

Potential and Problems of Remittance Use: A Case of Some Villages in Comilla

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Abstract

Foreign remittance has become a vital economic force in the rural society of Bangladesh. A significant portion of labor force has been staying out side country and sending remittance. This micro-study focuses some key areas of remittance use as well as process and flow of remittance send by the migrant workers. Process of sending remittance is another important issue of discussion of this study. It is observed in the study that the institution cannot play dominant role in the process of remittance transfer. Consumption is the major portion of the remittance use but repaying debt is the major parts of remittance are being used. The use of remittance in investment though is low in frequency and quantity but the households have intention of doing that in future after repaying debt.

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1.Introduction:

Human migration is the movement of people from one place to another for purposes of permanent or temporary residence and/or employment. (Refugee and Migratory Movement Research Unit, 2008). Bangladesh has a long history of migration and it is one of the major labour-exporting countries in the world. Each year a large number of people of this country voluntarily migrate overseas for both long- and short-term employment (Siddiqui, 2005).

In Bangladesh, 'remittances' is used for covering both financial transfers within the country, and transfers to the country from abroad. (Encyclopedia of Social Science, 2007).Remittances have already been emerged as a leading driving force to the economic growth and poverty reduction in Bangladesh. It has obtained second position among the foreign currency earnings sector of Bangladesh. (Bangladesh Bank, 2012). Remittance contributes our national economy in a large measure by increasing reserve of foreign exchange, per capita income and employment opportunities. A remarkable remittance (about 11.00 Billion US\$) sent to Bangladesh in Financial Year 2009-10, by the overseas workers which was accounted 11

percent in national income and 67.90 percent of export earnings. In FY 2011 -12, the GDP was BDT 914780 million and remittance as percentage of GDP was 11.14 percent which was 0.72 percent higher than that of FY 2010-11.

The position of Bangladesh is seventh in the world remittance income and obtains the position in the world remittance income to the next of India, China, Philippine, Mexico, Nigeria and Egypt. The contribution of migrant workers has been playing a very vital and significant role to the development of socio-economic condition in Bangladesh (Director General, BMET, 2012).

Beside this, these much of remittances are 7 times higher than foreign aid which the government of Bangladesh has received and 13 times higher than foreign investment. There are about 90 lakh Bangladeshi workers working in 155 countries throughout the world (Ministry of Expatriates' Welfare and Overseas Employment, 2012). Most of the workers are inhabitant of rural areas in Bangladesh. They don't receive any cooperation and subsidy from the government. Even they have no higher education, proper training, and asset. In spite of all limitation these people are pulling-up their family as well as the economy of the country by hard working in abroad.

The remittance earning of the migrant workers is not only increasing foreign currency reserve of Bangladesh Bank but also increasing standard of living of their family life. The capacity of investment of these migrant workers is increasing day-by-day. According to Bangladesh Bank research report (2012), among the migrant workers, 47 percent have gone abroad by lending money from others and 41 percent have gone by selling land or leasing land to others. Among them majority of these migrant workers is unskilled or semi-skilled.

However, those skilled and unskilled migrant workers every year send huge amount of foreign currency to the country. Those foreign remittances is not only increasing foreign currency reserve but also playing a significant role to reduce poverty and to enhance the economic development of Bangladesh (World Bank, 2012). Thus, the foundation of Bangladesh economy becomes stronger with the help of remittance of migrant workers. It can be assume if this increasing trend of foreign employment and remittance is continued then Bangladesh would be middle income country within 2021. However, at the meso-level government statistics shows the positive impact of foreign remittance, but very few studies were available on use of remittance at the household level, its impact and potential sections.

1.1 Objective of the Study:

The general objective of the study is to explore the use of remittance in the rural areas by the households.

The specific objectives are:

- 1) to know the process of remittance sent by the wage earners;

- 2) to find out the nature and extent of remittance use; and
- 3) to identify the potential sectors and problems associated with utilization of remittance.

