

REMITANCE AND RURAL DEVELOPMENT IN CHIN STATE: CASE STUDY
OF AIBUR VILLAGE.

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A Thesis Submitted in Partial Fulfillment of the Requirements
for the Degree of Master of Arts Program in International Development Studies
Faculty of Political Science
Chulalongkorn University
Academic Year 2012

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เป็นแฟ้มข้อมูลของนิสิตเจ้าของวิทยานิพนธ์ที่ส่งผ่านทางบัณฑิตวิทยาลัย

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การส่งเงินกลับบ้านและการพัฒนาชนบทในรัฐฉิ่น: ศึกษากรณีหมู่บ้านอัยเบอร์

นายรอล เลียน ทาง

วิทยานิพนธ์นี้เป็นส่วนหนึ่งของการศึกษาตามหลักสูตรปริญญาศิลปศาสตรมหาบัณฑิต

สาขาวิชาการพัฒนาระหว่างประเทศ

คณะรัฐศาสตร์จุฬาลงกรณ์มหาวิทยาลัย

ปีการศึกษา 2555

ลิขสิทธิ์ของจุฬาลงกรณ์มหาวิทยาลัย

Thesis Title REMITTANCE AND RURAL DEVELOPMENT IN
 CHIN STATE: A CASE STUDY OF AIBUR VILLAGE
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Field of Study International Development Studies
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นายรอล เลียน ทาง : การส่งเงินกลับบ้านและการพัฒนาชนบทในรัฐฉิ่น: ศึกษากรณี หมู่บ้านอัยเบอร์ (REMITANCE AND RURAL DEVELOPMENT IN CHIN STATE: CASE STUDY OF AIBUR VILLAGE) อ.ที่ปริกษาวิทยานิพนธ์หลัก: ศศ.ดร. นิตติ ภาวิครพันธุ์, อ.ที่ปริกษาร่วม: ดร. ไมเคิล จอร์จ เฮยส์, 85 หน้า.

งานวิจัยนี้ได้ศึกษาถึงผลกระทบของเงินส่งกลับบ้านของผู้อพยพชาวจีนต่อการพัฒนาพื้นที่ชนบทของชุมชน โดยดำเนินการวิจัยจากชุมชนอัยเบอร์ในหมู่บ้านอัยเบอร์และหากาเป็นกรณีศึกษา การเก็บข้อมูลสำหรับงานวิจัยครั้งนี้ประกอบด้วยการใช้แบบสอบถาม การสัมภาษณ์ และการสังเกตการณ์ เพื่อศึกษาถึงข้อมูลลักษณะความเป็นอยู่ รูปแบบและทิศทางการไหลของการใช้จ่ายเงินส่งกลับบ้าน รวมถึงความปลอดภัยทางสังคมในชุมชน

ผลการศึกษาเบื้องต้นของงานวิจัยแสดงให้เห็นว่า แหล่งรายได้ที่สำคัญและมั่นคงของชาวจีนในชนบท คือ เงินส่งกลับบ้าน จากการสำรวจในอัยเบอร์ พบว่า ชาวบ้านจำนวนร้อยละ 80 ได้รับเงินส่งกลับบ้านจากบุคคลในครอบครัวที่อาศัยอยู่ต่างถิ่น ทั้งนี้ ครอบครัวจำนวนร้อยละ 6 มีเงินส่งกลับบ้านเป็นรายได้หลักของครอบครัวทั้งหมด และครัวเรือนจำนวนร้อยละ 23 มีเงินส่งกลับบ้านเป็นรายได้หลักของครัวเรือนสูงมากกว่าร้อยละ 50 ส่วนครัวเรือนที่เหลืออีกจำนวนร้อยละ 50 นั้น มีเงินส่งกลับบ้านไม่เพียงพอต่อค่าใช้จ่ายทั้งหมดของครอบครัว จึงต้องทำการเกษตรกรรมควบคู่ไปด้วยเพื่อความอยู่รอด โดยบุคคลในครอบครัวจะใช้จ่ายเงินส่งกลับบ้านเกี่ยวกับความต้องการพื้นฐานต่างๆ ในชีวิตประจำวัน ตามด้วยค่าใช้จ่ายเรื่องที่อยู่อาศัย การศึกษา และสุขภาพ ตลอดจนกระจายไปยังส่วนต่างๆ ภายในชุมชน อย่างสวัสดิการสังคมและโครงสร้างพื้นฐานด้วย เช่น การสร้างถนน โรงไฟฟ้าพลังน้ำขนาดเล็ก และโรงเรียน

งานวิจัยนี้ให้ข้อคิดเห็นว่า แม้เงินที่ส่งไปจะมีบทบาทสำคัญต่อการพัฒนาทุนมนุษย์ในเชิงการส่งเสริมความเป็นอยู่ที่ดีขึ้น และการพัฒนาโครงสร้างพื้นฐานบางประการ หากแต่ไม่ได้เป็นการพัฒนาเศรษฐกิจอย่างรวดเร็วทันที่ทันใด เนื่องจากจำนวนเงินเหล่านั้นมีไม่เพียงพอ อีกทั้งขาดโอกาสในการลงทุนที่มีประสิทธิภาพ เนื่องด้วยความพร้อมของโครงสร้างพื้นฐานต่างๆ และมีความยากจนกระจายอยู่ทั่วไปในชุมชน

สาขาวิชา: การพัฒนาระหว่างประเทศ..... ลายมือชื่อนิติ.....
ปีการศึกษา: 2555..... ลายมือชื่อ อ.ที่ปริกษาวิทยานิพนธ์หลัก.....
ลายมือชื่อ อ.ที่ปริกษาวิทยานิพนธ์ร่วม.....

5481118524: MAJOR INTERNATIONAL DEVELOPMENT STUDIES
 KEYWORD: MIGRATION/ REMITTANCE/ CHIN PEOPLE/ RURAL
 DEVELOPMENT

RUAL LIAN THANG: REMITANCE AND RURAL DEVELOPMENT IN
 CHIN STATE; CASE STUDY OF AIBUR VILLAGE. ADVISOR: ASST.
 PROF. NITI PAWAKAPAN, PH.D. CO-ADVISOR: MICHAEL GEORGE
 HAYES, PH.D., 85 pp.

The paper examines the impact of Chin migrant's remittances on development of rural Chin community. A case study was done in Aibur community in Aibur village and Hakha. A questionnaire, interview, and observation were used to collect data about livelihood, flow and patterns of expenditures of remittance, and social security of the community.

The preliminary results of the research show that remittance is an important and stable source of income for Chin people in rural community. From the survey done in the Aibur, 80 percent of the villagers receive remittances from families living abroad. Six of households totally rely on remittance for their income and 23 percents of households receive up to 50 percents of their income from remittance. The rest 50 percents of households receive remittance but cannot cover all their expenses and have to work on cultivation for their survival. The majority of remittance is mainly used by families for daily basic needs, followed by expenditure on housing, education, and health. Through distributing within the community, remittance is also used for social welfare and infrastructures such as construction of road, mini-hydro eclectic power, and school.

This research paper argues that remittance has an important role on human capital development, better livelihood and some infrastructural development. However, there is no immediate economic development because there was insufficient money and limited opportunities for productive investment due to weak infrastructure and widespread poverty within the community.

Field of Study : International Development Studies Student's Signature

Academic Year : 2012 Advisor's Signature

Co-advisor's Signature

ACKNOWLEDGEMENTS

Thank God for the wisdom and perseverance that He has bestowed upon me during this final thesis period, and indeed, throughout my study at Chulalongkorn University. It would not have been possible to write this Master thesis without the help and support of the kind people around me. Among many, I would like to give particular acknowledgement to some of the peoples who helped me greatly during my study.

To begin with, I would like to express my heartfelt appreciation to both of my parents and brothers for their patience, prayer and unequivocal support throughout, as always, for which my mere expression of thanks likewise does not suffice. I also would like to give a special thank to Heinrich Böll Stiftung for providing me the financial and technical supports without which it would not have been possible for me to finish my study at Chulalongkorn University. Likewise, I give my special thank to Rainer Einzeberger (Program Co-ordinator), Jost Pachaly (Program Director), Jarongporn Sukontatat and all the staffs for all their invaluable helps.

Indeed, the writing of this thesis would not have been possible without a close supervision and thoughtful advice of my advisor, Dr. Niti Pawakapan, co-advisor, Dr. Mike Hayes, and thesis committee members Dr. Narumon Thabchumpon and Dr. Yanuar Sumarlan. They all have been playing instrumental roles in helping me to accomplish my academic goal. Thanks also to all lecturers and staffs helping me in the program. With this note, I also express my special gratitude to Lian Bawi Thang and Khen Suan Khai for helping and advising me throughout my study in any way they could. And, I also acknowledge and give my sincere thanks to Venus (Tawk Hlei Par) for her kindness, friendship, generosity and encouragement during my study in Thailand.

Last, but not the least, I thank my classmates and friends at Chulalongkorn University and elsewhere for their support and encouragement throughout the year, some of whom have already been named. Of course, for any errors or inadequacies that may remain in this work, I take full responsibility.

