent Taka 127,337 for disposable goods and services with 12 per cent of the households spending Taka 50,000 or less, 40 per cent spending between Taka 50,001 and 100,000, and the remainder 48 per cent spending above Taka 100,000.

TABLE 7.9		
Household expenses for disposable goods and services		
Levels of expenses (in Taka)	Number (N <sup>1</sup> )	Percentage
</= 30000	215	2.0
30001-50000	1,047	9.8
50001-75000	2,090	19.6
75001-100000	2,159	20.2
100001-150000	2,550	23.9
150001-300000	2,046	19.2
> 300001	566	5.3
Mean	127,336.37	
Total	10,673	100.0

N<sup>1</sup> is the number of migrant households included in the sample.

TABLE 7.10		
Household expenses for durable goods and services		
Levels of expenses (in Taka)	Number (N <sup>1</sup> )*	Percentage**
</= 30000	6,266	58.7
30001-50000	1,695	15.9
50001-75000	1,120	10.5
75001-100000	521	4.9
100001-150000	534	5.0
150001-300000	392	3.7
> 300001	144	1.4
Mean	44,946.61	
Total	10,673	100.0

N<sup>1</sup> is the number of migrant households included in the sample.

\* Number do not add-up to 10,673 due to rounding up for the process of weighting.

\*\* Percentages do not add-up to 100 per cent due to rounding up for the process of weighting.

Thus, including the expenses spent on both disposable as well as durable goods and services, on average a migrant household was found to have had a total expenditure of Taka 172,283 in the one year before the survey, with more than two-thirds (67 %) spending a total of more than Taka 100,000 (Table 7.11).



Table 7.10 presents information about the amount of money spent by households on durable goods and services during the one year period preceding the survey. From the data, it was calculated that the amount of money that a household on average spent was Taka 44,947, with nearly 60 per cent of the households spending Taka 30,000 or less, 26 per cent spending between Taka 30,001 and 75,000, and only 15 per cent spending above Taka 75,000.

TABLE 7.11		
Households' total expenses		
Levels of total expenses (in Taka)	Number (N <sup>1</sup> )	Percentage
</= 30000	88	0.8
30001-50000	489	4.6
50001-75000	1,290	12.1
75001-100000	1,568	14.7
100001-150000	2,815	26.4
150001-300000	3,203	30.0
> 300001	1,220	11.4
<b>Mean</b>	<b>172,283.28</b>	
<b>Total</b>	<b>10,673</b>	<b>100.0</b>

N<sup>1</sup> is the number of migrant households included in the sample.

### 7.1.9 Household Expenses from Remittances

Table 7.12 shows the total amount of remittances that households spent towards their overall household expenses (on both durable as well as disposable goods) in the one year before the

TABLE 7.12		
Total amount of remittances spent on household expenses		
Total amounts of remittance money spent (in Taka)	Number (N <sup>1</sup> )*	Percentage**
</= 30000	2,741	25.7
30001-50000	1,001	9.4
50001-75000	1,407	13.2
75001-100000	1,291	12.1
100001-150000	1,768	16.6
150001-300000	1,850	17.3
> 300001	616	5.8
<b>Mean</b>	<b>109,129.78</b>	
<b>Total</b>	<b>10,673</b>	<b>100.0</b>

N<sup>1</sup> is the number of migrant households included in the sample.

\* Number do not add-up to 10.673 due to rounding up for the process of weighting.

\*\* Percentages do not add-up to 100 per cent due to rounding up for the process of weighting.

survey. Among the households, more than one-third (35 %) spent Taka 50,000 or less for their household expenses in the one year before the survey, a quarter (25 %) spent between Taka 50,001 and Taka 100,000 and two-fifths (40 %) spent above taka 100,000.

Thus, an average household was found to have spent Taka 109,130 of remittance money towards 63 per cent of its total household expenses in the one year before the survey (Table 7.13). There were little variations in the proportion of household expenses met with remittance money, by level of household expenses. There were however marked variations in spending of remittance by types of expenditures. Table 7.14 shows the break-down of remittance spending on durable and disposable goods and services.

**TABLE 7.13**

**Remittances spent as a proportion of total household expenses**

Levels of total expenses (in Taka)	Number (N <sup>1</sup> )	Average Total Expenses (in Taka)	Average amounts of remittances spent (in Taka)	Remittances spent as a percentage of total expenses
<= 30000	88	23,715.68	14,228.45	60.0
30001-50000	489	42,277.20	26,645.84	63.0
50001-75000	1,290	63,007.26	37,940.98	60.2
75001-100000	1,568	87,591.78	56,364.93	64.4
100001-150000	2,815	123,260.78	77,271.54	62.7
150001-300000	3,203	205,860.94	133,366.34	64.8
> 300001	1,220	484,556.64	302,063.93	62.3
<b>All</b>		<b>172,283.28</b>	<b>109,129.78</b>	<b>63.3</b>

