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Remittance and poverty reduction

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Inflow of remittances has been a catalyst in poverty alleviation. Today remittance accounts for about one-tenths of our GDP (gross domestic product). Studies on overseas employment should obviously get a special focus in ongoing research.

More than macro-level data, the dynamics of overseas employment could better be captured by household-level information which has hitherto been seriously lacking. The Mahabub Hossain dataset (MH dataset) has given a focus on representative sample households from 62 villages for the periods 2000, 20008 and 2014.

The most recent data (2014) show that one-thirds of rural households have at least one earning member (20 per cent local and 20 per cent foreign). This means that two-thirds of rural households had no member going for jobs in or outside the country. If we compare the present level with 25 per cent in 2008 and 20 per cent in 2000, we would notice a rise in overseas employment over time. This is not surprising given improvement in institutional arrangements in the process, stronger pull factor working both inside and outside and availability of funds being more easy now than before. By and large, 70 per cent of the employment take place within the country -16 per cent within districts and 55 per cent outside districts. More importantly, 90 per cent of the job-seekers in 2014, internal or external, hailed from households endowed with poor land asset base (owning 50-100 decimals). If we compare the situation with 2000, the incidence of job-seeking among the very poor (owning up to 0.2ha) has increased from 26 per cent to 47 per cent (foreign) and 40 to 58 per cent (domestic). In other words, the poor seemingly seek jobs inside or outside the country more as a source of livelihood. On the other hand, job-seeking by the land owning class has fallen in the comparable period in both periods. The abovementioned information from household surveys leads us to conclude that over time internal migration and overseas employment has increased participation of poor households.

'Psychic cost' has captured substantial attention. Critics argue that although migration brings home money, it costs in terms of separation from family, deprivation of love and affection for children etc. But revolution in the arena of communication technology has seemingly changed the world, both inside and outside. The days of depression seems to have been reduced to a great extent as revealed by field-level information. For example, one-fourths of overseas workers are in connection with household members every day while two-thirds communicate every week. The frequency is almost the same for landless and land-owning family members.

For example, about 68 per cent of respondents from poor households (owning up to 0.2ha) reported calls every week, and 27 per cent daily. About inside communication, no discussion is perhaps needed when about 85 per cent of rural households have mobile phones not only to communicate but also to transact earnings. Despite a 'boon' due to communication technology, the bane also exists with overseas employment where a vast majority of them feel that staying abroad has cost them in terms of love, affection and guidance to their children; one-tenths reported social stigma on account of unethical or immoral behaviour of spouses. However, one-fifths of them reported no problem whatsoever.

In a rare attempt, the survey in 2014 also included some returnees who had gone abroad once but are now at home. It is very interesting to look at the causes of their return. About half of them returned with expiry of the contract; about 16 per cent due to 'inferior jobs' and 'lower salary' due to cheating by recruiting agencies. However, family problems (e.g. dispute over ownership of household assets) and children's future, separation, unethical behaviour of spouses etc. account for roughly 40 per cent of the returnees. Interestingly, occupational distribution of the returnees shows that one-fourths of them are engaged in farming, about 15 per cent, and 22 per cent unemployed, and the rest engaged in low-paid works like carpentry, cook etc.

The returnees also gave their views about the relative position of economic condition at home and abroad. In aggregate, three-fourths of the returnees reported that their economic condition has deteriorated after return while 23 per cent felt an improvement. At disaggregated level however, majority of the returnees (poor segment owning up to 0.2ha) expressed a deterioration while the land-owning groups felt that their economic condition has improved following their return.

Now we will say something on overseas female workers as revealed by the survey 2014 and not much discussed in the discourse. First, of the total overseas workers, one-fifths is female. Of this, 65 per cent reportedly moved to another district, 26 per cent within the district and 8 per cent abroad. However, unlike the males, all of them did not go abroad merely for economic reasons, say to earn income, but to accompany family (about 60 per cent), 16 per cent for education, and the rest as working females. That means 28 per cent of female workers are working inside or outside (1.0 per cent overseas). We do not have comparable data set but a recent estimate shows that female worker abroad has been on a rise: some 56,400 female workers went to foreign countries with jobs in 2013, up from 37,304 in 2012, reflecting a 51 per cent growth, according to the Manpower Bureau data. Among the internal female workers, about 70 per cent are engaged in services, 9 per cent as wage labour. Available information from secondary sources shows that females generally send more remittances than their male counterparts. The hard-earned money is neither properly recognised nor properly used in the country.

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