1.2 Scope of the Study

The scope of the study relating indicators, measurement techniques, and important variables are as following:

Study Objectives	Indicators	Measurement Technique	Important Variables
1. To know the process of remittance send by the wage earners;	- Frequency of Remittance sending - Institutional facilities. -Process: -Obstacles:	Number, amount and percentage	- Remittance flow -Process of remittance flow -Hinders of remittance flow
2. To find out the nature and extent of remittance use;	-HH consumption -Investment -Savings - Repayment of loan	Number, amount and percentage	-Consumption of Food & Nonfood -Investment pattern -Savings Pattern
3. to identify the potential sectors and problems associated with utilization of remittance.	-SME sector -Agriculture diversification -Collective investment -Investment in Financial institution -Sectors -Social -Cultural	Amount and percentage Perception	-Diversified use of remittance -Investment process

1.3 Methodology of the Study

Based on the literature review and discussions with the key informants (Bank Employees, those giving remittance services), the study team selected sites where the prevalence of remittances seemed to be high. Four villages under Comilla district were selected. The villages are: *Dighal goan, Anandapur* and *Dhonuakhola* under *Adarsha Sadar Upazila* and *Tolagram* under *Borura* upazila of Comilla district. 105 remittance-receiving households were selected randomly.

Data were collected from household heads by using a structured questionnaire. The structured questionnaire contained information on the identification of migrant households, household structure, land ownership pattern, income source and range of income, pattern and volume of remittances and its channel of flow, cost of food and nonfood consumption, other utilization of remittances. In addition to the above mentioned sections, there were a few questions regarding the hindering factors of sending remittance and remittance is included in the questionnaire. Along with structured questionnaire some methods like informal interview, taking information

from the key respondents and some case studies were done during the field work. After completion of data collection, tabulation process were done manually the report has prepared. On the basis of tabulation and analysis on other qualitative data.

1.4 Literature Review

Generally remittance is considered one of the important source of foreign income for the developing countries like Bangladesh. Remittance constitutes an important source of foreign exchange for the poor countries, which have substantial development impact as can be understood from micro and macro point of view. From macro frontier, remittances are used to make import payments and are used for productive investment by the government (Salim, 1992).

Studies have done before on remittance shown that, in Bangladesh, a significant portion of overseas earnings is spent for consumption purposes, acquisition of assets, investment in trade and business and to finance import of capital goods. It positively affects the socio economic condition of migrant families. Some of the early studies (Salim, 1992 and Matin, 1994) focused on the macroeconomic impact of overseas remittances in Bangladesh. However, remittances are not devoid of adverse effects. Manpower exports are alleged to deprive the country of their services and upsetting the normal functioning of the economy (Mahmood, 1985).

Other studies shows the process and remittance flow. How it works and what are the existing obstacles on this issue. Officially, transfer of remittance takes place through demand draft issued by a bank or an exchange house, telegraphic transfer; postal order; account to account transfer. When remittances are transferred directly from the foreign account of migrant worker to his own account at home it is known as direct transfer. This can be through telegraphic means or otherwise. Remittances are frequently sent through Demand Draft in Taka issued by a bank or an exchange house in favor of a nominee of migrant. Usually the draft is sent by post or in emergency by courier service. One can send remittance through the postal authorities. In such case the remitted money is handed over to the receiver by the local post-office (Siddiqui,2009)

Most of the remittances sent to our country are for various livelihood purposes, such as disbursement of small loans, living expenses, business start up costs, medical treatment and funds for asset purchases. This highlights the importance of fast disbursement of money that e-Remittance System promises to deliver. The system will help attract new un-banked customers who have previously depended upon informal channels. At present, only a fraction of remitters send their money through banking channels. The e-Remittance system will also provide the right platform for handling the substantial market for within country remittances.

From 1979 to 2008, remittance inflows to Bangladesh have increased at an average annual rate of 19 percent (Hussain and Naeem, 2009). Between 1976 and 2010, a total of 7.1 million

people emigrated temporarily from Bangladesh. Since 2009, emigrants sent home more than US\$10 billion a year, amounting to slightly more than ten percent of GDP (Ratha, Mohapatra and Xu, 2008). It is important to note that a large part of remittances remains unrecorded. Unrecorded remittances have been estimated to be about 50 to 200 percent of the officially recorded remittances (Aggarwal, Demirgüç-Kunt and Peria, 2006). At least two factors are responsible for fast growth in remittances in developing countries. First, in the past 20 years, immigration has increased dramatically between developing and developed countries. Second, due to technological improvements, the transaction costs for the international transfer of payments between individuals have declined (Giuliano and Ruiz-Arranz, 2005).