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ABBREVIATIONS

ADP	-	Aibur Development Program
ATB	-	Aibur Thanchonak Bu
BSPP	-	Burma Socialist Programme Party
CBO	-	Community Based Organization
CHRO	-	Chin Human Rights Organization
FDI	-	Foreign Direct Investment
FEC	-	Foreign Exchange Certificate
GDP	-	Gross Domestic Product
IFAD	-	International Fund of Agricultural Development
IMF	-	International Monetary Fund
I/NGO	-	International or Non Governmental Organizations
LDCs	-	Less Developed Countries
LOE	-	Law of Oversea Employment
ODA	-	Official Development Assistances
OECD	-	Organization for Economic Co-operation and Development
OFW	-	Overseas Filipino Worker
SPDC	-	State Peace and Development Council
SLORC	-	State Law and Order Restoration Council
STP	-	Summer Teaching Program
UNDP	-	United Nations Development Programme
UNHCR	-	United Nations High Commission for Refugees
UNPO	-	Unrepresented Nations and Peoples Organization
USD	-	United States Dollar
WB	-	World Bank

CHAPTER I

INTRODUCTION

1.1 Introduction

People from developing countries are migrating to more developed countries for the purposes of better livelihood and economic benefits. Migrant peoples are not only making better living in the countries where they migrate to but also contributing to development of their own countries through remittances. Many empirical studies such as World Banks (WB) and International Fund of Agricultural Development (IFAD) have shown that in developing countries the remittance that the migrant workers send from abroad contributes to the development of their origin countries more than international trade, foreign direct investment or international aid. For example, annual record of International Fund for Agricultural Development (IFAD), estimated 150 million migrants worldwide sent some US \$300 billion to their families in developing countries during 2006 and in the same countries total aid and foreign direct investment was around US \$207 billion (IFAD, 2007).

Chin people in western Myanmar/Burma have been continuously migrating to developed countries for over two decades since Burma's nationwide uprising in 1988. The major push factors for the migration of Chin people political instability and economic problems including poverty, unemployment and poor education in Chin State. Most of the Chin illegal migrants in Malaysia and India are resettled in North America, Australia, and European countries. Asylum-seeking through the United Nation High Commission for Refugees (UNHCR) based in India and Malaysia is the primary means of migration. The current ongoing migration of Chin people in Myanmar/Burma can be identified as both economic migration and political migration. After the military controlled state's power and socialist government emerged in 1962, Myanmar has become one of the poorest nations of the world. Chin state is the least developed region of Myanmar. The survey conducted by the United Nations Development Programme (UNDP) has found that Chin State remains the

poorest among 14 regions and states in Burma with 73.3 percents of the people below the poverty line (Ko Pauk, 2011). Chin people practice shifting cultivation and agricultural land is not sufficient enough for the region to sustain an independent economic system. At the same time, the demands for better standards of living have been increasing dramatically. Moreover, there are no efforts towards to support and develop the agricultural sector under the military regime, the State Peace and Development Council (SPDC) that ruled the Burma (Cherry, undated). The Chin people began to escape from the political and economic crisis in home countries since the late 1990. Political and economic crisis leads a massive migration of Chin people to western developed countries. Political instability was the main pushing factor for migration of Chin people until the year 2000. The migration trend was changed in late 2000. Remittances became the main pulling factors for migration of Chin people. Family, relatives, and community are supporting each other to send more people abroad for the hope of remittances incomes.

Chin people living and working in more developed countries send remittances back to their families left behind in Myanmar/Burma. Both political and economic migrants send remittances to families left home in Chin State. Along with the increase of migrant population, volumes of remittances flow back to home have been increasing. Remittances, finally, become main business for the rural community. In general, remittances sent by resettled Chins living in other countries are accepted as one of the main income sources for Chin people living in Chin State, Myanmar/Burma. The majority of rural households in Chin State receive remittances from family members living and working Similar abroad. Most remittances flow through private and unofficial channels, and via a variety of informal channel or non-banking instruments. Although remittances are often assumed to be an important factor in the development of developing countries, the specific ways in which remittances contributes to as the improvement of living standards, sustainability and economic productivity in Chin State has not yet been researched. Neither empirical study nor research of the impact of remittance on development of rural Chin people has been done by any individuals, organizations and government sectors so far.

1.2 Statement of Problem

Majority of rural Chin households are receiving remittances for more than a decade. Chin State, one of the poorest regions in Myanmar/Burma, is now economically sustained by remittances sent from Chin people living and working abroad. Compared to other states and division in Myanmar/Burma, Chin States remain economically lowest level. A mountainous region with very difficult transportation link and communication, Chin people mainly rely on traditional shifting cultivation for livelihood. Majority of Chin people, especially in rural areas, used to live in hand-to-mouth situation. Under the military government, no development project has been proposed except the increase of military battalion and army camps. Remittances become one of the greatest sources for Chin people in Chin State after a vast migration of Chin people to developed countries of all around the world.

Migrant Chin people send remittances back to family members left behind in Chin state, Myanmar. More importantly, remittance is considered as an important and stable source of income for Chin people in rural community. According to general assumption, majority of households in rural Chin villages receive remittances from migrant families abroad. Remittances sustain livelihoods of majority of households in rural areas. Another assumption is that the distribution of income through remittances is one of the main factors that somehow sustain rural families' financial and other basic needs and improve living condition. According to Nwet Kay Khine (2007, p.3), heavy migrant sending areas inside Myanmar are relying on remittance than other income.

Despite large volume of remittance has been received by households living in Chin state, there has been no proof for the impact of remittances on development individual, households, and community in Chin State. Whether remittances give positive development impact to receiving households and rural community still remain puzzle. While remittances have positive development impacts to recipients, they also have negative implication or hindering development in some cases.

Particularly, there are many cases that remittances are misused by recipients. For example, traditionally rural Chin people rely on shifting cultivation for generations. But after they receive remittances for certain period of times they become totally dependent on remittances money and stop doing cultivation and other businesses. In countries like Philippine and Nepal, remittances have several positive development impacts. Especially, remittances have large improvement of living condition of households, economic growth, and human capital development. However, the implication of remittances money to Chin people in rural community is still complicated. Particularly no academic study of whether remittances have development impacts or not on Chin people in rural areas has been done yet. All the assumptions about the implication of remittances are still without any empirical support.

Therefore, it is very important to explore the implication and contribution of remittances on the development of households as well as the community as a whole. This research explores the development impact of remittances sent to Chin living in rural Chin State. This paper examines the human development situation of rural Chin people using a case study of Aibur village. The overall human development basically imply that the development of livelihood, education, health, capacity, and economy of rural Chin people. In order to have clearer picture, the paper is categorized into three parts. The first section maps-out the pattern of remittance expenditures, including Chin peoples' motivations in sending remittances as well as the remittance expenditure patterns of households in rural Chin State, in order to shed light on the socio-economic and political context of rural Chin people. The second section explores the development impacts of remittances on livelihood of individual households, closely examining whether key indicators of living standard have improved for individual households receiving remittances. The research will also analyze whether remittances have positive impact not only to the receiving households but also how much it has impact on social economic development of the community. Finally, the paper explores the contribution of migrant remittances to the overall development of rural community in Chin State, looking specifically at the redistributive pattern of remittance income from the individual household to the

community level. Importantly this concluding section explores the contribution of remittances to collective, inclusive and sustainable development of rural communities as a whole including those who do not receive remittances.

1.3 Research Objectives

- 1) To explore the patterns of remittance and remittance expenditure in Chin community
- 2) To understand the development impact of remittances for individual households and communities

1.4 Research Questions

- 1) What are the patterns of remittance and remittance expenditure?
- 2) To what extent do remittances contribute towards the development of individual households?

1.5 Hypothesis

Remittance from migrants working abroad is one of the main income sources of rural households in Chin State. However, the development impact is determined by how much remittance contributes towards the income of households and how they are spent. More expenditure of remittances on productive means improves livelihoods of recipients. Remittance spent for their basic needs such as daily survival, food, shelter, clothing, etc are under the term of unproductive and education, investment, and creating income are identified as productive ways. Therefore, the research hypothesis is that remittances spent on productive means contribute towards human security and development of individual households as and community of recipients.

1.6 Research Methodology

In order to understand the impact of remittance on the development of rural remittance receiving community, a qualitative method of research was used to analyze the research finding. This method was used to collect information about remittance and its impacts regarding to development of rural household to community level as a whole. Field research was conducted as a means of collecting primary data and information of the impact of remittance on development local community in rural Chin State. The field research included interview, survey, focus group discussion and field observation. The field research enabled the researcher not only to obtain the primary information and data but also directly gave chances to observe the implication of remittance in the community. Documentary research was conducted to obtain secondary sources and data. The main purpose of using documentary research is to analyze and compare the functions and contribution of remittance to development rural Chin people and other regions or countries. Documentary research will include the review of case studies and publications about remittance in other regions and countries, reports from World Bank, Asian Development Bank, and other Non-governmental organization, academic research done by individual in this field, articles and press releases from media and websites

1.6.1 Research sites and respondents

The field research was conducted in Aibur village/community, namely in Aibur community in Aibur village, from which the researcher could find the most suitable and reliable respondents. Aibur village is composed of 189 households and total population including villager living both inside and outside of the country is 1259. Survey was mainly conducted to households of both remittances recipients and non-recipients. Interviews were conducted to community stakeholders and households.

The formants were randomly selected from the targeted community of field research. The respondents were divided into five groups:

- 1) Government officers (Head of Township administration, village chiefs);
- 2) households/individuals of remittance recipients, households which do not receive remittance;
- 3) CBO, Religious organizations, and private sectors;
- and 4) local community leaders and church pastors.

