

# PROSPECTS OF MIGRANT WORKERS TO BECOME ENTREPRENEURS: A STUDY ON SIX VILLAGES OF BANGLADESH

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## ABSTRACT

*In Bangladesh a significant number of people work as expatriates in different countries. This paper accumulates some of the basic information on the remittance earners to develop a guideline for encouraging entrepreneurship among the remittance earner families. A sample size of 300 respondents has been selected through purposive sampling technique among the six villages of Dhaka, Chittagong and Sylhet divisions. The study finds that mostly young male members of the family with qualifications up to secondary level have migrated to other countries. The most preferred destination includes Middle East countries followed by Malaysia and Maldives. Majority of them send about 1-3 lac taka per year, which is mostly used for consumption purposes. Only 24 per cent of respondents spent their remittances in productive investments though 48 per cent of respondents aspired to run businesses after returning home, for which it was suggested that government should conduct training programmes to enhance their technical skills.*

**Keywords:** Entrepreneurship, remittance, labour, and expatriate

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## 1. Introduction

Bangladesh, meaning “Bengal nation,” is a low-lying country located on the Bay of Bengal between Burma and India, and has a territory of nearly 57,000 square miles (147,570 square kilometers). Bangladesh boasts of a population of 158 million people, making the rather small country the seventh most populous in the world and one of the most densely populated countries. About 61 per cent of the population of Bangladesh is of working age (15 to 64 years), while 34 per cent is under the age of 14, indicating a moderate youth bulge. Those who are employed in the formal labour market often work just a few hours a week at low wages. Thus, while the estimated unemployment rate is relatively low at about 5 per cent, the problem of underemployment prevails. Widespread poverty, underemployment, and a youthful age structure have all contributed to the predominance of economically motivated international migration from Bangladesh. Sociologists have long analysed migration in terms of the “push-pull” model. This model differentiates between push factors that drive people to leave home, from pull factors that attract migrants to a new location. Push factors occur within sending states, that is, those that send migrants abroad, while pull factors occur within receiving states, that is, states that receive immigrants from sending states abroad. Since the 1980s, Bangladesh has been an increasingly important source country in international flows of contract labour migration. The primary destinations for Bangladeshi migrants have been the ArabGulf states, particularly members of the Gulf Cooperation Council (GCC). According to the official figures of the Bureau of Manpower, Employment, and Training (BMET) of the Government of Bangladesh, over 5 million Bangladeshis migrated to work in the GCC states between 1976 and 2009, with Saudi Arabia and the United Arab Emirates being the top country destinations.

Workers’ remittances are major sources of foreign exchange in Bangladesh, and it is among the top 20 countries receiving remittance ranging from US\$ 2.8 billion to US\$21.7 billion (IMF, 2005). Majority of Bangladeshi migrants are unskilled and come from rural areas and poor communities. The BMET has classified temporary migrant population into four categories; professional, skilled, semi-skilled and unskilled. Labourers are classified as unskilled and Bangladesh is a huge labour abundant country. From 1976 to 2011, about 8 million people migrated temporarily from Bangladesh. In 2010, the total amount of remittance was US\$ 11,004.73 million and in the same year 3 million 90 thousand Bangladeshis have been employed overseas (Bangladesh Bank, 2011), which has been a remarkable contribution to employment and economy of the country. Therefore, it is a prime need to assess the prospect of remittance earners as entrepreneurs as they normally return to their own country after staying abroad for a certain period of time. Considering the importance of remittances in economic development of Bangladesh, the present study examines the impact of foreign earnings on various socio-economic facets

of rural households. For the purpose of this study, a purposive sample of 300 rural households was taken from six high remittance receiving districts.

The paper is structured as follows. Section 2 presents the review of literature followed by methodology of the study in Section 3. Section 4 presents analyses and results, and finally conclusions are presented in Section 5.

## **2. Review of Literature**

Although there are many studies dealing with various issues such as trends, determinants and impacts of remittances in recipient countries (e.g., Turkey, India, Pakistan, Kenya, Jordan, Greece, Egypt, Philippines, Mexico), but only a few studies are available in Bangladesh conducted by the Bangladesh Institute of Development Studies (BIDS), Bangladesh Unnayan Parisad (BUP), The Refugee and Migratory Movements Research Unit of Dhaka University. Siddiqui (2003) presents the trend and impacts of remittance in Bangladesh, "Every year some 200,000 or more Bangladeshis leave the country officially to work elsewhere. In the last 29 years 3.8 million labour migrants have been recorded. Add to this, more than 1 million Bangladesh living permanently outside the country and the extent of emigration becomes apparent. Most of these migrants send part of their earnings at home on a regular/irregular basis".