About 90% families were used their foreign earning to fulfill their basic needs. A study has been conducted and data were collected from 3,010 household. Among them about 42.4 percent household repaid their loan by remittance. Apart from this, many of the migrant workers went abroad by leasing his own or family land or sold out the land. For that reason most of the remittance they spend for getting back the land and these are almost 41.6 percent and others were used for their daily and unproductive sources by the beneficiary family members (Akhtaruzzaman, 2011).

There are also a few studies examining the impact of remittances in Bangladesh. Stahl and Habib (1989) argue that there is a multiplier effect of remittances. They explain that remittances increase savings, which then increase growth. They calculated the multiplier for Bangladesh for the period of 1976-1988 to be 1.24. Ahmed (2010) finds that flow of remittances to Bangladesh have been statistically significant but have a negative impact on growth. Siddique, Selvanathan and Selvanathan (2010) also find that growth in remittances does not lead to economic growth in Bangladesh.

On the basis of literature review it shows that remittance has become a significant economic force in macro economics as well as at micro level. The present study intend to identify the use of remittance at household level which will in further help to understand the potentialities of remittance use as well as the problems of remittance use in investment.

1. Findings and Discussions

2.1 Socio-Economic Characteristics of the Studied Population

The study area covers in four villages under Comilla district where the presence of remittance earning households are more rather than other part of the area. Hundred and five households were selected randomly for getting information on the studied topic. The socio economic profile of the studied population presented in following part.

2.2 Age Distribution of the Respondents Household Members

A significant number of family members of the respondents belongs to children category (from age 0-17 years). The number represents one third of the total population of the studied households. But along with that the portion of working group is also dominant in number (from 18-42 years). The age group from 18- 56 years represents three fourth of the total population ,where one quarter (33.65%) of the workforce of these classes stays outside as overseas worker and the number is 140.

Table 01: Age Distribution of the Respondents Household Members

Age Group(Years)	Number of Members	Percentage (%)
0-17	195	34.21
18-28	199	30.80
29-42	122	15.33
43-56	95	14.71
57+	32	04.95
Total	646/105= 6.15 (Average Household Size)	100.00

Source: Field Survey, 2014

A very small portion of the studied population is above 57+ years of age (4.95%). The Table also reveal that average household size is 6.15, where as national level HH size is 4.50 (HIES, 2010: 9) which seems to be very high.

2.3 Sex Ratio of the Respondents Family Members

In the context of sex distribution of the studied household it shows that 53% of the respondent's family members are male and 47% of the respondent's family members are female. The gap between male and female is about 6 percent which seems to be very high in respect of national figure. In Comilla sex ratio is 92. This implies that there were about 92 male for 100 female people (BBS, 2012:92). Out of the total population 140 male has been staying outside the country as where not a single female stays outside.

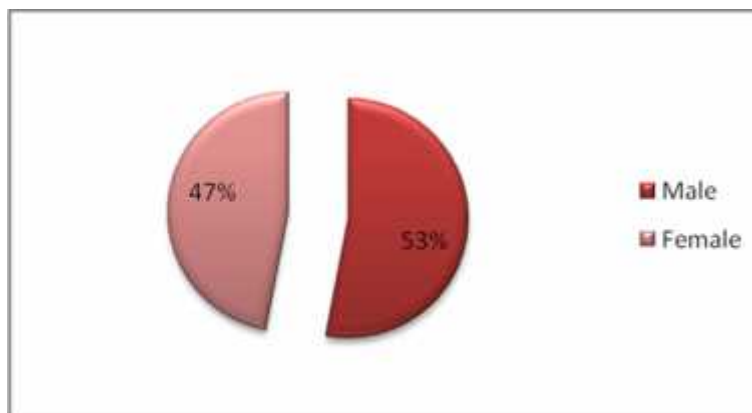


Figure- 01: Sex Ratio of the Respondents Family Members
Source: Field Survey, 2014

2.4 Education

From the BBS (2011) literacy rate in Comilla district is 53.3 percent and the study area union literacy rate is almost 61.52 and 62.83 percent (BBS,201). The following table shows that educational level from the 646 respondents maximum 41 percent were in high school level (VI to SSC) and 31 percent were in primary level. Only 07 (1 percent) and 01 respondent educational level is graduate and post graduate respectively.