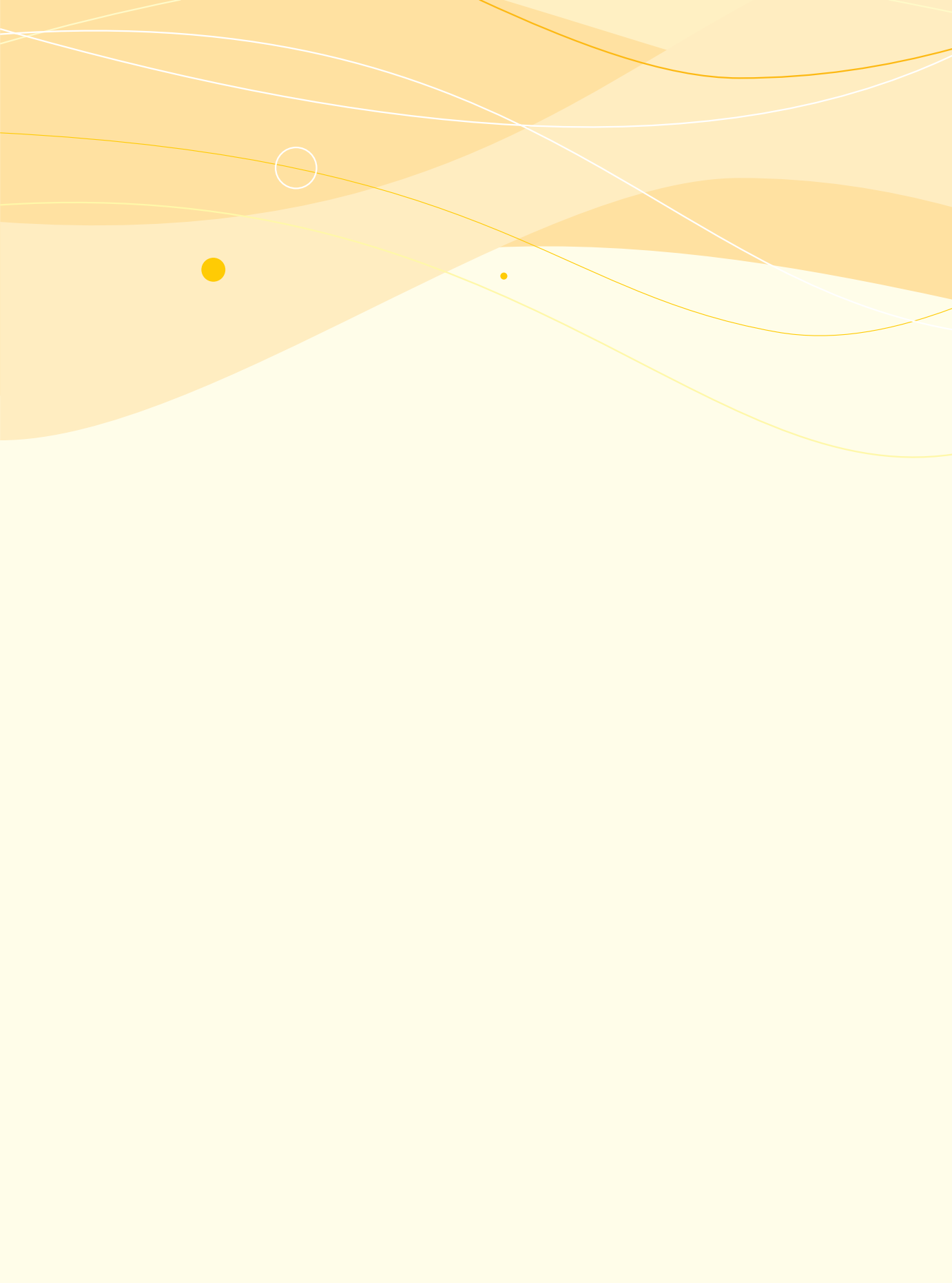
N<sup>1</sup> is the number of migrant households included in the sample (10,673).

**TABLE 7.14**

**Remittances spent as a proportion of household expenses by type of expenses**

Types of expenditures	Total amount spent (in Taka )	Amount of remittances spent (in Taka)	Amount of remittances spent as a percentage of total amount
<b>A</b>	<b>D</b>	<b>C</b>	<b>D=(C/B)*<sup>14</sup>100</b>
Disposable goods and services	127,336.67	76,617.18	60.2
Durable goods and services	44,946.61	32,512.60	72.3
<b>Total expenses</b>	<b>172,283.28</b>	<b>109,129.78</b>	<b>63.3</b>

14 This is calculated as  $(76,617.18 + 32,512.60) / (127,336.67 + 44,946.61) = 109,129.78 / 172,283.28 = 63.3$



## CHAPTER 8

# IMPACT OF REMITTANCES

Impact of remittances was assessed by investigating whether remittances have led to improvements in consumption of food in migrant households, improvements in their educational opportunities, increases in their ability to procure medical services and increases in their overall household income. The results are presented in Tables 8.1 through 8.13.

### 8.1 Improvements in Consumption of Food

Remittances have led to improvements in the consumption of food among the majority of migrant households. As shown in Table 8.1, over 60 per cent of households receiving remittances reported improvements in their consumption of food. About 9 in 10 (89 %) acknowledged that as a result of remittance income, they could now afford to have various kinds of food and therefore enjoy more diversity in their diet (Table 8.2).

TABLE 8.1		
Improvements in consumption of food		
Whether there have been improvements	Number (N <sup>1</sup> )	Percentage
Improved	6,225	61.7
Remained Unchanged	3,870	38.3
Total	10,095	100.0

N<sup>1</sup> is the number of migrant households included in the sample who reported receiving and using remittances.