Azad (2005) suggests using remittances for the development of micro-enterprises. Sarker (2007) focuses on structural changes of remittance in Bangladesh. Nabi (2007) empirically examines the macroeconomic determinants of remittance inflows in Bangladesh. Sobahan and Hossain (2007) reveal that Bangladesh has potential to tap huge amount of remittances. Ahmed and Das (2007) cite policy options to promote the remittance inflow of Bangladesh. Alam (2007) mentioned among the top remittance recipient countries, Bangladesh maintained a static position of 13th from 1995 to 1997, and moved to 8th position from 1998 to 2002, attesting to the stability of remittance flows to Bangladesh as compared to global flows. He also mentioned that remittance inflow position was very high and hence likely to be sustainable. The highly country-specific, job-specific and unskilled nature of labour migration showed a very risky scenario which pointed to the danger of un-sustainability in remittance inflows. Any crisis in these countries, especially in the Middle East region or in Saudi Arabia, would lead to reduced remittance balance for Bangladesh. This is also evident from the current global economic meltdown. According to the database of Bureau of Manpower, Employment and Training (BMET), some 38,568 people obtained jobs abroad in June, 2009, a downfall (24 per cent) from 50,632 of January, 2009 (Nabi and Alam, 2011).

Remittance could have a significant and positive impact on economic growth through enhanced levels of investment. In the context of increasing

returns (while there are backward and forward linkages in investment activities), an increase in investment of one household could increase incomes of other households. Some studies (e.g. Stark and Levhari, 1982, Ahlburg, 1991) have shown that remittances have been primarily used for consumption followed by home construction, debt repayment and financing of future migration. According to this view, remittance had raised levels of consumption without creating a firm basis for growth in the domestic economy. Yang (2004) revealed that remittances could lead to improved schooling, reduced child labour, increased education expenditure, and higher investment. Other studies pointed out a positive relationship between household investment and worker's remittances in developing countries. For instance, Brown (1994) investigated the relationship between remittances, savings and investment in Tonga and Samoa, using a micro-level analysis of the use of remittances by households. It was found that remittances make a significant contribution to savings and investment in the Island economies. Luna-Martinez (2005) argued that, by establishing new savings and investment instruments for recipient households, a large part of remittance flows could be channeled to productive investments, thus fostering economic growth. Ang (2007) investigated the relationship between remittances and economic growth at the national and regional levels in Philippines. He found that at the national level the use of remittance varied from country to country; the recipients of remittances commonly used these for consumption, education and investments (Carrasco and Ro, 2007).

Above findings from different studies reveal that there is a positive relationship between remittance and economic growth. Some studies assessed the impact of the remittances for the improvement of schooling, reducing child labour, increasing education expenditure and higher investment. Some studies also measured the micro and macro-economic determinants of remittances. Moreover, some studies assessed the facts (exchange rate restrictions, blank market premium, hyperinflation, effect of home Gross Domestic Product) that discourage sending remittances in the formal sector. Therefore, it can be concluded that there are very few studies dealing with major sectors of remittance utilization. The present study concentrates on the improvement of the socio-economic condition of remittance recipient households considering the issue of entrepreneurship development situation, utilization and potential of remittance uses.

### **3. Methodology of Study**

The primary data from the remittance recipient households were collected from 300 respondents. The study selected six comparatively high remittance receiving districts in the south-east Bangladesh (6th Five Year Plan, 2010). From these districts six high remittance receiving Upazilas were identified, i.e. one from each district. Further, from each Upazila a Union was selected

based on the remittance receiving figures. Finally, six villages were identified under “Comprehensive Village Development Programme” (CVDP) of Bangladesh Academy for Rural Development (BARD) for conducting the study. The villages were selected due to their relatively easy access to the research team. The six districts were Narayanganj, Comilla, Nowakhali, Cox’s Bazar, Mowlobibazar, Hobigonj covering three divisions. The selected Upazila, Union, Villages along with the number of respondents are mentioned in Table 1.

**Table 1: Location of Respondents (Remittance receiving Households)**

Division	District	Upazila	Union	Village	Total Respondents
Dhaka	Munshiganj	Sirajdikhan	Basail	Char Bishonath	50
	Narayanganj	Sonargaon	Pirojpur	Kandergaon	50
Chittagong	Cox’s Bazar	Chokoria	Khutakhali	Bakkumpara	50
	Nowakhali	Begumgonj	Mirowarishpur	Lalpur	50
	Comilla	Burichang	Sholonal	Soigoria	50
Sylhet	Hobigonj	Madhobpur	Cowmohni	Horinkhola	50
Total					300

Source: authors’ survey

Fifty remittance recipient households from each village of each district were interviewed using purposive sampling method. Thus, in total, the study covered 300 remittance recipient households.

#### 4. Findings of the Study

##### 4.1 Socio-economic condition of remittance earners

###### 4.1.1 Gender and Age Composition of Remittance Earners

Gender is an important indicator for remittance earning process. Due to patriarchal Muslim ideology most of the Bangladeshis believe that male member of the family should go out for earning. Sex composition of expatriates is mentioned in Table 2.