1.6.2 Method of primary data collection

Method of primary data and information collection included survey, and in-depth interview, and field observation. Questionnaires were used to conduct survey. Method of survey enabled the researcher to obtain primary data and information for the first and second research objectives. Through conducting survey the researcher could obtain general information of remittance implication and contribution to development of individuals and households.

The survey was conducted on 8-10 July 2012 and gave them two days to fill up all the survey questions. The survey was conducted to 30 households in Aibur villages. Households were randomly selected. Particularly, the survey questions included detail amount and percentage of remittances incomes, pattern of households' expenditures, and implication of remittances on their livelihood. The survey

In-depth interview was conducted with the following selected key informants,

- 1) Households (both recipients and non-recipients),
- 2) Government officials,
- 1) Local community leaders, NGOs/CBOs

Parents of five remittances receiving households were interviewed for family's cases studies in the village. Three religious leaders, two government officials, and another two persons from local CBO were interviewed to know the implication of remittances

in the community. Focus group discussion was also conducted to find out general perspective of community on the functioning of remittances within the community.

The interview questions were guided by the research objectives. Snow-ball sampling process was used to choose key informants. Both semi-structured and structured questions were used for interview. From in-depth interviews the researcher was able to obtain primary data for the second and third research objectives, although the interview mainly covered the third research question about the impact of remittance toward the development of rural community in the village.

During the field visit the researcher was constantly conducting and documenting field observations. The field observation included visiting families and households and getting information of remittances' implication through having informal discussion about living condition. This on-the-ground observation enabled the researchers to learn how remittances are used by individual households and regulated within the community. The researcher had total two weeks to conduct field observation. The field observation also helps difference of living condition between the recipients and non-recipients households.

1.6.3 Secondary data collection

Research on the development impact of remittances in Myanmar has not taken place in Chin State. This study makes use of existing research reports, academic journals, news journals, newspaper articles, as well as documents from private and non-governmental organizations and websites.

1.7 Scope and Limitation

This research is about studying the impact of migrant remittance on the development of Chin people in rural areas. The researcher could not count and calculate the size and volume of remittance money flows to rural Chin State. Instead, the research will present in percentage of incomes and expenditures. The research

focuses on the role of remittance on development of rural households and community level. It neither covered the remittance impact of the whole Chin State nor nationwide but only households and community in particular rural areas of Chin State. Especially human security and development will be measured through looking at expenditures. Therefore, the study mainly examined the contributions of remittances to rural development. The study firstly examined the spending pattern of remittance and how it has contributed towards the development of household such as economy, health, education and living condition. Secondly, the study examined the impact of remittance toward rural community development including the impact of remittance to non-remittance recipient individual/households within the community.

There were several limitations and constraints in conducting this research. Most importantly, due to the lack of remittance policy and government official record on the profile of remittance in Chin State, the exact data of remittance amount was not available. At the same time, the whole quantitative measurement of remittance could not be done. In addition, the case of migration, money transferring service and service providers such as agents and brokers are considered illegal according to the existing migration law of the government (Khine, 2007, p.9). Therefore, the process of conducting interviews and collecting information from migrant families and service providers took longer than expected.

Another major limitation of this research was the problem of transportation to access into research fields. As field research was conducted during the rainy season, the transportation situation was very difficult. Difficult transportation and communication somehow make the researcher delayed to get into the field on time. Moreover, as the interview and survey were conducted in Chin State, the researcher took longer time to prepare to get data in the community. As Chin people have several different dialects, all the research survey questions were translated into several different Chin dialects. Some meanings and texts could be left if the translation did not fully convey the original meanings of English (Khine, 2007, p.10).

1.8 Significant of the Research

Remittances have become a major source of income for developing countries. WB and IMF also agree that remittances have tremendous development impact to both sending and receiving countries. Countries like Philippine, Nepal, Bangladesh and etc. largely depend on remittances as greatest national income. Majority of Chin people in Chin State also heavily rely on migrant remittance sent by family members working abroad. It won't be wrong to describe remittance, like in other developing countries, as one of the most important income sources of Chin people in rural community of Chin State. However, little is still known about the impact of remittance on development of Chin people. There is no academic research and study about remittance and its impact on Chin people. Therefore, the study is significant because this will be the first new academic research conducted in the field of remittance impact on development of Chin people in Myanmar.

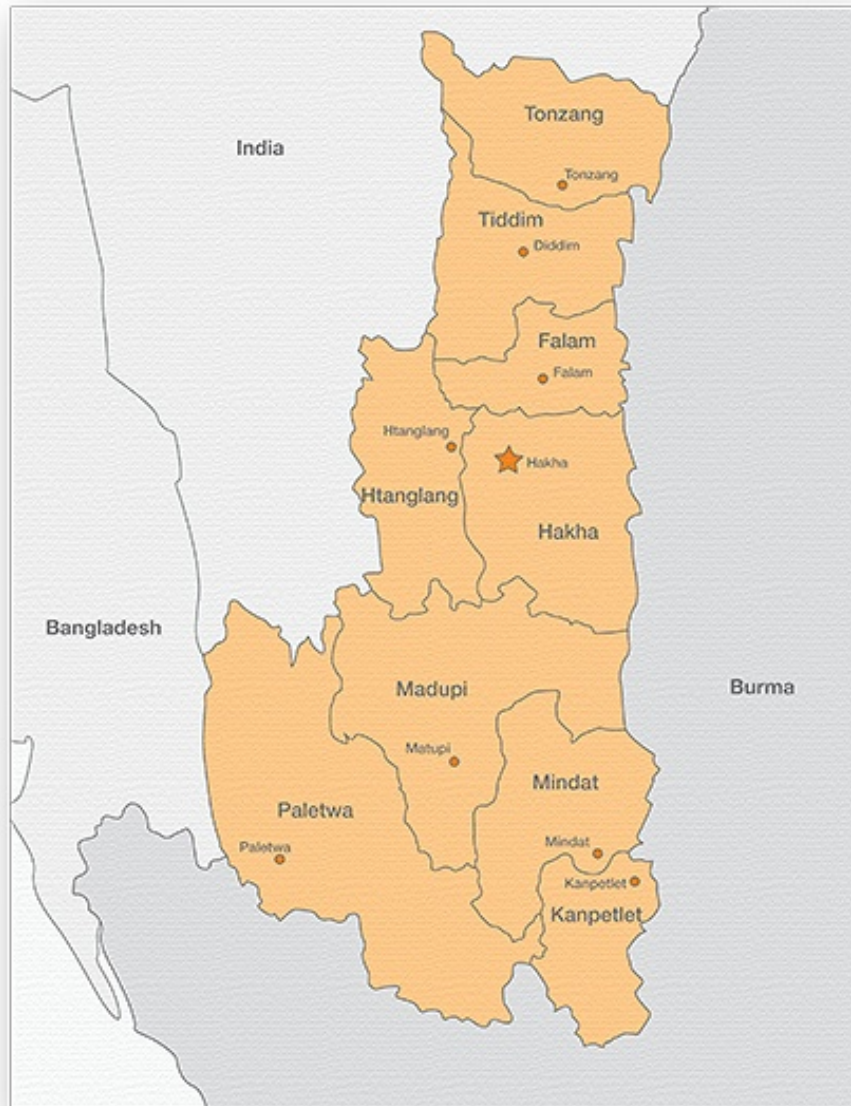
Moreover, this study will be a significant endeavor in promoting the need to engage with new government policy towards remittance. This study will also be beneficial to students, academia, and others who have interest in the role of remittance in economic, social, and political situation of Chin people in rural Chin State. Finally, this research will provide recommendations on how to evaluate the implication and impact of remittance on the rural development of rural Chin State.

1.9 Ethical consideration

The research is about remittances sent by permanent migrants resettled by UNHRC to rectified countries. Majority of them are illegal migrants which the military government of Myanmar call them betrayal. For this reason, some of the households in the community worry about names of their migrated family members to appear in this research paper. Therefore, the researcher tries to avoid putting their names on the paper. Instead, the researchers use son and daughter of particular case

number. In addition, while collecting data through interview or survey, the researcher tried all the best to get permission from all key informants. The researcher also avoids words that may offend the feeling of informants while doing interview, in-depth-interview, and focus group discussion with local people. Moreover, all the remittance service providers including brokers and agents are all involved in crimes against laws and regulations regarding illegal money transaction (Khine, 2007). They can be charged for committing existing law. Therefore, in order to protect them, the researchers agree to keep all their names and jobs confidential.

Map 1.1 Map of Chin State



Derived with permission from a map by Human Rights Watch (HRW) © John Emerson/HRW 2008.

CHAPTER II

LITERATURE REVIEW

2.1 Background of Chin Migration

Migration of Chin people out of western Burma/Myanmar to foreign countries is not a new phenomenon. Over the past two decades at least one third of the population has migrated from their homeland in Chin State to foreign countries. Driven by political instability and conflict, and related economic crises, Chin people have migrated in search of a safer place to live and better economic opportunities. The majority of Chin who migrated during this period has now permanently resettled in other countries.

The path to resettlement for Chin people usually meant travelling across a land border to a neighboring country (typically India, Thailand, and Malaysia) and then applying for refugee status with the UNHCR. After receiving refugee status, Chin has then been resettled by the UNHCR into third countries. The main destinations of Chin refugees are North America, Europe and Oceania countries. There are many interrelated push and pull factors in the large-scale migration of Chin people.