TABLE 8.2

## Changes indicating improvements in consumption of food

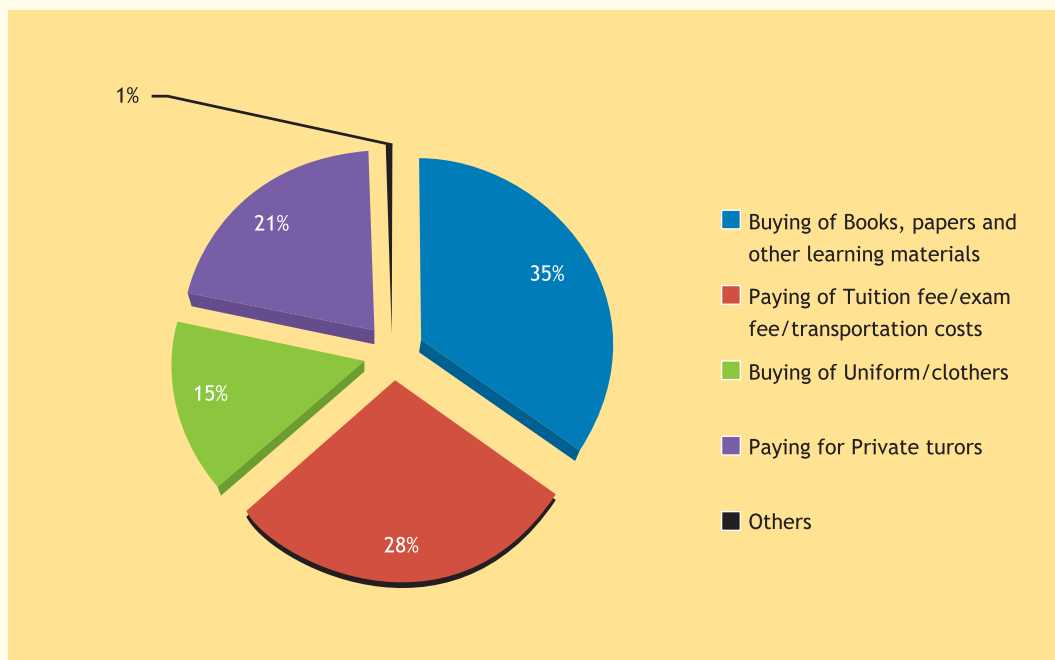
What kind of improvements	Number (N <sup>1</sup> )	Percentage
Eat more often	218	3.5
Eat larger quantity of food	412	6.6
Have more diversity in diet	5,566	89.4
Other	29	0.5
<b>Total</b>	<b>6,225</b>	<b>100.0</b>

N<sup>1</sup> is the number of migrant households in the sample who reported improvements in consumption of food.

## 8.2 Improvements in Educational Opportunities

There are clear indications of remittances having a positive impact on level of education in the migrant households. Eighty-three per cent of surveyed households mentioned using remittances to buy books, papers, and other learning materials and 67 per cent mentioned using it to pay tuition fees/exam fees/transportation costs for their children (Figure 8.3). Fifty per cent used remittances to pay for private tutors for their children and another 35 per cent used it to buy school uniforms.

Figure 8.3 Types of educational expenses paid with remittances (%)



More importantly, nearly 9 in 10 migrant households acknowledged that remittances had enhanced educational opportunities (Table 8.4). Among those acknowledging the benefit, 74 per cent stated that they could now afford to provide their children with adequate learning materials, 48 per cent mentioned that they were now able to employ private tutors for their children and 45 per cent reported that they were now able to provide proper education to their children (Table 8.5). No less than one-third also said that they could now send their children to better schools.

TABLE 8.4

## Enhancement of overall educational opportunities

Whether enhanced educational opportunities enhanced	Number (N <sup>1</sup> )	Percentage
Enhanced	5,997	87.9
Did not enhance	828	12.1
<b>Total</b>	<b>6,825</b>	<b>100.0</b>

N<sup>1</sup> is the number of migrant households included in the sample who had family members that were in school/college or university.

TABLE 8.5

## Enhancement of specific educational opportunities

Enhanced specific educational opportunities	Number	Percentage*
Can send children to better school	2,024	33.8
Able to give children proper education	2,675	44.6
Able to employ adequate private tutor	2,867	47.8
Able to afford adequate learning materials	4,420	73.7
Others	30	0.5
<b>N<sup>1</sup></b>	<b>5,997</b>	

N<sup>1</sup> is the number of migrant households included in the sample who reported that remittances had enhanced the educational opportunity.

\* Percentages add to more than 100 per cent due to multiple answers provided by respondents

### 8.3 Increased Ability to Procure Medical Services

When asked about the sources from where migrant households seek medical treatment, 59 per cent reported visiting pharmacies (Chemist's shops) while 58 per cent went to qualified doctors. A lower proportion (52 %) reported going to government hospitals while 46 per cent reported visiting rural health practitioners. It is important to mention that the choice for services sometimes depended on the proximity of the services from the migrant's household. Table 8.6 details the choice of services by the different migrant households.

TABLE 8.6

Sources of seeking treatment		
Sources	Number	Percentage*
Govt. hospital	5,200	51.5
Non-government. hospital	2,936	29.1
Clinic	2,557	25.3
Qualified Doctors	5,818	57.6
Rural health practitioner	4,630	45.9
Homeopath	431	4.3
Traditional healer	373	3.7
Chemist/pharmacy	5,965	59.1
Others	9	0.1
<b>N<sup>1</sup></b>	<b>10,095</b>	<b>100.0</b>

N<sup>1</sup> is the number of migrant households included in the sample who reported receiving and using remittances.

\* Percentages add up to more than 100 per cent due to multiple answers provided by respondents.

Most migrant households used some portion of their remittances towards procuring medical treatment and medicines. Seventy-two per cent used it to obtain treatment and another 81 per cent used it to purchase medicines (Table 8.7). A significant proportion of the migrant households - more than one third (34 %) - mentioned that they had to take loans from their relatives to pay for their treatment and medicines before remittances were available to them (Table 8.8). From the interviews with the respondents it became clear that remittances played a crucial role for many households in procuring proper medical services.

TABLE 8.7

Medical expenses met with remittance money		
Medical expenses to procure:	Number	Percentage*
Treatment	7,272	72.0
Medicines	8,213	81.4
Didn't spend it	1,861	18.4
Others	15	0.2
<b>N<sup>1</sup></b>	<b>10,095</b>	<b>100.0</b>

N<sup>1</sup> is the number of migrant households included in the sample who reported receiving and using remittances.

\* Percentages add up to more than 100 per cent due to multiple answers provided by respondents.

TABLE 8.8

Sources of money used to make payments for medical Services before remittance earnings were a part of the household income		
Sources of money	Number	Percentage*
House rents	240	2.4
Self-employment	5,279	52.3
Loans from relatives	3,427	33.9
Income from business	1,471	14.6
From salary/wages	1,340	13.3
Income from agricultural	3,809	37.7
Donations from relatives	145	1.4
Others <sup>15</sup>	23	0.2
Not applicable	388	3.8
<b>N<sup>1</sup></b>	<b>10,095</b>	

N<sup>1</sup> is the number of migrant households included in the sample who reported receiving and using remittances.