It is understood from the Table 2 that there are 341 male expatriates from the 300 households surveyed. During the field survey no female expatriate was found in that area though few women were taking part in earning remittance. The mentionable aspect in the above table is that out

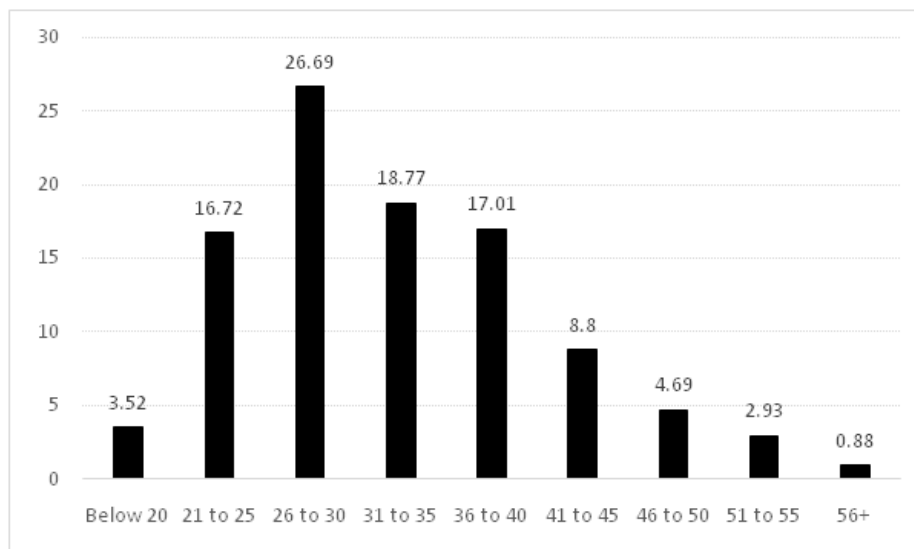
**Table 2: Sex Composition of Remittance Earners**

Gender	Dhaka				Chittagong				Sylhet				Grand Total	Total %
	Char Bishonath		Kandergaon		Bakkumpara		Lalpur		Soigoria		Horinkhola			
	No	%	No	%	No	%	No	%	No	%	No	%		
Male	55	100.0	56	100.0	52	100.0	59	100.0	63	100.0	56	100.0	341	100.0
Female	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Total	55	100.0	56	100.0	52	100.0	59	100.0	63	100.0	56	100.0	341	100.0

Source: Field Survey

of 341 expatriates, 63 were from Soigoria of Comilla district under Chittagong Division.

Age structure of the remittance earners is also important in estimating the potential productive human resources (Figure 1). The figure shows that majority (26.69 per cent) of remittance earners are young people (26-30 years) having potential of doing any type of hard work. According to National Youth Policy 2002 of Bangladesh, a significant number of family members i.e. one-fourth of the total family members are youth. 18.77 per cent respondents belong to the age group of 31 to 35 years and 17.01 per cent respondents belong to the age group of 36 to 40 years and 17.01 per

**Figure 1: Age Composition of Sample Remittance Earners (in %)**

Source: Field Survey

cent belong to the age group of 36 to 40 years. 16.72 per cent remittance earners are 21 to 25 years of age. 3.52 per cent remittance earners are below 20 years of age and 2.93 per cent remittance earners are from 51 to 55 years of age group, these people have limited capability to earn more. But the longevity rate among the remittance earners is very poor and it is only 0.88 per cent.

#### **4.1.2 Education and Destination Countries**

Education affects almost all aspects of human life. Different studies have revealed that educational attainment particularly of expatriates has significant impact on socio-economic improvement. Education in its general sense is a form of learning in which the knowledge, skills and habits of a group of people are transferred from one generation to the next generation through teaching, training or research. Formal education means systems of schooling involving institutionalized teaching and learning in relation to a curriculum, which itself is established according to a predetermined purpose of schools in the system. Necessary data regarding formal education of the respondents were collected to highlight the educational status of the expatriates.

Table 3 highlights that nearly 2.93 per cent expatriates were never enrolled in school. Literacy status plays a vital role in an efficient participation and operational skill in technical activities of the expatriates. Education of expatriates helps to better access the relevant technical information and to make rational economic decisions. It reveals that out of total respondents 2.35 per cent have sign knowledge. Only 4.11 per cent people completed their Higher Secondary education. 26.10 per cent have primary education and 63.93 per cent have secondary education. People with S.S.C and above education are only 4.11 per cent. It is worth mentioning that only one expatriate had a diploma and one BA/B.com/B.Sc. in Horinkhola of Sylhet and Char Bishonath of Dhaka division respectively.

From Bangladesh people go to many countries of the world and the Middle East countries are the priority market for Bangladeshi manpower. Table 4 shows that Saudi Arabia, Dubai, United Arab-Emirates, Qatar, Dubai, Oman, Kuwait are the big markets for Bangladeshi manpower and the rate is highest in Saudi Arabia that is 27.27 per cent followed by Dubai (17.60). About 14.66 per cent respondents are in Malaysia as it is a country of growing economy. 12.02 per cent expatriates are staying in Maldives as it is neighbouring country and is easy to access. Singapore is also a country of growing economy that imports manpower as about 2.35 per cent respondents stay in Singapore. There is also a manpower market is South Africa and the rate is 1.47 per cent.