The two main push factors contributing to the migration of Chin people are economic insecurity and political instability and conflict under the military government in Myanmar/Burma. Khen Suan Khai (2009) shows that the continuing exodus of Chin people from Chin State to foreign countries is a result of the social, economic and political situation in Chin State. Channe Lindstrom (2003) supports this position by identifying poor governance, weak social structures, overpopulation, massive unemployment, conflicts for the control and distribution of resources, economic mismanagement and poverty, as well as ethnic, religious, and cultural antagonisms as internal root causes (Lindstrom, 2003).

2.1.1. Political migration

Political migration can be understood as any migration motivated by political condition within ones home country or place of residence. Generally, the migration of Chin people to foreign countries can be understood as a type of political migration. Chin people have been suffering political repression for decades. Particularly, since the military government led by Ne Win took power in 1962, ethnic people in Myanmar/Burma have been oppressed in various ways. Chin people from western Myanmar/Burma have suffered wide-spread and systematic human rights abuses at the hand of the Burmese military authorities as Chin State is one of the most militarized states in Myanmar/Burma.

The scale and severity of abuse by the Burmese Military government has hastened since the nationwide uprising in 1988. After this uprising was crushed, the Chin National Front (CNF/CAN) started armed-struggle for self-determination of the Chin people. In response to the CNF insurgency the Burmese military army increased the oppression of Chin people, based on the so-called “Four-Cuts Policy” targeting civilian populations in insurgent areas. Chin people have suffered a wide range of human rights violations under the rule of military dictatorship. The most common human rights abuses inflicted on people in Chin State are forced labor, forced portorage, arbitrary arrest and torture.

Being a member of the International Labor Organization (1948) and having ratified the 1930 Forced Labor Convention (No.29) (1955) in May 1999, the military government in Myanmar/Burma has issued Legislative Order No. 1/99 on the Eradication of Forced Labor to make forced labor illegal. However, in Chin State, people from rural areas are commonly forced to work for prolonged periods of time against their will and under threat of punishment for disobeying. Because they are farmers and depend on their harvests for a living, many of them are badly affected by this kind of forced labor. The most common type of forced labor in rural villages is being pressed into service as a military porter; which involves carrying equipment, rations, supplies, weapons and other items for soldiers patrolling from one village to another (Khai,2009). *Under decades of oppression by the Burmese military government, Chin people no longer feel safe in their homeland, and are unable to freely realize their full social, political and economic rights.*

As a result, ethnic Chin people started searching for safer havens to escape from their beloved homeland where they faced decades of oppression by successive military governments. This political instability and conflict has led to the large-scale migration of Chin people, both within and outside of the country (Kio, 2010). Ongoing repression and abuses by the Burmese military, combined with policies and practices of the military government, have pushed thousands of ethnic Chin to flee the country (CHRO, 2009). Most cross the land border with India, and some go to Malaysia and Thailand, where they apply for refugee status with the UNHCR. According to the estimates from the UNHCR and supporting non-governmental organizations 100,000 Chin refugees are living in India. This accounts for approximately 10% of the total Chin ethnic group (Politzer, 2012)¹. Since the early 2000s, a large number of Chins have been resettled as refugees in third countries including Australia, Norway, Finland, Denmark, Netherland, Canada, United States and New Zealand. Overall, it is estimated that at least 200,000 Chin people are currently living in foreign countries.

2.1.2 Economic migration

There has been much debate on whether the migration of Chin people can be characterized as political or economic migration. The Cambridge Dictionary defines an economic migrant as a person who leaves their home country to live in another country with better work or living conditions². It is clear that the large-scale migration of Chin people is to some extent related to the search for better work and living conditions. Therefore, this large-scale migration can be understood as economic migration driven by political instability and conflict in Chin State. Since the early 1990s, the military dictatorship - the State Law and Order Restoration Council

¹ <http://www.livemint.com/Politics/BvObDPgoE54WCySVnvIFeJ/Report-highlights-Chin-refugees8217-state.html>

² Data cited website <http://dictionary.cambridge.org/dictionary/british/economic-migrant>

(SLORC), later renamed as State Peace and Development Council (SPDC) – attempted to introduce a market economy in the country by liberalizing certain financial regulations. The so-called system of market economy imposed by State Peace and Development Council (SPDC) at that time did not result in economic development for Chin people living in Chin State. On the contrary, all economic sectors remained in the control of the military elites and their cronies; Myanmar/Burma’s economy was a classic example of “crony capitalism”.

Traditionally Chin people have practiced the slash and burn method of shifting cultivation. At present the majority of Chin people living in rural areas continue to rely on shifting cultivation for their livelihood. Under military rule Chin State did not receive any agricultural or economic development assistance, and the military government only focused on increasing the number of army battalions and camps. Chin State remains the least developed state in Myanmar/Burma (Palmer, 2011). It is estimated that 27 percent of children have no access to primary school, that 32 percent of the population have no access to health care, that 70 percent live below the poverty line. Citing a report from Human Rights Watch, Khen Suen Khai notes that the lack of communications infrastructure, lack of natural resources, low level of economic opportunities and persistent human rights violations are all factors that create and aggravate poverty in Chin State (Khai, 2009. p.39). Majority of Chin people live in a precarious situation with a high degree of food insecurity, especially in rural areas. The Unrepresented Nations and Peoples Organization (UNPO) have stated that migration of Chin people is due to increasing poverty³. Thus, migration pushes factors from political instability and conflict as compounded by economic hardship in Chin State.

³ Date cited from UNPO website, <http://www.unpo.org/article/13380>

2.1.3 Government policy toward migration and foreign currency

The new nominally civilian government of Myanmar/Burma has not yet adopted a specific labor migration law or policy, although the creation of a draft labour migration policy was announced in October 2012⁴. The only migration-related laws on the books are the older Law of Overseas Employment of 9th July 1999 and the establishment of an Overseas Employment Supervisory Committee (Khine, 2007, p.22). The government provides licenses to foreign employment agencies under the Law of Overseas Employment. These agencies are also given technical support by the government. According to the Foreign Employment Law (99) Section 25, Sub-section (d), these licensed agencies take responsibilities of migrant workers, especially when they are deprived of rights in foreign countries (Dr. Myat Nyana Soe)⁵. According to the Law of Overseas Employment only licensed agencies are legally allowed to recruit workers. Licensed agencies often charge high fees and limit the freedom of laborers with strict regulations. In addition, according to the Foreign Exchange Regulation Act of 1997, any currency which enters to Myanmar through legal Myanmar Bank must be converted into Kyat or Foreign Exchange Certificate (EFC) (Khine, 2007). Due to the high fees demanded by licensed agencies, the strict rule and regulations they impose, the lower exchange rates offered by official banks, and difficulties involved in maintaining a valid passport most of Chin people don't choose legal means to go abroad.

2.2 Conceptual Framework

The large-scale migration of Chin people has had several impacts on individuals and communities in rural Chin State. One of these impacts is the role of

⁴ <http://www.elevenmyanmar.com/national/839-myanmar-to-introduce-labor-migration-policy>

⁵ http://www.burmalibrary.org/docs12/PYIDH-NLM2011-03-migrant_workers-29.pdf

remittances as an important source of income. It is clear that increasing reliance on remittances sent by migrants living and working in developed countries has had significant impacts on the political, social, and economic development of rural Chin communities. The impacts of remittances on the development of rural Chin State can be determined by examining two main factors: the patterns of remittance expenditure, and the redistribution of remittance income within the wider community. Patterns of remittance expenditure reveal the contribution of remittances to the daily life of individuals, households and community-level organizations. Inclusive development of the community depends on how the remittances are shared and redistributed within the community. Examining remittance expenditure and redistribution patterns will enable a determination of how remittances have impacted the development of rural Chin State.

2.2.1 The flow of remittances and patterns of expenditures

Since international remittances make up such a large element of financial flows within the global economic system, many researchers have focused on how remittances have been utilized by recipients. The question of how remittance income has been spent by recipients has been raised and debated among academics. Nwet Kay Khine has identified two main patterns of remittance income consumption: consumption for basic needs and consumption for investment (Khine, 2007, p.16). Basic needs consumption includes purchasing food, shelter, healthcare, consumer goods and paying-off debt. Khine characterizes basic needs consumption as an “economically less productive” expenditure of remittance income. Investment consumption includes running a small business and education for children. Khine characterizes investment consumption as an “economically more productive” expenditure of remittance income.

She also argues that the implications of reliance on remittance income are not always positive or productive. Sometimes, all the remittances sent by the migrant are spent only for daily basic needs of the family and remittances can bring nothing in terms of further income generation or long-term investment (Khine, 2007, p.16). The term “basic needs” refers to the remittance spent for food, water, shelter, and clothing

(Denton, 1990). Using data from Bird, Prime Sarmiento (2009) also argued that “the consumption bias” depends on the socio-economic status of the family and lower income families spend a major part of their remittance income for basic needs and unproductive purposes such as purchasing consumer goods. He states that poorer families use remittances for basic consumption until their basic needs are met and only after that point can they gradually begin spending on investments such as housing, education, and small business enterprises. Moreover, Kelly Bird (2009), an economist at Southeast Asian Development of the Asian Development Bank, argues that Overseas Filipino Workers (OFW) households tend to spend remittances on consumption, and therefore do not promote investment and future income generation. What all of these researchers have highlighted is a tendency for remittance income expenditure to be utilized for “economically less productive” purposes.

