A Pilot Study on Impact of Remittances on Migrant-Sending Households in Southern Myanmar

Min Zar Ni Lin
26 September 2012
IGC Growth Week 2012 Conference
London School of Economic and Political Science
Role of Remittances in Developing Countries

Source: World Bank (2011)
One of the largest Labour sending countries in the region (10-15% of pop)

In Thailand:
- Registered – 812,984 (Ministry of Labour (Thailand), 2010)
- Issued temporary passports from Myanmar - 1 million (Nationmultimedia, 2012)

In Malaysia:
- 150,000 documented workers (Andy Hall, Mahidol University, 2012)
- IOM (2009) estimate 5 million migrants
The Trend of Migratory Pattern

- Mon State
  - Villages in Mudon Township
  - Villages in Ye Township
- Karen State
  - Villages in Pa-An Township

- Source and Transit Area for Migration

- After few years of work, labourers from other parts of the country migrate to abroad again.
The Characteristics of Migrant Workers

The Destination of Migrants

- Thailand: 90%
- Malaysia: 10%
- Singapore: 0%
- Others: 0%

The Ratio of Household Member in Myanmar and Abroad

- Household Member Working in Abroad: 30%
- Household Member In Myanmar: 70%
The Characteristics of Migrant Workers

Age Distribution of Migrants at the Time of First Migration

- Above 40
  - Male: 0%
  - Female: 5%
- >25 - 40
  - Male: 15%
  - Female: 10%
- >16 - 25
  - Male: 20%
  - Female: 15%
- 16 and Under
  - Male: 25%
  - Female: 20%

Migrants' Education Level

- Illiterate
- Primary School
- Middle School
- High School and Above
Remittances:

- Amount of remittance in last 12 months (US dollar)
  - 1828.80 (Mean), 0 (Min), 23,095

- Duration of money transfer (Day)
  - 2.5723 (Mean), 1 (Min), 10 (Max)

- Charges of money transfer (Myanmar side)
  - Amount remitted – 0.5 to 2.3 US dollar for 115.47 US dollar
  - Per transaction – 2.3 to 9.2 US dollar

**1 US dollar = MMK 866 (Myanmar Kyat) (as 24th August, 2012)**
Impact of Remittances

Contribution of Remittance Income to Total Income

- Remittance Income: 56%
- Income from Local Business: 44%

Major Source of Household Income

- Remittance: 49%
- Farming Activities: 28%
- Non-Farming Activities: 23%
Impact of Remittances

Average Household Expenditure by Group

- Community and social use: 4%
- Saving and investment: 42%
- Basic needs and assets: 54%
- Agricultural business: 7%
- Buying land and heavy constructing housing: 17%
- Gold: 11%
- Education: 3%
- Health: 4%
A crucial source of income, particularly for emergency needs – safety net mechanisms

Contribute to the poverty reduction and improvement of living conditions

Dependent families using remittances mainly on consumption

Discouragement of higher education among youth

Unproductive investments, irresponsible spending, moral hazards.