\* Percentages add up to more than 100 per cent due to multiple answers provided by respondents.

## 8.4 Increases in Household Income

As shown in Table 8.9, only 20 per cent of migrant households receiving remittances reported their overall household incomes having increased because of remittances. Among the households having increased income, more than half (54 %) reported having increases of over Taka 100,000 a year. This is a significant contribution by remittances towards household income (Table 8.10). Interesting, it needs to be noted here that more than 70 per cent of the households claimed that they would be able to sustain this increase in their household income even after remittances ceased to come in (Table 8.11). One of the reasons behind this answer could be that respondents (household heads) have become more confident about their household's potential in generating money from other sources. The households felt that if migrants came back then they will be able to generate some income locally using their skills learnt abroad.

Table 8.12 provides information about how households have been able to use remittances to further increase their income. Information was also collected about why a household was not able to increase its household income by using remittances. As can be seen from Table 8.13, 66 per cent said that they did not receive enough remittances and 59 per cent reported that their family expenses were too high giving them no opportunity for savings and hence no ability for investments. Another 50 per cent mentioned that the remittances they received were used to pay back the loan that the migrant took to pay for his/her migration cost. It is surmised that once such loans are paid off, the household would be able to use remittances for other investment purposes.

15 'Others' include selling of land/ using of savings/no response.



TABLE 8.9

Increases in income due to remittances		
Whether income increased (in Taka)	Number (N <sup>1</sup> )	Percentage
Increased	1,980	19.6
Did not increase	8,115	80.4
<b>Total</b>	<b>10,095</b>	<b>100.0</b>

N<sup>1</sup> is the number of migrant households included in the sample who reported receiving and using remittances.

TABLE 8.10

Yearly increases in incomes due to remittances		
Yearly increases (in Taka)	Number	Percentage*
1000-5000	411	20.7
5001-10000	449	22.7
10001-15000	188	9.5
15001-20000	243	12.3
20001-25000	63	3.2
25001-30000	97	4.9
30001-40000	96	4.9
40001-50000	141	7.1
50001-75000	93	4.7
75001-100000	93	4.7
100001-500000	59	3.0
Don't know	47	2.4
<b>N<sup>1</sup></b>	<b>1,980</b>	<b>100.0</b>

N<sup>1</sup> is the number of migrant households included in the sample who reported having increases in income due to inflow of remittances.

\* Percentages do not add-up to 100 per cent due to rounding up for the process of weighting.

TABLE 8.11

Possibility of sustaining the increase in household income after Remittances cease to come in		
Whether possible	Number (N <sup>1</sup> )	Percentage
Yes	1,427	72.1
No	553	27.9
<b>Total</b>	<b>1,980</b>	<b>100.0</b>

Figure 8.12 How household income was raised using remittances (%)