The expatriates engage themselves in many works for earning money. In different countries they do different types of works for their livelihood as

Table 3: Educational Status of the Remittance Earners

Levels	Dhaka		Chittagong				Sylhet				Grand Total %			
	Char		Kandergaon		Bakkumpara		Lalpur		Soigoria			Horinkhola		
	No.	%	No.	%	No.	%	No.	%	No.	%		No.	%	
														No.
Not enrolled	0	0.00	4	7.14	1	1.92	5	8.47	0	0.00	0	0.00	10	2.93
Sign Knowledge	0	0.00	2	3.57	3	5.77	2	3.39	1	1.59	0	0.00	8	2.35
Primary	7	12.73	9	16.07	29	55.77	11	18.64	17	26.98	16	28.57	89	26.10
Class-VI	3	5.45	2	3.57	3	5.77	2	3.39	2	3.17	0	0.00	12	3.52
Class-VII	5	9.09	4	7.14	4	7.69	2	3.39	4	6.35	3	5.36	22	6.45
Class-VIII	12	21.82	25	44.64	2	3.85	17	28.81	9	14.29	11	19.64	76	22.29
Class-IX	19	34.55	4	7.14	7	13.46	13	22.03	17	26.98	6	10.71	66	19.35
Class-X or SSC	6	10.91	4	7.14	1	1.92	3	5.08	10	15.87	18	32.14	42	12.32
HSC	2	3.64	2	3.57	2	3.85	4	6.78	3	4.76	1	1.79	14	4.11
Diploma	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	1	1.79	1	0.29
BA/B.com/B.SC	1	1.82	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	1	0.29
Total	55	100.00	56	100.00	52	100.00	59	100.00	63	100.00	56	100.00	341	100.00

Source: Field Survey



Table 4: Destination Countries of Remittance Earner

Country	Dhaka		Chittagong				Sylhet		Grand Total	Total %				
	Char Bishonath		Bakkumpara		Lalpur		Soigoria				Horinkhola			
	No.	%	No.	%	No.	%	No.	%			No.	%		
Saudi Arabia	18	32.73	24	42.86	10	19.23	16	27.12	13	20.63	12	21.43	93	27.27
Malaysia	3	5.45	11	19.64	25	48.08	1	1.69	1	1.59	9	16.07	50	14.66
Kuwait	4	7.27	0	0.00	0	0.00	6	10.17	0	0.00	0	0.00	10	2.93
Bahrain	4	7.27	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	4	1.17
United Arab Emirates	5	9.09	0	0.00	4	7.69	20	33.90	0	0.00	0	0.00	29	8.50
Italy	2	3.64	0	0.00	0	0.00	1	1.69	1	1.59	0	0.00	4	1.17
Singapore	6	10.91	2	3.57	0	0.00	0	0.00	0	0.00	0	0.00	8	2.35
South Africa	1	1.82	0	0.00	0	0.00	3	5.08	1	1.59	0	0.00	5	1.47
Korea	1	1.82	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	1	0.29
Maldives	3	5.45	3	5.36	0	0.00	0	0.00	33	52.38	2	3.57	41	12.02
Dubai	2	3.64	12	21.43	11	21.15	1	1.69	9	14.29	25	44.64	60	17.60
Qatar	4	7.27	4	7.14	0	0.00	2	3.39	4	6.35	1	1.79	15	4.40
Oman	1	1.82	0	0.00	2	3.85	7	11.86	1	1.59	3	5.36	14	4.11
Germany	1	1.82	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	1	0.29
Libya	0	0.00	0	0.00	0	0.00	2	3.39	0	0.00	0	0.00	2	0.59
Iraq	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	2	3.57	2	0.59
Sudan	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	1	1.79	1	0.29
Turkey	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	1	1.79	1	0.29
Total	55	100.00	56	100.00	52	100.00	59	100.00	63	100.00	56	100.00	341	100.00

Source: Field Survey

well as the betterment of their family who are in Bangladesh. Table 5 shows that highest per cent of workers are working in hotels (10.35 per cent) followed by 9.18 per cent expatriates working in shops and 8.94 per cent as painting workers. Other common jobs were of mason, plumber, electrician, driver, carpenter, labourer, among others. Only one expatriate is found as a peace mission worker in this study. All villages have a similar type of village community based organisation named Comprehensive Village Development Programme (CVDP) - 2nd phase. This programme provides short term (21 days) electrical, plumbing and pipe fitting training to the rural youth, who are economically poor members of the village. Besides, CVDP has small training course on agriculture development, poultry, fishery, livestock, and accounts

**Table 5: Type of Work of Remittance Earners**

Type of work	Number	Percentage (%)
Shop Worker	39	9.18
Plumbing Worker	27	6.35
Workshop Worker	32	7.53
Park/Resort Worker	14	3.29
Mason	37	8.71
Electric Worker	29	6.82
Painting Worker	38	8.94
Official Job	18	4.24
Hotel Worker	44	10.35
Cleaner	22	5.18
Peace Mission Worker	1	0.24
Business	11	2.59
Laborer	21	4.94
Security Worker	8	1.88
Patrol Pump Worker	9	2.12
Driver	19	4.47
Agriculture Labourer	5	1.18
Fishing	6	1.41
Wood Carpenter	16	3.76
Tailoring	12	2.82
Gardener	6	1.41
Holding Worker	11	2.59
Total	425	100.00

Note: Respondents were found to be engaged in more than one work.

Source: Field Survey

keeping and leadership management. CVDP also introduces Nation Building Departments (NBDs) to the villagers for providing services and networking. These efforts directly and indirectly help rural people to build up confidence to take initiative for income generation, both at home and abroad. In this regard, CVDP organises 21 days' technical training at Technical Training Centre (TTC) of the Government. However, the training courses were less as compared to huge demand due to financial constraints. The villagers want more skill training and smooth immigration procedures for remittance earning.