Table 02: Education Level of the Respondents Family Member

Education Level	No. (%)
Can sign	62 (9.6)
Primary	202 (31.3)
High School (V1-SSC)	263 (40.8)
HSC	37 (5.8)
Graduate	07(01)
Post Graduate (Masters)	01(0.16)
Children (0 - 5)	74 (11.5)
Total	646

Source: Field Survey, 2014

The literacy rate (literate at initial level and literate at advanced level) for 15-45 years age in national level is 51.3 percent (Literacy Assessment Survey, 2011). The Multiple Indicator Cluster Survey (MICS) 2009 reveals that 81.3 percent of children of primary school age in Bangladesh are attending primary & secondary school and secondary schools are attended by 49.0 percent (LAS, 2011). The study finding shows that most of the family members are interested to go abroad for earning and the family members have no interest in higher education like graduation. For that reason only 5.8 percent found H.S.C pass whereas primary pass is 31.3 percent and high school pass is 40.8 percent.

2.5 Occupational Pattern of the Respondents Family Member

In the studied respondents households a significant portion (21.9 percent) of the family members are involve in principal profession like service in abroad followed by service at home country (0.8 percent) and business (2 percent) of which 0.62 percent are involved in business as secondary profession. It also reveals from the table that only 5.8 percent of the respondents are involved in self agriculture as principal profession and among them 1.8 percent respondents are involved as secondary profession.

Table 03: Occupational Pattern of the Respondents Family Member

Occupational Pattern	Occupation (%)	
	Primary/Principal (%)	Secondary (%)
Agriculture (Self)	37 (5.8)	11(1.8)
Agriculture (Labor)	05 (0.8)	01(0.16)
Service	05 (0.8)	-
Business	13 (2)	04 (0.62)
Off-farm Labor	06 (0.9)	-
Service in Abroad	142 (21.9)	-
House wives	119 (18.42)	-
Children (0-9 year)	147 (22.29)	-
Student	134 (20.74)	-
Unemployed	38 (5.88)	-
Others	03 (0.49)	-
Total	646	17

Source: Field Survey, 2014, Multiple Answer Recorded.

Beside this 0.8 percent respondents are involved in agriculture as labor as principal profession and among them 0.16 percent of the respondents is involved as secondary profession. A very small proportion of the respondents are involved in off-farm labor. The other groups in the respondents the households are housewife, unemployed, student, adolescences, carpenter, commissioner, children etc, though they are 67 percent in total but they are not directly involved in any economic activities.

2.6 Land Ownership

The Following table expresses the land ownership pattern of the households. It shows that all of the households own homestead land and their average size of land is 14 decimal.

Table 04: Land Ownership Pattern

Pattern of Land	Ownership Pattern			Average Land in Decimal
	Self	Tenant	Lease	
Homestead	105	-	-	14
Agricultural Land	78	01	05	43
Non Agricultural Land	11	--		20
Pond	64	-	-	6
Fellow Land	02	-	-	10

Source: Field Survey, 2014

Three fourth of the total households own agriculture land and average size of their land is 43 decimal. Land are used as agricultural land and 20 decimal land are used as non agricultural land by the respondents. Moreover 64 respondents opined that they have pond and their average pond in decimal is 6. Study reveals that 10 decimal lands are used as fellow land by the small portion of the households.