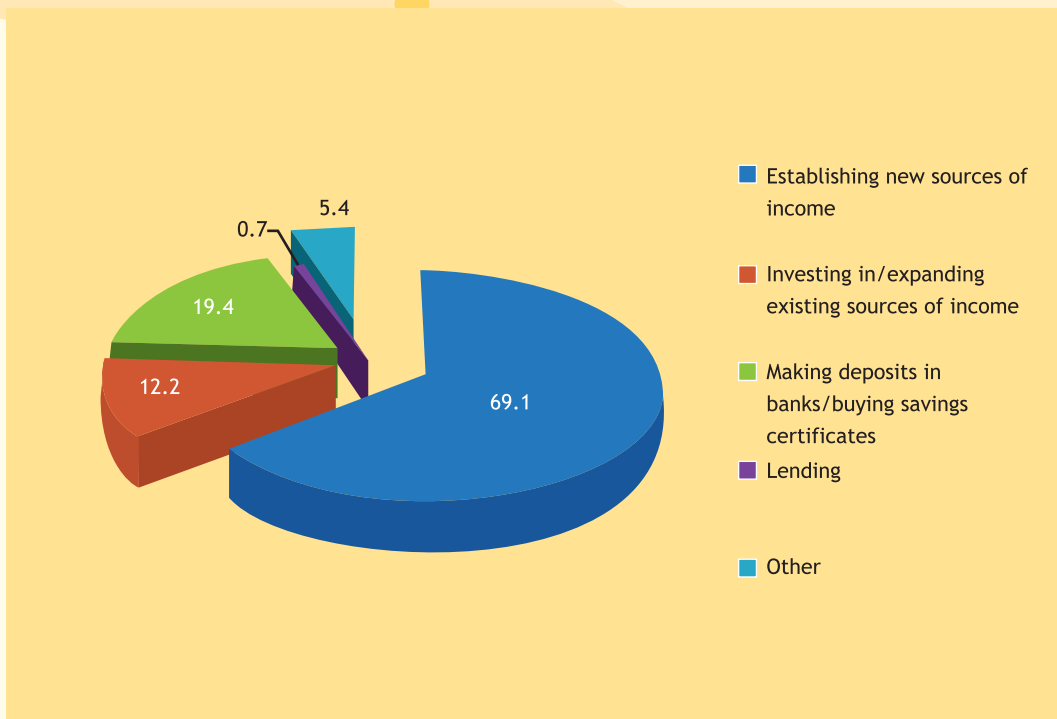


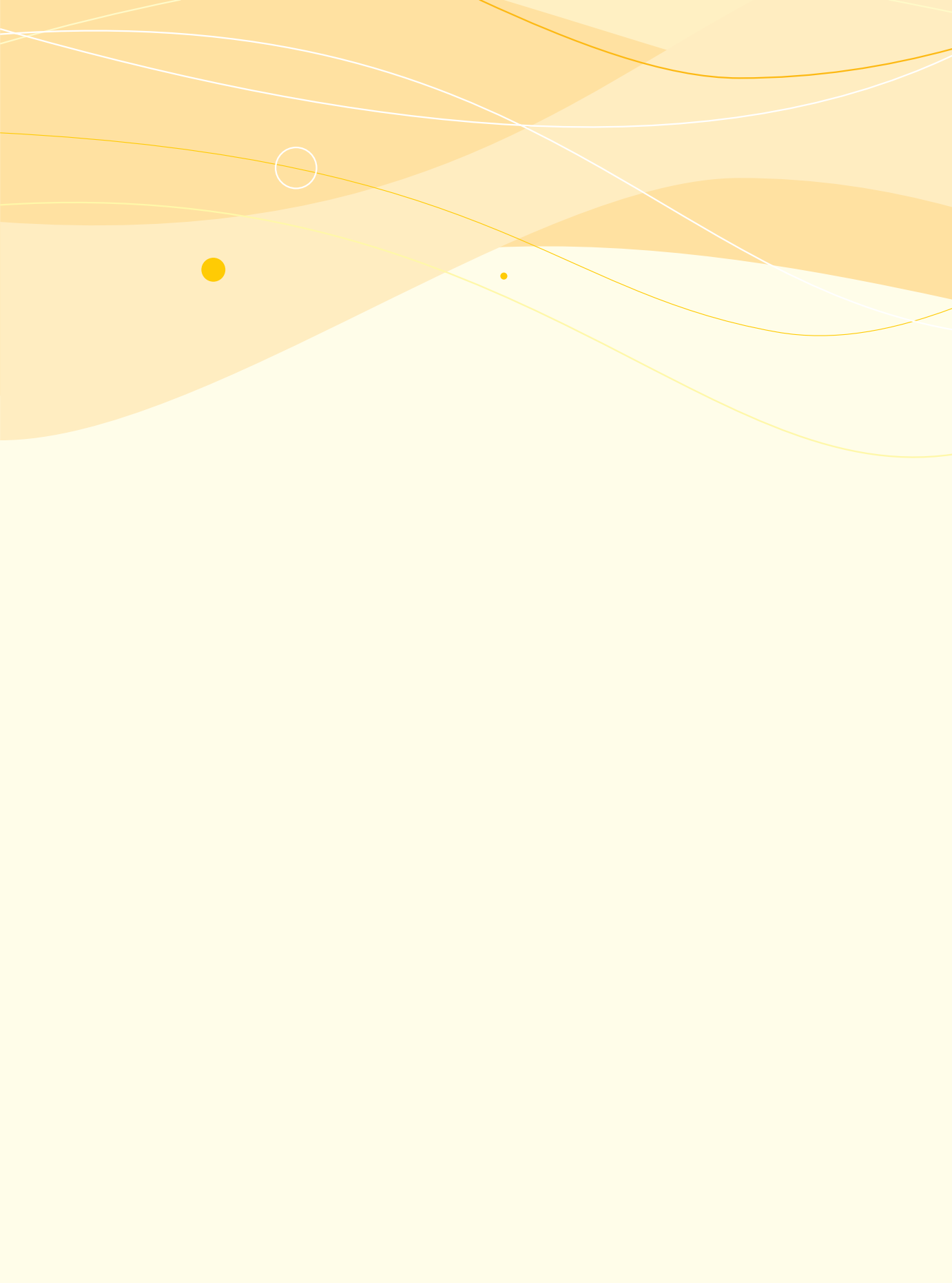
TABLE 8.13

## Reasons for not being able to increase household Income using remittances

Reasons	Number	Percentage*
Family expenses were high	4,793	59.1
Was not able to repay migrant's loan yet	4,086	50.4
Did not receive adequate remittances.	5,345	65.9
Others	487	6.0
<b>N<sup>1</sup></b>	<b>8,115</b>	

N<sup>1</sup> is the number of migrant households included in the sample who were unable to increase their household income due to inflow of remittances.

\* Percentages add to more than 100 per cent due to multiple answers provided by respondents.



## CHAPTER 9

# CONCLUSION AND RECOMMENDATIONS

This report is written with an aim to present the majority of the data collected during the household survey. This will provide the readers with pertinent information about the migration dynamics in Bangladesh and the impact of remittances on migrant households. At present there is no overarching regime or authority managing or governing migration from one country to the other. Due to the very nature of migration, there are a plethora of actors influencing the overall migration process. These actors include, but are not limited to, the governments of the country of origin and destination, migration agents (public and private), foreign employers, migrant households and the migrants themselves. From the data that is presented in this report, it is clear that there are roles that each of these stakeholders or actors can play in order to make migration *beneficial for all*. The three main channels through which migration can benefit the country of origin are: financial capital (remittance), human capital (transfer of knowledge and skills) and social capital (the networks they make while they are abroad). Host countries also benefit from migration as it allows these countries to respond to the structural changes in their labour markets. For instance, during the oil price boom the countries in the Middle East enjoyed a high rate of economic growth and needed foreign labour force to satisfy its labour demands as the domestic labour supply was not adequate. Migrant labours are hired as contract workers and are obliged to return to their country of origin once their contract is over. This flexibility of being able to rapidly access a stock of labour is one of the major benefits enjoyed by the host governments.

For migrant and their households, migration is a source through which they can diversify their income sources and insulate themselves from local market shocks. In countries like Bangladesh, where there is a chronic unemployment problem, migration provides an avenue for many to find jobs.

**The following are some recommendations for each of the above mentioned stakeholders.**

### Country of Origin and Destination

Although migration has been featuring as an essential element in the new architecture of international economic and political orders, many national governments are yet to come up with

a concrete national action plan to address the concerns of the migrants and ensure maximized benefit from migration for the country and the individual migrant. There are crucial roles that need to be played by both the country of destination and the country of origin governments in order to ensure that each of these countries benefit from orderly and managed migration and while doing so, will ensure a framework whereby migrants' rights are also protected. For instance, the home country government needs to address the crux of the problems reported by migrant households regarding receiving money through formal channels. One of the key elements is to expedite the process and ensure that remittances reach the migrant households within the 7 days period. Also, there needs to be strict punitive actions in place for officials who exploit their power and demand money from the migrant households in exchange for disbursing their remittance payments on time.