Table 6 shows that 40.45 per cent of expatriates sent 1 to 2 lac taka in a year and 28.98 per cent of expatriates sent 2 to 3 lac taka per year. In the case of comparatively new expatriates they sent below one lac taka. Around 21.98 per cent expatriates sent 3 to 7 lac taka in a year. Only 1.27 per cent respondents sent 7+ lac taka per year, they were found to be the dwellers of Chittagong and Sylhet divisions.

#### **4.2 Remittance Uses of receiving Households**

The expatriates send money to the family members in the native land and through this money they try to improve the position as well as the socio-economic condition of the family. The family members do not use this money for a single purpose, but for multiple purposes. The remitted money is also used as an investment thus contributing to further development of the country. They use remittance for consuming various durables and assets, investing, savings and others. This section describes the different uses of remittance in the study area.

##### **4.2.1 Consuming various Durables/Assets/Other**

The money received by the family members from the expatriates is used for various purposes. The family members consume the money for increasing their standard of living and purchasing many modern things that were not with them before.

Table 7 indicates that remittance receiving households have given top priority to the purchase of mobiles, coat, enriched food, well or costly dress, high quality home appliance, electronic goods like television, refrigerator etc. They have also spent on recreation and hygiene. It is pertinent to mention here that 11.14 per cent households are now using a water filter for water purification. Some households (15.54 per cent) have given priority to construction of building.

##### **4.2.2 Investment Sectors**

Most of the remittance recipient households use the money for consuming daily commodities. Nonetheless, investment of remittances in productive sectors is also happening in Bangladesh but the rate of investment is rather low. There is a need to enhance the investment rate of remittance in future

Table 6: Amount of Money sent (In Lac) Per Year

Amount	Char Bishonath		Dhaka Kandergaon		Chittagong Bakkumpara		Lalpur		Soigoria		Sylhet Horinkhola		Grand Total	Total %
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%		
	Below 1	8	16.33	1	1.85	3	6.98	11	22.92	0	0.00	0		
1 to 2	14	28.57	19	35.19	34	79.07	31	64.58	18	29.51	11	18.64	127	40.45
2 to 3	9	18.37	23	42.59	2	4.65	5	10.42	23	37.70	29	49.15	91	28.98
3 to 4	9	18.37	9	16.67	2	4.65	0	0.00	10	16.39	9	15.25	39	12.42
4 to 5	7	14.29	2	3.70	2	4.65	0	0.00	7	11.48	3	5.08	21	6.69
5 to 6	1	2.04	0	0.00	0	0.00	1	2.08	1	1.64	3	5.08	6	1.91
6 to 7	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	3	5.08	3	0.96
7 +	1	2.04	0	0.00	0	0.00	0	0.00	2	3.28	1	1.69	4	1.27
Total	49	100.00	54	100.00	43	100.00	48	100.00	61	100.00	59	100.00	314	100.00

Source: Field Survey

Table 7: Consumption at Present

Facilities	Dhaka		Chittagong				Sylhet		Grand Total	Total %				
	Kandergaon		Bakkumpara		Lalpur		Soigoria				Horinkhola			
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%		
Radio	6	10.91	3	5.36	0	0.00	0	0.00	0	0.00	0	0.00	9	2.64
Television	38	69.09	48	85.71	8	15.38	29	49.15	39	61.90	26	46.43	188	55.13
Telephone	2	3.64	1	1.79	1	1.92	0	0.00	1	1.59	0	0.00	5	1.47
Mobile	47	85.45	50	89.29	49	94.23	46	77.97	50	79.37	50	89.29	292	85.63
Refrigerator	41	74.55	38	67.86	5	9.62	25	42.37	33	52.38	8	14.29	150	43.99
Oven	4	7.27	0	0.00	1	1.92	0	0.00	2	3.17	0	0.00	7	2.05
Solar Panel	1	1.82	0	0.00	0	0.00	0	0.00	0	0.00	7	12.50	8	2.35
Computer	1	1.82	0	0.00	0	0.00	1	1.69	2	3.17	0	0.00	4	1.17
Laptop	0	0.00	1	1.79	1	1.92	1	1.69	2	3.17	0	0.00	5	1.47
Instant Power Supply (IPS)	0	0.00	0	0.00	0	0.00	1	1.69	0	0.00	0	0.00	1	0.29
Building	13	23.64	11	19.64	1	1.92	7	11.86	10	15.87	11	19.64	53	15.54
DVD	15	27.27	16	28.57	0	0.00	0	0.00	3	4.76	0	0.00	34	9.97