2.7 Sources of Income by the Respondents Household Members

One of the most important indicators of the socio-economic status of the studied households is income. It is very difficult to collect actual data on income because people do not keep records of income and not wanted to disclose such information to others (Ahmed, 2009:72). As the families one or more members staying abroad, the number of members are more than the households numbers. The table shows that the highest average annual income (Tk. 294206) is 61 percent is foreign remittance. Whereas, 22 percent respondents household account Tk. 25328 from agriculture. And only 5 percent respondents household accounted Tk. 100778 from others income source category

Table 05: Sources of Income

Source of Income	No. of Earning Members (%)	Average Annual Income (Taka)
Agriculture	49 (22)	25328.00
Agricultural/off-Farm labor	09 (4)	54000.00
Foreign Remittance	139 (61)	294206.00
Service (in country)	04 (2)	180,000.00
Business	14 (6)	125000.00
Others (rent from shop, interest, driving, tailor, pension etc.)	11 (5)	100778.00
Total	226 (100)	
Per Household Average Annual Income		341615.00

Source: Field Survey, 2014 Note: Multiple Answers Recorded

This table also indicates that the average income of the respondents and household members is Tk. 34,1,615. According to HIES-2010, income per HHs in rural areas was found monthly Tk. 9648 i.e. yearly Tk. 1,15,776 (HIES, 28:2010). It means that the average income of the study areas was found very high than that of HIES figure.

2.8 Duration of Staying Abroad

In the studied households 73.33 Percent single members stay abroad where rest of the families about 2 to 4 members stay abroad. It was observed that during field survey that the households have common livelihood strategies of sending more than one member outside the country.

Table 06: Family Members Staying Abroad

No. of Staying Abroad per Family	No. of Families (%)	Total No. of Staying Abroad
1	77 (73.33)	77
2	22 (20.95)	44
3	5 (4.76)	15
4	1 (0.95)	4
	105	140

Source: Field Survey, 2014

But still three fourth of the total households only single members stay outside. But those members who have small business outside can bring more members which are locally known as free visa. Free visa is the most expensive way of going to middle-east countries especially in Saudi-Arabia. When a person go middle-east having a free-visa can involve himself in any job even in small business. That's why free visa is very attractive package for the people.

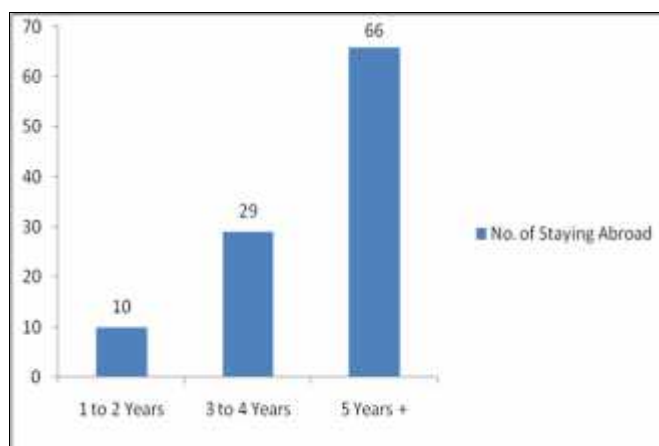


Figure 02: Duration of Staying in Abroad

Source: Field Survey, 2014

Staying duration is an important issue related to remittance earning and it's use economic strength. As many years a member of a household can stays outside, the more the household can secure their livelihood as well as can invest the earning in different sectors. In the studied households more than half of the respondent's family members have been living outside for more than five years of time. Less than one third of the members have been staying outside

from three to four years of time and rest of the members of the households have been staying less than two years.

2.9 Remittance Flow

Remittances sent by overseas workers have been contributing a lot to the economic development of the country as well as their households.

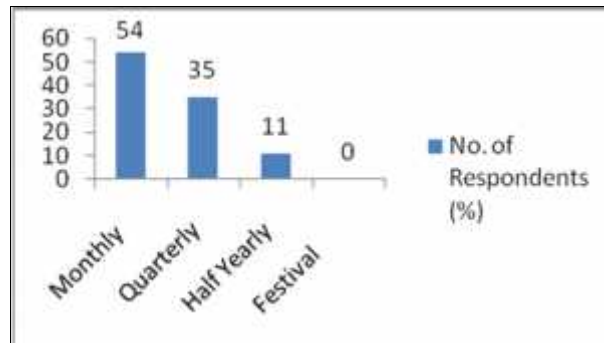


Figure 03. Pattern of Remittance Flow
Source: Field Survey, 2014

The above figure shows that 54 percent respondents sent their remittance by monthly basis, while 35 percent by quarterly and 11 percent sent remittance by half yearly. The migrant workers who work as contract basis can send money monthly basis as they get their salary regularly, while others who works irregularly or having own business send money irregularly or in quarterly or in half yearly.