On the other hand, country of destination governments could ensure that migrants do not find themselves in precarious conditions once they have migrated into the country of destination. The sanctity of the legal employment contracts must be upheld so that migrants are not exploited by either the migration agencies/brokers or foreign employers. There needs to be bilateral agreements between countries of origin and destination clearly mapping out the responsibilities of each of the governments to show their commitment towards the process of legal and orderly migration. If migrants who ensure an employment contract after waiting for months and spending a sizeable amount before they migrate face abuse once they reach the country of destination, this will act as a disincentive for opting for legal migration mechanisms. Hence, it is in the interest of both the governments of host and home countries to ensure that each employment contract issued by the employer adheres to all its commitments and tenets.

## Role of International Government Agencies and Inter-governmental Organizations

These organizations could include inter-governmental agencies, such as the International Organization for Migration (IOM) and donor agencies, such as the UK Department for International Development (DFID), the Royal Norwegian Embassy, among many others. These organizations can act as an intermediary between the host and the home country governments balancing the interests of both these governments to ensure that migrants and their families benefit from opting for orderly migration. These organizations could also provide support to governments (destination, origin or both) to identify the problems within their domestic migration regime. The different government agencies and inter-governmental organizations are in a position to engage in partnerships with the host and home country governments to identify the existing problems through research and analysis and build tools to better govern the existing migration regime.

## Role of National and International Non-Governmental Organizations (NGOs)

Devoting efforts towards raising awareness among the migrants and their households is one of the crucial roles that can be played by national and international NGOs. As this study reveals, many households are still unaware of the full benefits of sending remittances through formal channels and many still have not opened a bank account as they are unaware of the process for opening one. There are several grass-root level organizations working on migrant issues in Bangladesh.

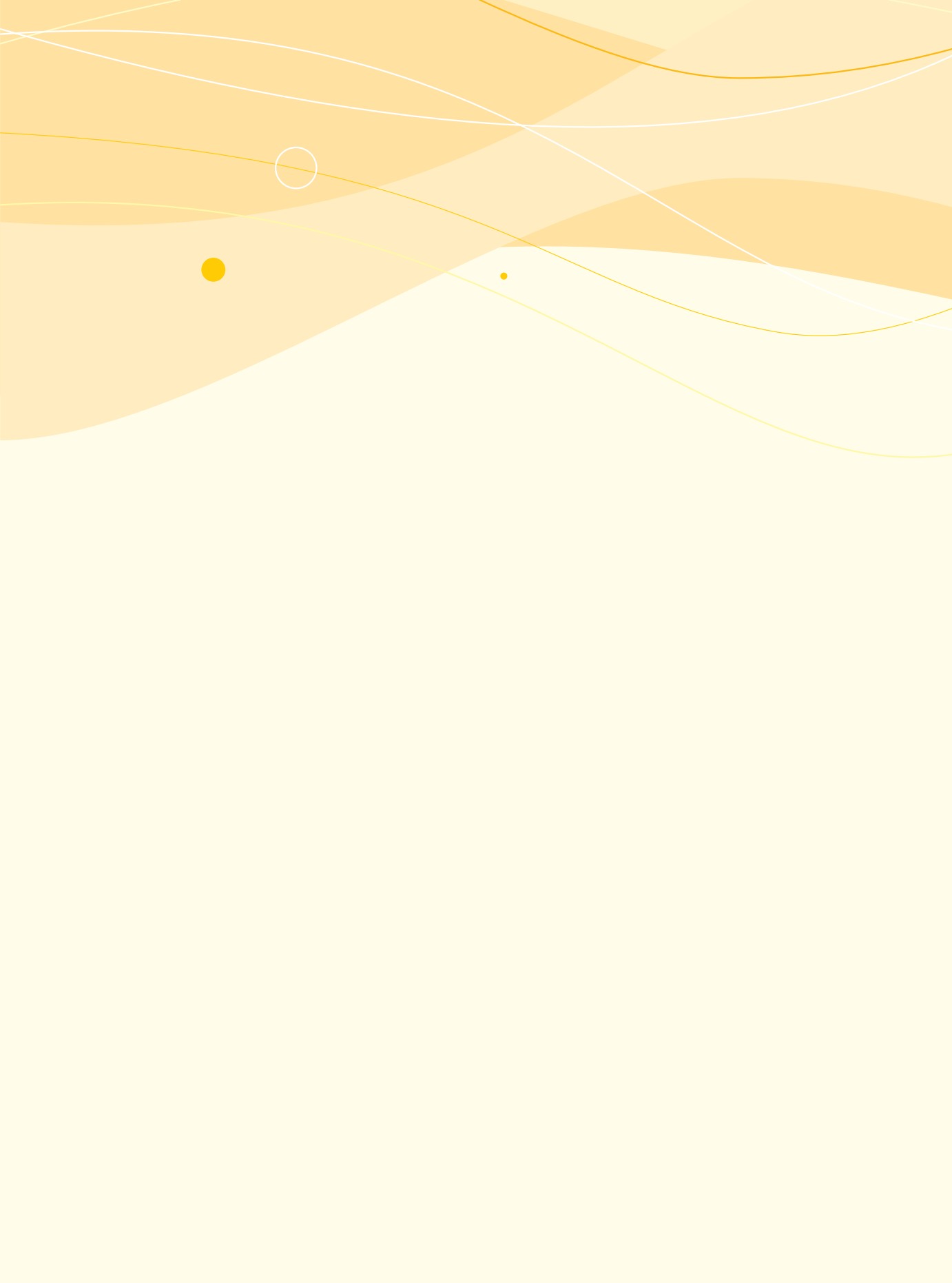
These organizations are in the best position to reach out to migrant communities and address these issues. NGOs can tap their local knowledge and steer it to disseminate information to the migrants and their families with the aim of helping them become familiar with processes that will ease the process of receiving benefits from migration.