On the other hand, many researchers have found that remittances are used in more productive ways. The term “productive expenditure” basically means remittances spent on creating income generation opportunities. For example, remittances spent for education or buying land or as capital to run a business enterprise can be characterized as productive. Buying land can provide a return on investment if the price of land is always increasing. Edward and Ureta (2003) found that remittance has been spent for productive way by pointing out how remittances impact on the decreasing of students drop out school in urban areas of El Salvador. Yang (2005) also found that remittances tend to be spent on education. Matthie (2011) argued the positive impact of remittances by stating:

A significant and positive impact of remittances from abroad on households’ education expenditures is found for El Salvador, Guatemala and Peru but not for Mexico, Nicaragua, Jamaica and the Dominican Republic.

The article of Prime Sarmiento (2009) also provides some important evidence of the productive use of remittances in The Philippines;

“There is increasing evidence that over time, Overseas Filipino Worker (OFW) households are spending a higher proportion of remittances on investments – in children’s education and small enterprises. Remittances have reduced the national headcount poverty rate (in the Philippines) by at least five percentage points.

Remittances are also cushioning the Philippine economy from the adverse impact of the global financial crisis.”

In conclusion, whether or not remittance income is utilized for more or less economically productive purposes depends on the socio-economic condition and environment of the recipient individuals and households. According to the literature reviewed above, it is clear that remittance recipients in more developed regions tend to spend remittance income for economically more productive purposes, while recipients in less developed regions tend to spend remittance income for daily survival and basic human needs.

2.2.2 Role of remittance in economic development and human security

The global flow of remittances to developing countries has been increasing along with the increasing integration of the global economic system. Interest in the impacts of international remittances on economic outcomes and household welfare in Less Developed Countries (LDCs) has been on the increase in recent years. The issue of whether remittance income has been a contributing factor to economic development and poverty reduction of recipient countries has been greatly debated among academics, economists and politicians.

There are many scholars who argue against the idea that remittance income contributes to economic development in LDCs. Those that believe remittances do not contribute to economic growth point out the expenditure of remittance recipients tends towards conspicuous consumption (Rahman et al. 2006) and that any savings are being spent on consumption rather than for the accumulation of productive assets (Stahl and Arnold 1986). Basically, this group believes that remittance income tends to be spent for short-term family survival rather than for long-term economic development and sustainability.

Those that argue in favour of positive developmental effects from remittance income focus on the multiplier effects of consumption (Stahl and Arnold 1986), the development of the financial institutions that handle remittance payments (Aggarwal et al. 2006), the use of remittances as foreign exchange (Ratha 2005), and the role of

remittances as an alternative to debt that helps alleviate individuals' credit constraints in countries where micro-financing is not widely available (Guilamo and Ruiz-Arranz 2006). Juthathip Jongwanich (2007) states that for many developing countries such remittances constitute the largest source of foreign exchange earnings; often exceeding export revenues, FDI, aid or other private capital flows. Therefore remittance income becomes a relatively attractive source of foreign earning for developing countries.

Empirical studies done by the World Bank, the International Monetary Fund and International Fund for Agricultural Development highlight positive impacts from remittance income on economic development of receiving countries. These studies argue that there is an important role of remittance in economic development and improvement of living conditions of both receiving households and countries. According to the latest issue of World Bank's Migration and Development Brief, remittance flows to developing countries are estimated to total \$351 billion in 2011, an increase of 8 percents over the previous year (World Bank, 2011). In some developing countries, remittance income has been even more important than foreign direct investment (FDI) as a source of capital inflow. Between 1990-1999 and 2000-2006, the share of international remittances as a portion of GDP increased by about 216% while foreign direct investment FDI as a portion of GDP and development aid as a portion of GDP ratios increased by only 8 percents and 16 percents respectively (World Development Indicators: 2007).

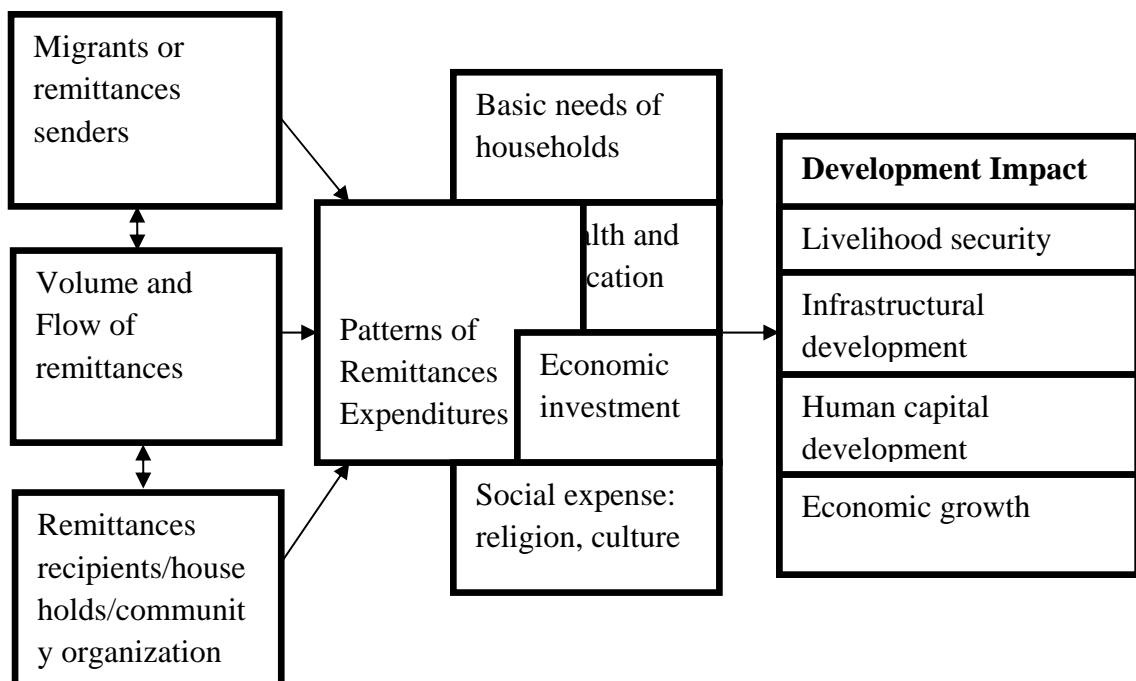
Taylor (1992) and Faini (2001) also find a positive association between remittances and economic growth. Taylor (1992) finds that every dollar Mexican migrants send back home or bring back home with them has a multiplier effect on Mexico's GNP from anywhere between USD\$2.69 and USD\$3.17.

Moreover, several developing countries including Sri Lanka, Nepal, and Tajikistan have access to a large and relatively stable source of foreign exchange in the form of workers remittance. In Sri Lanka, over the last two decades, workers' remittances have increased by annual average of 10 percent; since 1993, and in 2005, worker's remittances amounted to 8.3 percent of GDP, compared with 2.5 percents of GDP in official development assistances (ODA), 1 percent of GDP in Foreign direct investment (FDI), and 0.5 percent of GDP in portfolio investment (Erik Lueth and

Marta Ruiz-Arranz, 2007). Tajikistan is a country with one of the highest share of GDP (45 percent) generated through remittances and contributed to the substantial poverty reduction from 72 percents in 2003 to 53 percents in 2007 (World Bank, 2009).

Although there is some disagreement about the overall impact of remittance income to economic development in different LDCs, it is undeniable that inflows of remittance income have contributed to the GDP growth of receiving countries. In order to gain a better understanding of what development impacts remittance income may have we need to further examine the specific patterns of remittance expenditure and distribution. The following chapter will examine the patterns of remittance expenditure and distribution in rural Chin State.

Figure 2.1. Conceptual Framework



CHAPTER III

FINDING ON REMITTANCE RECEIVING FAMILIES AND THEIR EXPENDITURES

The chapter contains research finding of remittance receiving families: estimated volume income and expenditure of remittances of individual households.

3.1 Background and profile of Aibur village

The field research was conducted in Aibur village in Chin state. The village is located in northern Chin state, forty miles far away from Hakha and thirty miles from Thantlang⁶. Hakha, the capital city of Chin state, and Thantlang Town are both located to the north of Aibur village. Twenty miles to the west of Aibur village is the Bawinu River which is also the India-Myanmar/Burma border. The village is surrounded by neighboring villages Leitak in the north, Tisen and Sentung in the south, and Khuabong and Lungcawi in the west. Tawncaw (Tawngcaw lam) road - the main road connecting Thantlang and Mitupi Townships and providing access to Thantlang and Hakha - passes through Aibur village. The road was constructed in early 1970 by local people without state or central government support. However, due to poor construction and lack of government budget allocation for reconstruction, no buses or large trucks can access Aibur village at present. Only small vehicles like jeep and motorbike can access the village, and then only in the dry summer season. Traveling by jeep and motorbike is very dangerous and most people dare not travel by motorized vehicle. During the rainy season villagers have to walk on foot for two days to visit Thantlang or Hakha. Difficult transportation and communication between rural and urban areas is one of the main factors which widen inequality in between

⁶ Thantlang is one of the Towns in Chin state, and Aibur village is in Thantlang Township administration area.

rural and urban dwellers in Chin State, especially in terms of economic opportunity and education.

Villagers from Aibur cannot effort domestic phone access, and instead use significantly cheaper Indian phone service to communicate with family living abroad. Even though Indian phone service is easier to buy and cheaper, it is also difficult as people have to travel to India every month to pay the phone bill. The villagers encounter many obstacles in term of access to transportation and communication.