2.10 Channel of Remittance Flow

Bangladeshi overseas workers have been using both the formal and informal channels to send their remittances. Among the formal channels, two channels are common, such as draft issued by a bank or exchange house and electronic funds transfers into accounts. Some government banks such as Sonali Bank Limited, Janata Bank Limited, Agrani Bank Limited and Some private commercial banks such as Bank Asia Limited, Prime Bank Limited, AB Bank Limited, United Commercial Bank Limited, Mercantile Bank Limited, Citibank N.A. and Social Islami Bank Limited are very much active in the remittance market. Among the informal channels, they mostly used *Hundi* system.

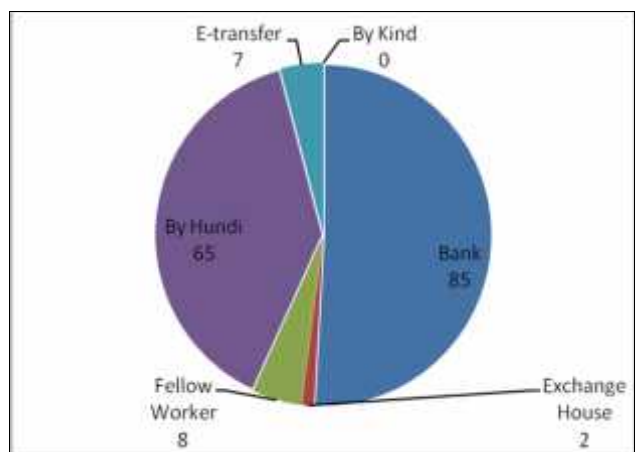


Figure 04. Channel of Remittance Flow
Source: Field Survey, 2014 **Note : Multiple answer recorded**

The sender and remitter are avoiding tax and violating foreign exchange rules & regulations that may facilitate money laundering (The Journal of Asian Business Review, 2013:26). During data collection respondents said that they get remittance by several channels. It depends on availability of channels or benefit they want to get soon without any disturbance. The above figure reveals that 85 percent respondents use bank as formal channel and 65 percent respondents use *Hundi* as illegal channel to send remittance to their family. Only 7, 8 and 2 percent respondents used formal e-transfer, fellow worker and exchange channel respectively for sending remittance. Multiple channels are being used by them. From the key informants interview the comparison scenario have drawn in the following table.

Table 07: A comparison of the main Remittance Flow Channel

Mode of transfer	Advantages	Disadvantages
Via formal institutions (Bank, Exchange House)	Reliable, safe	High transaction costs, time-consuming, formal process, generally available only in towns
Via <i>Hundi</i>	Speedy, lower transaction costs	Less reliable
By Hand	Speedy, no transaction costs	Risky

***Hundi* : Illegal but most Effective Channel of Money Transfer**

The *Hundi* system is the most widely used method of sending remittances. *Hundi* is preferred because it is quick, efficient, and accessible, requires less documentation and incurs minimum transaction costs. It is most commonly used when remittances are urgently required, and hand-carrying them to Bangladesh is not possible. In the field observation it was found that the migrant labours earn remittance from different sources. But whenever they want to send money through formal banking channel they face different visible and invisible obstacles. Then the workers prefer *Hundi* for transferring their remittance.

2.11 Obstacles of Remittance Flow

Overseas workers of Bangladesh are regularly encountering various problems in sending remittances, especially to the remote areas of the country, through normal channels because the process of sending remittance through bank is sometime slow and complicated. In that case illegal channel like *Hundi* is more favorable to the migrant workers.

Table 08: Obstacles of Remittance Flow

Obstacles	No. of Respondents (%)
Time Constraint	35 (33)
Costly	04 (3.8)
Less Facility	02(1.9)
Inconvenience of Bank	05(4.8)
Staying far away from Bank	15(14.6)
No Obstacles	44 (41.9)
Total	105 (100)

Source: Field Survey, 2014

It reveals that about 42 percent members of respondents families get their remittance without facing any obstacles while rest 58 percent mentioned different obstacles they have facing receiving remittance. The obstacles are time constrain (33 percent), more costly (3.8 percent), less facilities of bank, inconvenience of bank, and long distance from the bank.