## Role of Financial Institutions

Both private and government financial institutions need to increase their efforts in helping the migrant community. Banks, post offices and money transfer agencies need to improve their customer service skills and sensitivity when dealing with migrant households. As is evident from the study, more than 80 per cent of the migrants send remittances to help their families to pay for their essential household expenses. Hence, receipt of remittances in a timely manner is of utmost importance to migrant households. Although a small percentage of recipients expressed their concerns about having to pay extra unofficial money to expedite the disbursement process, financial institutions need to take remedial actions to stop such exploitation.

## Way Forward

An important next-step would be to use these data for further research to better explore the relationships between different elements. For instance, information collected here could be further analyzed to examine the relationship between different variables to answer questions such as, "Has there been a change in the socio-economic conditions of the migrant households as a result of migration? If so then what's the directionality and extent of this change? Is the experience different between female and male migrant households?" The report provides evidence that only 20 per cent of migrant households receiving remittances were in fact able to experience an overall increase in their household income. This data could be further analyzed to better understand the underlying reasons why the other 80 per cent of the households were unable to experience an increase in their incomes.



# ANNEX 1

## SAMPLE AND METHODOLOGY

### Sample Design

BHRS was implemented by collecting data from a nationally representative sample of 10,926 migrant households. A migrant household is defined as a household that has at least one of its members currently living/working abroad. All households together, including both migrant and non-migrant households, are referred to as general households. As detailed in the next sections, the sample was drawn in two stages by stratifying the country into 12 strata.

### Stratification

The 12 strata are described in Table 1.1. They were created by dividing each of the six administrative divisions of the country into two strata, with one stratum consisting of MCM districts (that is, the districts with More Concentration of Migrant households) and the other stratum consisting of LCM districts (that is, districts with Less Concentration of Migrant households).

TABLE 1.1		
Description of Strata		
Division	MCM districts	LCM districts
Barisal	Stratum 1a	(Void) Stratum 1b
Chittagong	Stratum 2a	Stratum 2b
Dhaka	Stratum 3a	Stratum 3b
Khulna	Stratum 4a	(Void) Stratum 4b
Rajshahi	Stratum 5a	(Void) Stratum 5b
Sylhet	Stratum 6a	Stratum 6b



It should be noted here that there were no MCM districts in the divisions of Barisal, Khulna and Rajshahi. The MCM districts were located only in three divisions--- Chittagong, Dhaka and Sylhet. As a result, in the table below, strata 1a, 4a and 5a are shown as void strata. Thus, the sample was drawn from nine strata instead of 12, including one stratum for each of the three divisions (Barisal, Khulna and Rajshahi) and two strata for each of the other three divisions (Chittagong, Dhaka and Sylhet).

## Selection of Clusters

As stated earlier, the sample of migrant households was drawn in two stages, with the migrant households being selected in the second and final stage.

The first-stage sampling unit identified a cluster of general households, migrant or non-migrant. A cluster was formed with one or more mauzas or part of a mauza, depending on the cluster's size as set in terms of number of general households.

Clusters were selected independently from each stratum using the Probability Proportional to Size (PPS) method of selection. The sampling frame for the selection was created using the list of mauzas/villages by households specified in the 2001 Census Community Series Report for the districts making up the stratum. Table 1.2 gives the number of clusters selected from a stratum. The total sample was made up of 457 clusters (i.e. 257 from MCM districts and 200 from LCM districts) including 143 clusters from the division of Dhaka, 140 from Chittagong, 85 from Rajshahi, 44 from Khulna, 25 from Barisal and 20 from Sylhet.

TABLE 1.2			
Number of clusters for specific stratum by division and by MCM-LCM classification			
Division	MCM districts	LCM	All
Barisal	--	25	25
Chittagong	133	7	140
Dhaka	117	26	143
Khulna	--	44	44
Rajshahi	--	85	85
Sylhet	7	13	20
<b>Total</b>	<b>257</b>	<b>200</b>	<b>457</b>

## Household Listing

Prior to selecting the migrant households, all households in every selected cluster were listed, identifying only the migrant households. Before starting the household listing in a cluster, the cluster was located and its geographical boundaries identified. Household listings were done by taking a complete census of the households in each of the clusters. This involved visiting every

household in the designated area. A household was listed along with the following information: its listing #, name of its household head, occupation of the household head and his/her father's/husband's name and any other information deemed necessary for uniquely identifying the household.

For every cluster, all of the identified migrant households were included in the sample. When a cluster had more than the required number of migrant households to be selected from, the required number of migrant households was selected by using the systematic sampling technique. This way, a total of 10,926 households were selected in the sample.

## Sample Obtained

Table 1.3 below shows the actual number of migrant households selected and interviewed in the survey. In total, although 10,926 migrant households were initially selected, 10,673 households were successfully interviewed, achieving a response rate of 97.7 per cent.

Among the interviewed households, 4,081 (98.3 %) households were interviewed from Chittagong division, 3,972 households (97.8 %) from Dhaka, 969 households (97.9 %) from Rajshahi, 682 households (99.4 %) from Khulna, 581 households (98.3 %) from Sylhet and 389 households (87.6 %) from Barisal.

Furthermore, from the 10,673 households, information on a total of 12,893 migrants were obtained (male 12,676 and female 217).

TABLE 1.3			
Selected and interviewed migrant households			
Division	Selected	Interviewed*	Response rate (percentage)
Barisal	444	389	87.6
Chittagong	4,152	4,081	98.3
Dhaka	4,063	3,972	97.8
Khulna	686	682	99.4
Rajshahi	990	969	97.9
Sylhet	591	581	98.3
All	10,926	10,673	97.7

\* Total number does not add-up to 10,673 due to rounding up for the process of weighting.