The population of Aibur village consists entirely people from the Chin ethnic group. The Zophei⁷ language, which is one of Lai tribal dialects, is used as the common language in the community. On the other hand, almost all the population can speak, read, and write Hakha Chin language. Hakha Chin language is used for communication with other tribal Chin people. There are also some people who speak Lautuk (Lai) and Hakha (Lai) Chin language in the community. The whole community practices Christianity as their religion. Christianity has influenced their culture and living style. Christmas, new years, and Thaupuai⁸ are the festivals celebrated in the community. There are three denominations present in the village, namely the Baptist Church, the Church of Jesus Christ, and the Bread of Life Church.

Aibur villagers traditionally rely on slash and burn method of shifting cultivation for their main livelihood. Sometimes due to the unpredictable climate and failure of crops, they cannot harvest enough food to sustain them for the entire year. In 1988 after the new military government - the State Law and Order Restoration Council (SLORC) - took power from the Burma Socialist Programme Party (BSPP) a nominal market economy system was introduced in Myanmar/Burma. However, no

⁷ Zophei is one of administrative areas within Thantlang Tsp. composed of 20 villages

⁸ Thaupuai is one of festival celebrated after harvest time.

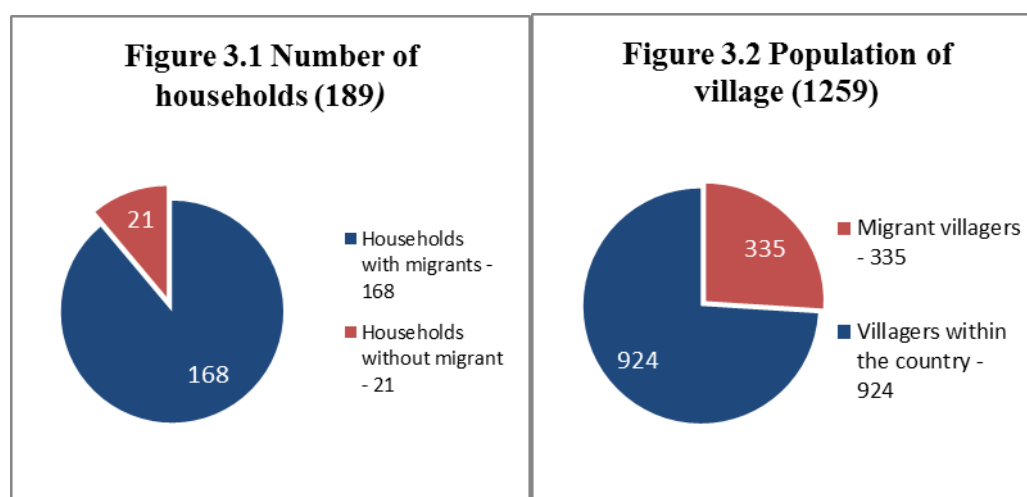
economic opportunity was created in Chin State by the military government. The so-called market economic policy neither benefited not created economic opportunity for the Chin people living in Chin state but controlled by a corrupt military elite and their cronies. No infrastructural development or economic development plan was proposed by the State Law and Order Restoration Council (SLORC) except a middle school and village health center; instead they increased military battalions in Chin State.

Aibur village is one of the largest villages in the Zophei area. The population of the village is estimated to be 1259; with 924 currently living in the village and 335 living outside of the country. Due to limited access and communication the researcher was not able to determine the exact number of Aibur villagers currently living in India. Only estimated number of villagers living in India is obtained by the researcher, but a rough estimate puts the number at 22 all of which as temporarily living in Delhi awaiting resettlement to third countries by the UNHCR.

Table 3.1 Population of Aibur village living inside and outside of the country

No.	Country of Resident	Male	Female	Total
01.	Chin state (Myanmar)	463	461	924
02.	United States	81	63	147
03.	Japan	-	1	1
04.	Australia	21	19	40
05.	Germany	1	-	1
06.	Canada	5	10	15
07.	Norway	6	5	11
08.	New Zealand	2	3	5
09.	Denmark	3	4	7

10.	Sweden	3	6	9
11.	Malaysia	49	28	77
12.	India	18	4	22
Total Population				1,259 persons



The residents of Aibur village used to earn external income from traditional animal husbandry; breeding cows, buffalos, pigs, and chickens to sell. Due to limited access to markets in Myanmar/Burma they used to export to India by illegally crossing the border. In summer time the villagers also cross India Burma border in order to find extra income for their family as casual laborers. Usually, the local people went to India to work in road and building construction.

For the local people shifting cultivation is the only easiest way of making living. Majority of the local people make their living from shifting cultivation. There is a Thanghawr stream (Thanghawr nel) and along Thanghawr stream bank there percent of the villagers are rice fields where the villagers can grow rice. Around 40 percents

of households living in Aibur village own agricultural lands, especially rice field along Thanghawr stream bank. At least 20 percents of households can rely on agricultural land for their living. Landless households rely on shifting cultivation. This stream bank used to be the rice bowl of the local villagers. Unfortunately, due to the increasing population and unexpected flooding in May 2010 estimated 30 percents of agricultural lands, especially the rice fields along the stream bank were destroyed and the local people can no longer depend on these rice fields. They now have to rely on rice imported from central Myanmar/ Burma, which is a lot more expensive and difficult to transport to local village. Difficulty in transportation and communication hinders economic opportunities and makes the livelihood of the community extremely miserable.

In terms of basic infrastructure, Aibur village has a government-established middle school and a village health center. Due to the population increases, a new primary school was proposed by the village in 2010. The proposal has been approved by the government and the school is under construction. There are presently around 200 school-age children in Aibur village. A mini-hydro electric power station was constructed by the villagers in 2009 with funding sent by migrants residents of the village. The villagers can use electric power six hours per day with the current mini-hydro electric power station. Starting from 2011, in collaboration with migrant villagers in developed countries the villagers have proposed a project to construct a bigger megawatt hydro-electric power which can provide them at least 12 hours per day. In 1995, the UNDP provided the village with a water pipe from which the villagers can access potable water. Every household in the village can get water in their kitchens through the pipe. A pre-school, kindergarten, is run by the villagers started from 2009. The main financial resource for running pre-school comes from remittance sends by migrant villagers abroad. There are forty children attending the pre-school. Local community library was first started in 2005 by a local church. Initially, the library was funded by the church but starting from 2010 all the administration costs of library come directly from remittances sent by migrant villagers abroad. The village also has rice bank. Rice rations received from INGOs/NGOs, local community-based organizations, and other donors, are stored in

the village rice bank and redistributed to the villagers. The community rice bank was established in 2010 after the unexpected flooding and destruction of agricultural lands along the stream bank.

The community is very much influenced by Chin traditional “way of life” which is deeply rooted in the principle of Christianity. This community practices the same system of symbols collectively; they do not only share the same religious faith but also same culture and norms which Lian H. Sakhong defined as Chin traditional “way of life” (Sakhong, 2003, p.21). By tradition, the community practices the culture of sharing and redistribution within the village, neighboring households, and relatives. The religious and community leaders also promote the traditional practice of sharing and distribution among each other. For instance, if a hunter returns from hunting with an animal, he would never bring it home for his family alone. He would invite his neighbors, friends and relatives, and share meat with them equally. The same is true for farmers who own agricultural land. Especially during harvest time, the farmer would invite poorer families in the village and let them harvest for their own consumption for one or two days.

“I used to have agricultural land for growing rice. Unfortunately the unexpected flood destroyed the entire rice field. I thought that I would be able to reconstruct again. However, I could not use the rice field anymore, and I had to work harder on shifting cultivation. As you know, it is unpredictable what the harvest would be. Sometime, if the weather is good we harvest more. Sometime the harvest fails. So it is impossible to rely entirely on cultivation for living especially for a family like mine. However, by the grace of God I never worried much about how to survive the whole year if the villagers had good harvest and enough food. I used to think that as long as the villagers have

enough food for one year that means we also had enough food.” (Zo Hre, pers. Comm., July 11, 2012)⁹.

Remittance income began flowing into the community since the early 2000s. Previously shifting cultivation, permanent rice farming and animal husbandry were the main income generating activities of the community. Animal husbandry earned the most income, and an individuals or family’s wealth was measured by how many animals and agricultural lands they owned. However, the inflow of remittance income has changed this structure. At present, animal husbandry and agriculture is mostly done by family or households that have no income source from remittances. Households without remittance income have to work so hard on breeding animals and cultivation while remittance receiving households live more luxuriously and enjoy a higher living standard. Recently, the remittance receiving families have larger number in the community. There are less families earning main income from agriculture and animal husbandry in the community.

Table 3.2 Basic Infrastructures of Aibur village

No.	Infrastructure	Remittance funded	Number
1.	Middle school	Partially	1
2.	Mini-hydro electric power	Fully	1
3.	Church Building	Partially	3
4.	Public Dispensary (health center)	Partially	1

⁹ Interview with a villager about his livelihood

5.	Football ground	None	1
6.	Primary school	Partially	1
7.	Pre-school	Fully	1
8.	Phone	Fully	9
9.	Water pipe	UNDP	1
10.	Library	Fully	1
11.	Rice bank	Partially	1

3.2 Finding on Remittances Income and Expenditure

This section looks more specifically at the remittance flow patterns in the community. Different flow patterns (both in terms of amount and frequency), how migrants foresee remittances being spent by recipients, and the correlation between remittances and contact between family members, as well as the level of engagement migrants have with their home country, are all discussed here.