2.12 Annual Consumption Expenditure

The following figure shows that the average expenditure of households is Tk. 99,000 where highest Tk. 3,00,000 and lowest is Tk. 24,000. It is observed that difference between highest and lowest household expenditure is about Tk. 2,01,000. It depends upon the family status and nature of expenditure items.

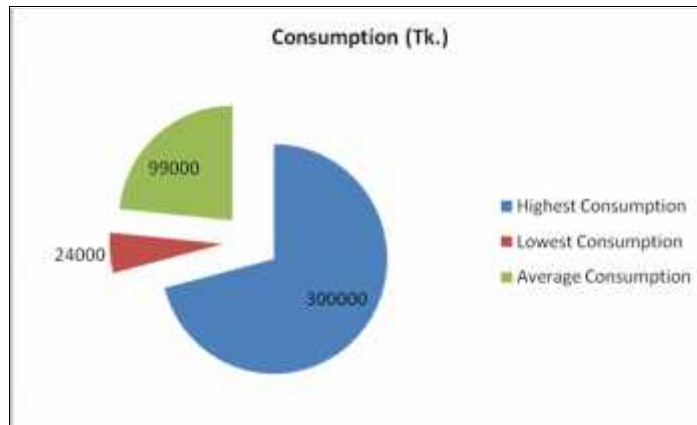


Figure 05. Highest, Lowest and Average Consumption Expenditure
Source: Field Survey, 2014

According to Household Income & Expenditure Survey (HIES) report average monthly consumption expenditure per household was Tk. 11,003 i.e. annually Tk. 1,32,036 in 2010. In rural area, the average consumption expenditure was Tk. 9,436 per month i.e. annually Tk. 1,13,232 (HIES, 2010:33). Therefore, it can be said that both national and rural consumption expenditure is higher than the study village's consumption expenditure. Though it was estimated by HIES in 2010. The above figure represents the remittance earner's household consumption expenditure but there is no significant reflection of the same.

2.15 Annual Non Food Expenditure

A significant portion of remittance has been using for fulfilling household nonfood expenditure. According to the respondents, expenditures those happen out of food expenditure are non food expenditure. It shows that all the studied households have the expenditure of clothes, medication, transport, cell phone bill cost. Significant portions (80 percent) of households have expenditure in education, and the average annual cost about Tk. 20,000. Along with that a major portion of households have the expense of on buying cosmetics, transport and furniture. But the average cost is not very significant, vary from Tk. 3,000 to 7,000.

A small portion of households (20 percent) show their expenditure in buying jewellery and electronic goods. But average cost were found Tk. 64,000 and 8,000 accordingly, that indicates a large portion of remittance has been using in these type of non food expenditure. The studied

households show expenditure in agriculture activities and average cost is about Tk. 13,500, which indicate that still a portion of households are still involve in agriculture activities. One third of the respondents (30 percent) show a large portion of expenditure on loan repayment (Tk. 1,73,000) which indicates that still that portion of households are on.

One third of the households have taken loan in last two years. The average amount of money is about Tk. 3,86,000. It was found that along with remittance they land money for reinvestment. The types of investments: buying land, constructions cost of house, buying motor vehicles, processing fee of going abroad as migrant worker, investment in micro industry (rice mill), investment in small business, fishery etc.

2.16 Type of Investment by Remittance:

In the study it shows that still one third of the households of the respondents are still on debt. They took loan with in last two years and the average amounts of loan have taken by them is close to four hundred thousand taka, which is big amount compare to their family income. The families who took loan in last two years only a single family has used that money for family expenditure. Other three families have used that loan for marriage cost of their daughter. But out of those other families use that loan in different kind of investment. The highest use of the loan is for going abroad as migrant worker. Processing expance of going outside in is very high in Bangladesh. The average cost of going middle east country from Bangladesh is very high. Bangladeshi migrants pay some of the highest recruiting fees in the region – the average cost per person wishing to work abroad is 4.5 times higher than the GDP per capita of Bangladesh (Tom de Bruyn, 2008).