**Figure 1.1 Selected and the interviewed migrant households' Response rate (%)**

## Recruitment of Field Personnel

A total of 76 field personnel were recruited for data collection. The 76 personnel included 25 female interviewers, 25 male interviewers, 10 male supervisors, 10 female supervisors, 3 female quality control officers and 3 male quality control officers.

## Training

Field personnel including interviewers, supervisors and quality control officers were given 20 days training on the survey questionnaire and the methodology to be followed. Senior professionals of Mitra and Associates Ltd. carried out the training, ensuring that the field personnel acquired the necessary knowledge and skills needed to successfully carry out their respective responsibilities in the field.

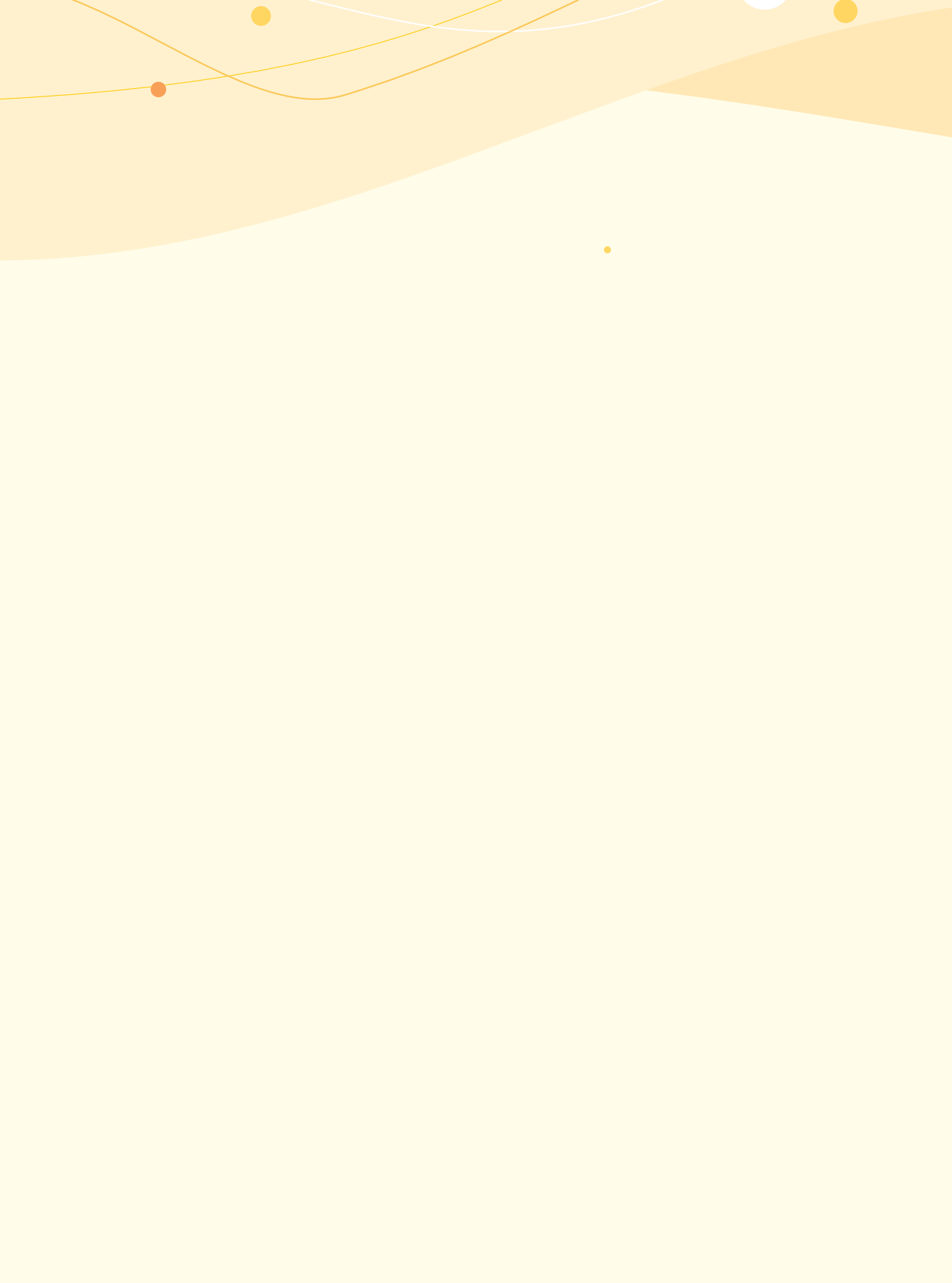
## Fieldwork

Field data collection was carried out in four phases over a period of four months from January to May, 2009. Ten interviewing teams were deployed to carry out the fieldwork. Each team consisted of one male supervisor, one female supervisor, 2 female interviewers, 2 male interviewers and a field logistical assistant to assist the team in their travel from one cluster to another and to guard their camp when they were out in the field. As mentioned above, 6 quality control officers (3 female and 3 male) were employed to monitor the interviewing teams and

check the quality of the data collected. In addition to the quality control officers, senior professionals of Mitra and Associates Ltd. and IOM Dhaka representatives visited the field to monitor the field data collection, from time to time.

## Data Processing

The responses to the questionnaires were reviewed by editors to see if they were completed correctly. In situations where inconsistencies were observed, they were resolved through discussions with the interviewers and supervisors. The editors also categorized and coded the responses to open-ended questions. Afterwards, data from the questionnaire were digitized using the computer programme developed for Demographic and Health Surveys. The data were then cleaned by checking for ranges and structures of the input variables and by using other checks for internal consistencies. The tables in this report were produced after cleaning the data. Ten data entry operators were employed to enter data into the computer. In addition to the data entry operators, two data entry supervisors were employed to oversee the work of the operators.







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