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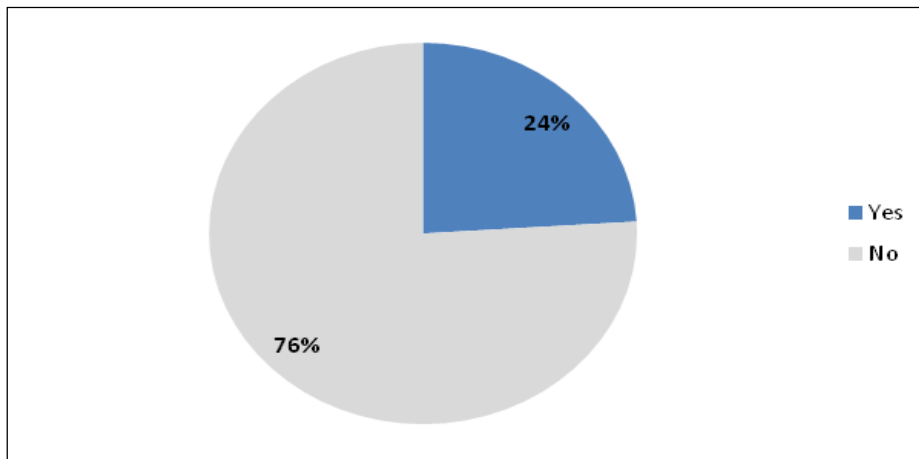
(Table 7 contd.)

Water Filter	11	20.00	14	25.00	1	1.92	5	8.47	7	11.11	0	0.00	38	11.14
Coat	46	83.64	50	89.29	47	90.38	48	81.36	50	79.37	50	89.29	291	85.34
Almira	46	83.64	49	87.50	41	78.85	41	69.49	49	77.78	46	82.14	272	79.77
Wardrobe	32	58.18	25	44.64	8	15.38	14	23.73	36	57.14	30	53.57	145	42.52
Sofa	24	43.64	33	58.93	10	19.23	11	18.64	40	63.49	20	35.71	138	40.47
Sewing machine	11	20.00	18	32.14	16	30.77	3	5.08	22	34.92	27	48.21	97	28.45
Proper Food	46	83.64	49	87.50	42	80.77	46	77.97	50	79.37	48	85.71	281	82.40
Bicycle	6	10.91	0	0.00	0	0.00	2	3.39	0	0.00	0	0.00	8	2.35
Motor Bike	0	0.00	0	0.00	0	0.00	0	0.00	1	1.59	1	1.79	2	0.59
1 Dress/ Clothing	40	72.73	48	85.71	41	78.85	43	72.88	50	79.37	48	85.71	270	79.18
Showcase/ Chair	9	16.36	8	14.29	7	13.46	8	13.56	0	0.00	1	1.79	33	9.68

Source: Field Survey

which would help the overall investment in the country to grow. Figure 2 shows that only 24 per cent respondents invest their remittance in the productive sectors, while 76 per cent respondents do not invest the money in any productive sector except family affairs.

**Figure 2: Investment Status of Remittances**



Source: Field Survey

Every year Bangladesh gets huge amount of remittance which is mainly used for consumption. Only a small amount of this remittance is invested in productive sectors. Table 8 indicates the real scenario of investment of remittance. The table shows that 65.40 per cent respondents do not invest remittance for productive purpose and the rate of investment for productive purposes is highest in Bakkumpara in Chittagong division. The investment of remittance is found to be highest for rural land purchasing (11.73 per cent) among households of Soigoria in Sylhet division. Other than land purchasing, 5.28 per cent respondents invest the remittance in constructing and repairing house and renting lands. Another 5.57 per cent respondents use remittance for petty business, cultivating fish, purchasing city land and cattle etc.

#### 4.2.3 Area of Savings

The benefits of saving money are not unknown to the people of Bangladesh. People save money for security. The family members of the expatriates also save money from remittance though the saving is not very high. The amount of remittance received is increasing every year in the country. Figure 3 indicates that 57 per cent respondents saved money from remittances last year.

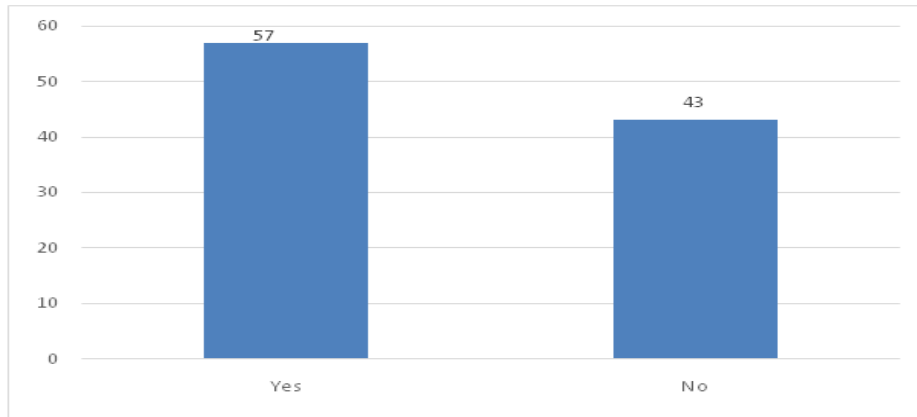
People who are desirous of saving money can use different instruments for savings. Bangladesh also offers various possibilities for saving money. Table 9 shows that majority of households (44.33 per cent) save money by DPS and the rate is highest in Kandergaon in Dhaka division. The table also