Saving money for emergences was reportedly the responsibility of the remittance-sender, rather than the recipient, and most recipients spent everything they were sent. What savings they were mostly in valuables (jewellery, household items), rather than cash. Just under half of recipients (43%) told us that remittances were used for daily household expenditures (food, clothing, healthcare, school fees). A third (32%) said that, in addition, they used remittance money to pay off debts, refurbish the home, pay wedding expenses and arrange dowries for their children. Some 20% of the respondents stated that they used the remittances for housing construction and investment in real estate.

How remittances were spent tended to depend on how long a household had been receiving them. The repayment of loans that were taken to cover the costs of migration is typically the first priority for the first one to two years. Households that had been getting remittances for the previous two years typically spent the money on household expenses and food. Households with four or more years' remittance flows were usually those with extra money to spend on homes and weddings.

Table 12: How remittances have used

Ranking/purpose
1. House construction
2. Food/education/health
3. Buying Land
4. Giving Loan
5. Investment in Bussiness
6. Buying Auto-vehicle
7. investment in Agriculture
8. Buying Flat

It shows in the study that, a large portion of remittance is being used in household consumption, noon food expenditure and repairing loan. Along with that it was also observed that, a significant portion of remittance has used for construction rebuild of house and buying land. In objective of the study is to identify the promising sector where remittance can be properly or positively used. This information was collected through questionnaire and informal interview.

In last three years some families have used remittance in financial institutes, specially in multipurpose co-operatives and in had business. The builies house used their scarings in multipurpose cooperatives like IDLC. The came was high return in interest. But most of the multipurpose cooperative have baced beyal and institutional set back. Some builies can not bring back their investment. But still the more then half of the respondents (65) pointed that financial institution can be a potential sector so investment of remittance.

About one fourth of the total respondents pointed that investment in small and medium industry can be another potential sector where remittance can be probably made. Along with that-they identify some obstacles of using remittance. The builies are luck of manpower, luck

of market facility, institutional support of govt. Some builes do not have enough land to use it as investment, as most of the remittance is being used in household consumption.

2.17 Use of Remittance and Role of Women

In studied household it indicates that 47% of total population is women. But not a single woman from any households has found that living outside as overseers workers. The household where male members stay outside women has to plays the role of temporary household head. Women members have to play important role like marketing household need, Schooling for the children, Drawing remittance from Bank and maintaining household assets. Above she has to bear the responsibility of proper utilization of remittance. For doing this the mobility of women have increased significantly in the studied area.

Observation also prevail during field work that, use of *hijab* has increased a lot. Though the women mobility has increased but they are still being controlled by male members of the households. Use of mobile phone has increased where the make members staying outside dictate the woman member how to use the remittance.

2. Conclusion:

Remittance has been playing vital role in socio economic development in Bangladesh. The study identifies some areas of remittance use as well as some potential sector and problem of using remittance in investment sector in rural area. The study identifies the following finding.

1. A significant number of male members are working abroad as migrant workers. Though three forth of the total households own agricultural land but service in abroad has become the principal livelihood of the studied households.
2. The average income range of the studied families is higher than the national average income.
3. *Hundi* still is the most popular way of sending remittance, though it is illegal and risky. But the migrant worker like it for no processing fees and for no official procedure among the studied households most of them are receiving remittance regularly.

4. Remittance still largely has been using for household consumption. But it was observed during fieldwork that the quality of consumption both in food and nonfood items have improved due to the influence of remittance.
5. There is a high trend of sending more family members to abroad as worker. This helps the families to keep themselves more dependent on remittance. But this process does not influence the youth for higher study. Higher study situation is not satisfactory in the studied household.
6. A significant portion of the studied households still under debt. This is because of high cost of processing fees for going abroad, Reconstruction of houses where only remittance cannot support, and poor management or misuse of remittance.
7. Investment of remittance in productive sector is not very impressive, but the households identify some sectors like small industry, Financial institutions and in agriculture. In last four years some households are facing problems of getting profit as well as investment from multipurpose cooperatives. Investment in land business still is the dominant sector of investment of remittance in the studied area.

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