Remittances have been flowing to the community for more than a decade. Starting in the early 2000s the incomes of households in Aibur village have been augmented by remittances, as increasing number of village residents migrated and resettled. Due to the lack of a formal banking system connecting the village to the outside of the country most remittances are sent through informal and unofficial non-bank channels.

It is difficult to verify the overall volume of remittance flow to the community because they are sent via a variety of informal non-banking system financial instruments and brokers. However, it is clear that remittance have become a major and stable source of income for the rural community. As mentioned above, remittances are mainly sent by resettled migrant family members who are living and

working in developed countries, particularly North America, Europe, and Oceania countries. There are main three remittance flow patterns.

The first remittance flow pattern is when resettled migrants send remittances to their families and relatives based on their needs and requests. Remittances are sent irregularly and only when families and relatives request money for particular purposes including unexpected health problems, urgent needs for debt repayment and school fees for particular children. Sometimes large amount of remittances flow at once based on the request and needs of the recipients. According to the research survey 60 percents of the total population in Aibur village receives remittances on an irregular basic.

The second remittance flow pattern is on a more regular basis. Resettled migrants take the responsibility for supporting their families and send remittances regularly for their day-to-day living expenses. For these recipients, remittances are their regular and stable source of income. Often, the remittances expenditure patterns are controlled by remittances senders, however this is not true in all cases. Field research has shown that households that are regular recipients tend to have more than one family member living abroad.

The third remittance flow pattern is when migrants send remittances collectively in support of community and religious organizations. There are several community, social, and religious based organizations in Aibur village which are mainly funded by remittances. These organizations have their own projects and most of their projects are funded directly by remittances sent collectively. For example, Aibur Thanchonak Bu (ATB) also known as Aibur Development Program (ADP), Summer Teaching Program (STP), Aibur Kindergarten, Aibur Youths Fellowship, and church based projects are partially or fully supported by remittances sent by collective resettled migrants in North America and Europe. Resettled migrants collect money themselves and remit money to the organizations in the community for the purposes of community development and other social services. The volume of money transferred to the organizations is determined by the size of the projects proposed by the organizations.

Thus, we can see that the expenditure of remittances often, but not exclusively, depends on the needs of the receiving individuals, households, and organizations. Based on an analysis of the household case studies and survey, in the community provide mixed evidence of pattern of expenditures. Obviously, most remittances flow to individuals is controlled by senders especially expenditures of students who studies away from home are decided by the sender and parents. However, parents are the decision makers within family. The patterns of expenditures of remittances flow to community organizations are decided according to the project plans that the organizations are engaging to implement within timeframe. This section will be explained more detail in the pattern of remittances expenditure.

3.2.1 Livelihood and Estimate Income of Remittance

Shifting cultivation used to be the only main income sources in rural community including Aibur village. It is the only easiest way of making living for most households. However, due to the increasing population in the village and the increase deforestation caused by the slash and burn method of cultivation, the access to lands and agricultural forests become very limited. Cultivation can no longer secure livelihood of people in the community. This is one of the main reasons that people started migrating to seek better income and more secure livelihood. They migrated to more developed countries in order to support their families left behind. And remittances sent by resettled migrants, of course, increase income of the receiving households. By remittance it means sending income in terms of money in home by the migrants or workers who have their earnings outside their home country. Remittances are typically helpful to meet specific needs of the respondents' family members and thus tend to increase their standard of living (Gaudel, 2006). It has certain impacts on livelihood and living style of not only receiving households but on social relationship within the community. Due to lack of official and systematic record of volume of remittances flows, the exact number of remittances income that households, individuals, and community based organizations receive cannot be obtained. However, the surveys and interview conducted have shown that large portion of money has been flowing to both individual households and community based organization in the community.

3.2.1.1 Individual Households' Incomes

Out of 189 households in the village survey was conducted to 30 households. According to the survey 27 out of 30 households in the community have relatives or family members living in abroad; in developed countries like North America, Europe, and other developed countries. Obviously, not every one of relatives and family member living in developed countries send money to their families left behind. However, majority of them have been sending money to their families left behind. At least 25 households with relatives living abroad receive remittances

Table 3.3 Survey result of 30 households

Remittances	Recipients	Non-recipients
Numbers households	25	5

Volume of remittances incomes received by households is very. They are divided into four groups including households that receive fully, more than half, and partially of their incomes from remittances and non-recipients. According to field observation, households with relatives in Australia and Scandinavia countries are likely to receive more incomes from remittances than households with migrant family members in North America and Asian countries. Households receiving larger amount of incomes from remittances become more dependent on remittances and quit from working on cultivation and other business. However, majority of households in the community still work on cultivation even though they do not earn as much incomes as they receive from remittances.

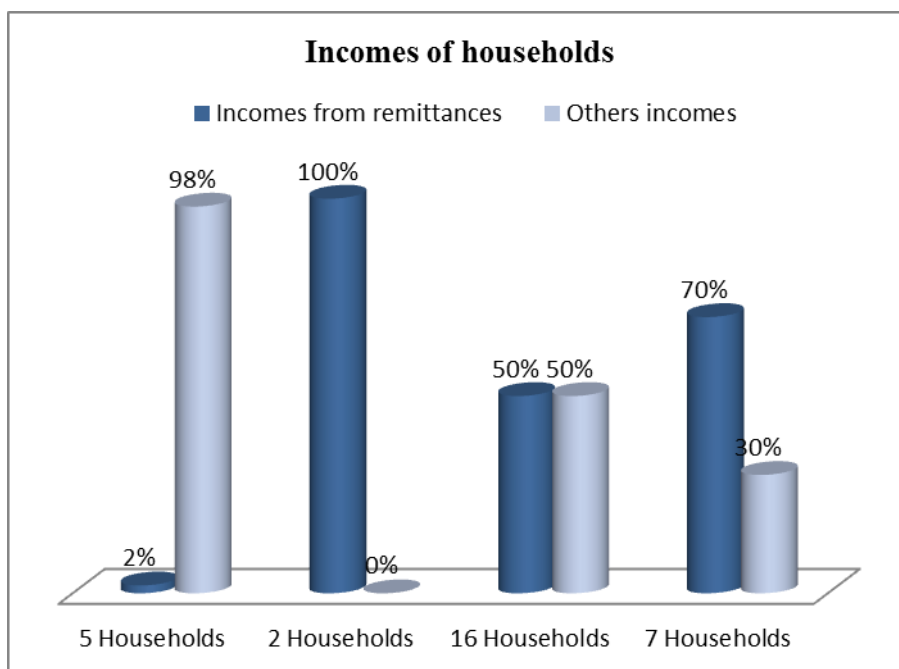
In Aibur village, the amount of remittance income received as a percentage of overall household income varies. The survey results show that recipients can be divided into four groups: households that receive 100 percent of their income from remittances, those that receive 75 percents of their income from remittances, those

that receive 50 percents of their income from remittances, and non-recipients. According to field observation, households with relatives in Australia and Scandinavia countries are likely to receive a larger percentage of their overall income from remittances than households with migrant family members in North America and Asian countries. Households receiving a larger percentage of overall income from remittances become more dependent on remittances, and often cease working on cultivation and other businesses. However, the majority of households in Aibur village continue to depend on cultivation for their livelihood even though they do not earn as much income as they receive from remittances.

Out of the 30 households that responded to the survey, 2 households rely on remittances for 100 percents of their income. These households receive remittances regularly and have two or more resettled migrant relatives in developed countries. After receiving remittance income they quit or ease working on shifting cultivation, animal husbandry and all other businesses. Out of 30 households survey 7 (23 percents) households receive more than 70 percents of their incomes from remittances. Within this group, the non-remittance income is earned from sources such as monthly salary, pension and selling of agricultural products. These households also receive remittances regularly and also have two or more migrant relatives. 16 households (53 percents of total survey households) out of 30 surveyed households receive for 50 percents of their overall income from remittances. This group of households continues working on shifting cultivation and animal husbandry to make up their extra incomes. This group reported that they are receiving remittances in irregular basic. These households reported using remittance incomes for additional expenses such as school fees and healthcare. The final group of 5 households (16 percents) does not receive any remittance directly although they have access to community services funded by remittances money. This group relies solely on traditional slash and burn method of shifting cultivation, animal husbandry and other seasonal businesses like orchid foraging for their livelihood. They don't have migrated relatives abroad. However, even though these households don't receive remittances directly they reported that they are able to access services provided by organizations that are funded through remittances.

So while the contribution of remittances to household income varies widely within the households of Aibur village, all households are able to access the benefits of remittance income, if only indirectly, as remittances flow to religious and community-based organizations which redistribute the benefits of this income across the entire community.

Chart 3.1 Percentage of households and remittance incomes level



Analysis: The total population of the village or community is 924 with 189 households and the survey was done to 30 households. The survey result shows that majority of households receive remittances. The survey proves that 25 out of 30 households are remittances recipient. 16 households receive maximum 50 percents of their incomes from remittances money. Seven households get more than 70 percents from remittances. Significantly 2 households from the survey receive entire incomes from remittances. The rest 5 households do not receive remittances income.