**Table 8: Investment Sectors**

Purchase or Investment Area	Dhaka		Chittagong				Sylhet				Grand Total	Total %		
	Char Bishonath		Kandergaon		Bakkumpara		Lalpur		Soigoria				Horinkhola	
	No.	%	No.	%	No.	%	No.	%	No.	%			No.	%
Not Applicable	40	72.73	34	60.71	40	76.92	41	69.49	33	52.38	35	62.50	223	65.40
Petty Business	2	3.64	0	0.00	0	0.00	1	1.69	0	0.00	0	0.00	3	0.88
DPS Purchase	0	0.00	0	0.00	0	0.00	1	1.69	0	0.00	0	0.00	1	0.29
City Land	1	1.82	0	0.00	4	7.69	0	0.00	1	1.59	0	0.00	6	1.76
Rural Land	4	7.27	11	19.64	1	1.92	2	3.39	12	19.05	10	17.86	40	11.73
Cattle	3	5.45	4	7.14	0	0.00	1	1.69	0	0.00	0	0.00	8	2.35
Fish	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	1	1.79	1	0.29
Cultivation														
Others	0	0.00	1	1.79	5	9.62	4	6.78	4	6.35	4	7.14	18	5.28
Total	50	90.91	50	89.29	50	96.15	50	84.75	50	79.37	50	89.29	300	87.98

Note: Others include construction and repair of house, rent (land); DPS means Premium Scheme.  
Source: Field Survey



**Figure 3: Saving from Remittances (%)**

Source: Field Survey

shows that about 27 per cent respondents save their money through co-operative savings and 8.67 per cent use fixed deposit schemes of banks. Around 6.0 per cent respondents save their money through insurance which has gained popularity in recent years in local areas of the country.

#### 4.2.4 Other Expenditure from Remittances

Besides assets, savings and investments, the family members of the expatriates use the money for other purposes such as paying tuition fees, buying clothes, food, paying loan etc.

People in Bangladesh use remittance in many ways. Most of them use the remittance for purchasing food and buying clothes. Table 10 shows that 24.45 per cent respondents of the study area use remittance for food expenditure and for purchasing clothes. 15 per cent respondents use the money for paying tuition fees and 14.75 per cent use it for medical treatment.

#### 4.2.5 After-Return Planning

People migrate to other country for earning more money and for living a comfortable life. But no one wants to stay there for entire life as is reflected in Table 11, which shows what the respondents plan to do after returning home. The table shows that maximum number of remittance earners (48.36 per cent) plan to run a business on returning from abroad followed by 30.02 per cent respondents who want to engage in agriculture and 11.66 per cent respondents want to own a shop. 3.44 per cent respondents want to be contractors, 1.53 per cent wants to do service and 0.57 per cent wish to do CNG driving. About 4.40 per cent respondents will take decision after coming back.

Table 9: Types of Savings

Type	Char		Dhaka		Chittagong				Sylhet				Grand Total	Total %		
	Bishonath		Kandergaon		Bakkumpara		Lalpur		Soigoria		Horinkhola					
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%		
Buy Bond	3	5.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	3	0.96
Insurance	12	20.00	0	0.00	0	0.00	0	0.00	0	0.00	3	5.88	3	4.92	18	6.00
DPS	27	45.00	29	44.62	13	52.00	20	40.00	18	35.29	26	42.62	133	44.33	133	44.33
Monthly Bank Savings	1	1.67	0	0.00	0	0.00	6	12.00	1	1.96	1	1.64	9	3.00	9	3.00
Fixed Deposit in Bank	0	0.00	11	16.92	0	0.00	1	2.00	9	17.65	5	8.20	26	8.67	26	8.67
Cooperative Savings	1	1.67	25	38.46	11	44.00	4	8.00	20	39.22	20	32.79	81	27.00	81	27.00
Noninstitutional	1	1.67	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	5	8.20	6	2.00
Personal Savings	6	10.00	0	0.00	1	4.00	0	0.00	0	0.00	0	0.00	1	1.64	8	2.67
CVDP	9	15.00	0	0.00	0	0.00	19	38.00	0	0.00	0	0.00	0	0.00	0	0.00
Total	60	100.00	65	100.00	25	100.00	50	100.00	51	100.00	61	100.00	312	100.00	312	100.00

Source: Field Survey

Table 10: Item-wise Remittance Use

Type	Dhaka		Chittagong				Sylhet		Grand Total	Total %				
	Char Bishonath		Kandergaon		Bakkumpara		Lalpur				Soigoria		Horinkhola	
	No.	%	No.	%	No.	%	No.	%			No.	%	No.	%
Tuition Fee	21	11.23	37	17.21	38	19.00	31	15.42	26	12.62	31	14.22	184	15.00
Food Expenditure	50	26.74	50	23.26	50	25.00	50	24.88	50	24.27	50	22.94	300	24.45
Buying Cloth	50	26.74	50	23.26	50	25.00	50	24.88	50	24.27	50	22.94	300	24.45
Giving DPS	11	5.88	7	3.26	2	1.00	4	1.99	7	3.40	4	1.83	35	2.85
House Repairing	4	2.14	3	1.40	11	5.50	6	2.99	3	1.46	4	1.83	31	2.53
TV Purchase	5	2.67	10	4.65	2	1.00	7	3.48	11	5.34	13	5.96	48	3.91
Refrigerator	6	3.21	14	6.51	2	1.00	8	3.98	9	4.37	11	5.05	50	4.07
Treatment	37	19.79	28	13.02	23	11.50	26	12.94	30	14.56	37	16.97	181	14.75
Paying Loan	3	1.60	15	6.98	22	11.00	19	9.45	20	9.71	18	8.26	97	7.91
Giving Relatives	0	0.00	1	0.47	0	0.00	0	0.00	0	0.00	0	0.00	1	0.08
Total	187	100.00	215	100.00	200	100.00	201	100.00	206	100.00	218	100.00	1227	100.00

Source: Field Survey

Table 11: Plans after Returning

Area of Expenditure*	Dhaka						Chittagong						Sylhet				Grand Total	Total %
	Char Bishonath		Kandergaon		Bakkumpara		Lalpur		Soigoria		Horinkhola		No.	%	No.	%		
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%						
Business	37	68.52	50	44.25	42	48.28	32	54.24	50	44.64	42	42.86	253	48.37				
Service	1	1.85	0	0.00	6	6.90	0	0.00	1	0.89	0	0.00	8	1.53				
Agriculture	3	5.56	39	34.51	23	26.44	5	8.47	45	40.18	42	42.86	157	30.02				
Contractor	0	0.00	1	0.88	9	10.34	0	0.00	8	7.14	0	0.00	18	3.44				
Shop Owner	7	12.96	23	20.35	7	8.05	8	13.56	8	7.14	8	8.16	61	11.66				
Decision after Coming	4	7.41	0	0.00	0	0.00	13	22.03	0	0.00	6	6.12	23	4.40				
CNG Driving	2	3.70	0	0.00	0	0.00	1	1.69	0	0.00	0	0.00	3	0.57				
Total	54	100.00	113	100.00	87	100.00	59	100.00	112	100.00	98	100.00	523	100.00				

\*One respondent provides more than one answer.

Source: Field Survey

Table 12: Required Institutional Support for Better Remittance Use

Support	Dhaka		Chittagong				Sylhet				Grand Total	Total %		
	Char Bishonath		Kandergaon		Bakkumpara		Lalpur		Soigoria				Horinkhola	
	No.	%	No.	%	No.	%	No.	%	No.	%			No.	%
Enhancing Technical Knowledge	6	9.84	13	20.63	11	17.19	9	24.32	11	19.64	7	16.67	57	18.10
Need Training about Agricultural Method	8	15.09	7	11.11	15	23.44	7	18.92	8	9.41	4	9.52	49	15.56
Don't know	6	11.32	26	41.27	18	28.13	6	16.22	12	14.12	10	23.81	78	24.76
Not Necessary	11	20.75	6	9.52	4	6.25	3	8.11	7	8.24	3	7.14	34	10.79
Need Loan	0	0.00	0	0.00	2	3.13	0	0.00	3	3.53	4	9.52	9	2.86
Training on Salt Cultivation	0	0.00	0	0.00	6	9.38	0	0.00	0	0.00	0	0.00	6	1.90
Training for Cattle Rearing	8	15.09	6	9.52	0	0.00	0	0.00	4	4.71	5	11.90	23	7.30
Fishery Training	7	13.21	3	4.76	3	4.69	0	0.00	3	3.53	3	7.14	19	6.03
Business related Training	4	7.55	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	4	1.27
Driving Training	3	5.66	2	3.17	5	7.81	7	18.92	3	3.53	2	4.76	22	6.98
Poultry Rearing Training	0	0.00	0	0.00	0	0.00	5	13.51	5	5.88	4	9.52	14	4.44
Total	53	100.00	63	100.00	64	100.00	37	100.00	56	65.88	42	100.00	315	100.00

Field Survey

#### **4.2.6 Views of Expatriates on Institutional Support**

The expatriates earn money in different countries in the world and send their earnings as remittance. The family members of the expatriates use the money meeting their needs in their own way. Table 12 presents the views/suggestions of the respondents towards institutional support for better use of the remittances.

To invest more money in the productive sectors the expatriates need institutional support. About 24.76 per cent respondents had no knowledge about the type of support needed by them (Table 12). Only 18.10 per cent respondents opined that they need support from the government to enhance their technical skill and 15.76 per cent viewed that they need training on agricultural practices. The remaining 41.38 per cent respondents expressed the need for various types of production related trainings.

#### **5. Conclusion**

The study concentrates on the improvement of the socio-economic condition of remittance recipient households considering the issue of entrepreneurship development situation, utilisation and potential of remittance uses. From Bangladesh most of the male youth workforce goes to work in Saudi Arabia, Dubai, United Arab-Emirates, Qatar, Oman, Kuwait followed by Malaysia, Maldives, Singapore and South Africa. They mostly work in construction, hotels and shops. Around 64 per cent of the studied expatriates had secondary level education. Training provided under Comprehensive Village Development Programme proved to be beneficial in building the required skills to take up jobs at home and abroad. About 40 per cent and 29 per cent of the expatriates earned 1 to 2 lac taka and 2 to 3 lac taka annually. The incomes were used mostly for consumptions, only 15.54 per cent households invested in the construction of building and only 24 per cent of the respondents invested money in productive sectors. Almost all the respondents wanted to come back to their homes and start some entrepreneurial activity for which the respondents desired to have training. To invest more money in the productive sectors, the expatriates need more institutional support and capacity building in the productive sectors.

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