The remittances income level is very depending on numbers of migrant family members. Households with more migrant family members get higher income of remittances. For example family from case study 5 which has five migrant family members, receive largest volume of incomes from remittances as this family can

effort to by house in the city which most families in village cannot effort. In addition migrants' pure obligation to support families left behind is one of the factors of the flow of remittances. Majority of migrants understand the living condition of families left behind. Once they have income in migrated countries, they obligated themselves to send money back to their families left home. Often time, they not only send money but also fully obligated to support with the entire needs of their families.

Moreover, migrants living in more developed countries can remit more money to their families than migrants from less developed countries. From the observation it was found that households with migrant family members living in European and Oceania countries receive larger portion of remittances incomes than those living in North America and Asian countries. Especial, migrants from United States send less remittances money than other countries like Canada, Australia, and European countries. It is mainly because lower daily wage and some difficulties to get and maintain their jobs.

3.2.1.2. Incomes of Churches and Community based organizations

Churches and community based organizations in Aibur village receive significant funding from remittances sent by resettled migrants. However, the form and volume of remittances flow to churches and community based organization is quite different from that of individual households, especially for churches which receive remittances in many different forms.

Churches receive remittance money both directly from migrants and indirectly from local church members from remittance recipient households through donations, subscriptions, Tithing (tenth of hundred) and offerings. The exact amount of this indirect form of Church income from remittances is difficult to identify. However, it has been noted that Church incomes has increased significantly after the regular flow of remittances to Aibur village. According to an interview with a Baptist Church Pastor "It is obvious that the incomes of church increase after remittances flow more to church members, especially in this village a church that has more members with remittances recipients has more incomes (ZaThang, pers. comm., July 11, 2012)". Remittance recipients have more potential to contribute financially to church and other community services.

In Aibur village there are three main churches, and the level of indirect income from remittances varies depending on the population of church

members with remittances recipients. The Baptist church is the largest and appears to receive the greatest portion of remittances. It has approximately 600-700 church members. According to church financial records, estimated yearly incomes received from remittances amount 5,700,000ks which is equivalent to 5000-6000\$ USD. This estimation amount is remittance incomes received directly from migrant villagers. This estimated remittance incomes amount to approximately 40 percents of annual Church income. The two smaller churches estimate that they receive approximately 30 percent of their annual income from direct and indirect remittances. Both churches have approximately 150 members.

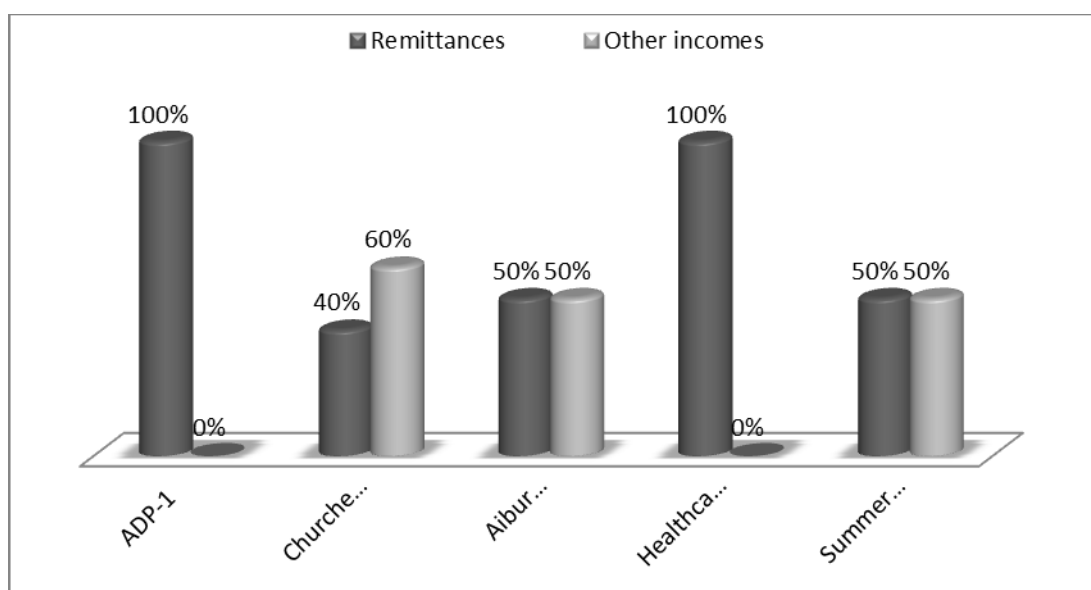
Community-based organizations including Aibur Thanchonak Bu (ATB) also known as Aibur Development Program (ADP), Summer Teaching Program (STP), Aibur Kindergarten, and the Aibur Youth Fellowship are partially or fully founded by remittances money.

ADP was established in December 2005 to engage in development projects in the community with financial support from remittances. Estimated 10 million Kyat (USD\$10,000) was spent for mini-hydro electric power project implemented in 2008 funded. All the budgets were entirely from remittances sent by migrant villagers. ADP is continuously funded by remittances in order to implement a number of community projects such as education development, healthcare, and road construction. To date, ADP has received 20 million kyat from remittances collectively sent by resettled migrants (Kio, pers. comm., July 13, 2012). Migrants send remittances to community organizations as a means to contribute to humanitarian services and community development. Collectively sent remittances are largest incomes of community organization. Basically, migrant villagers in each country organize themselves and send remittances to community organizations in home country. They collectively send to organizations that mainly engage in community development projects. Basically ADP receives collectively sent remittances because it is the only CBO engage on basic infrastructural development of the village. ADP constructed hydro-electric power with remittances incomes and community healthcares program is also a part of ADP's project.

The activities of the Summer Teaching Program (STP), Aibur Kindergarten, and Aibur Youth Fellowship are all partially supported by remittance money. Detail amount of incomes received from remittances could not be obtained due to lack of record. However it was reported that approximately 50 percent of their annual incomes are received from remittances. "We started Kindergarten with money donated by resettled villagers living in United States and Canada; we got partial support and asked churches' contributions. However, it won't be possible if we did not get remittances as endorsement (Mawng, pers. comm., July 8 2012)."

It is clear that both religious and community-based organizations in Aibur village rely directly on remittances for a significant portion of their annual income. Especially for community development project budgets are mainly from remittances.

Chart 3.2 Incomes of community organizations



3.2.2. Pattern of Remittance Expenditures

The research survey results show that food, education, clothes and shelter are the top expenditure categories for remittance income. However, patterns of remittance expenditure also vary depending on the specific needs, wants and future plans of the senders and recipients. In particular, the expenditure patterns of individual households and community-based organizations are quite different. While individual households spend more on basic needs, community-based organizations focus their expenditures more on activities with collective benefits.

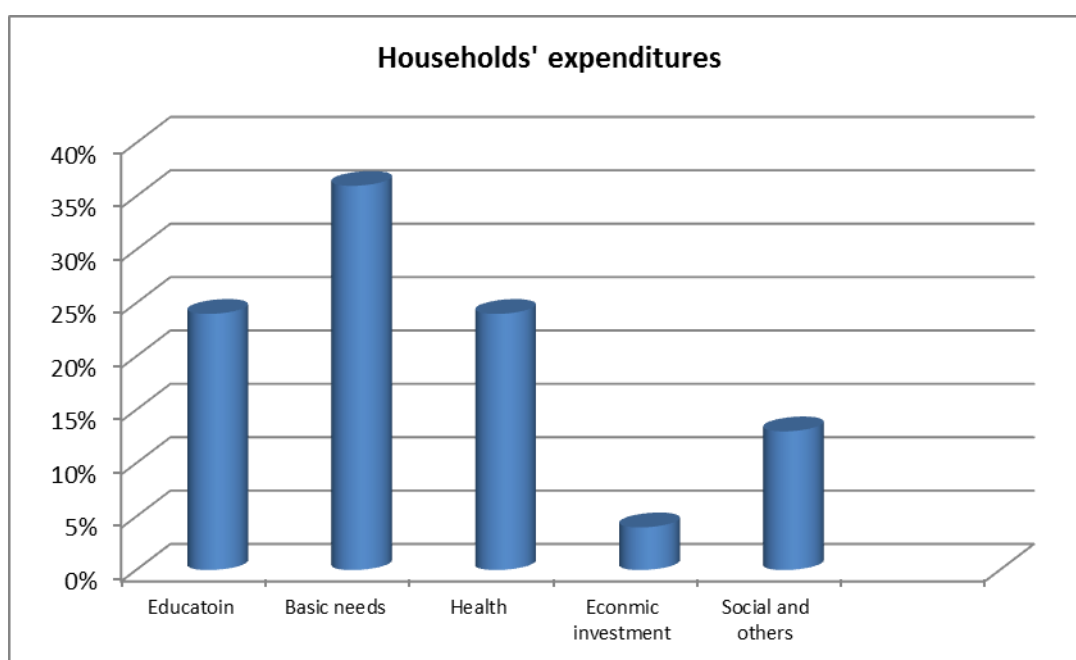
That being said, all remittance flows to Aibur village cannot automatically be said to have positive impacts in terms of community development; a more detailed analysis of expenditure patterns and outcomes is necessary. The expenditure patterns in Aibur village can be divided into five main categories: education, basic need, health, economic investment, and social and collective benefits.

Chart 3.3 shows the specific survey findings relating to how remittances are spent by recipients. During conducting research survey to 30

households respondents were given multiple choices to indicate if they spend remittances for any of those purposes, and they were able to choose more than one category. The survey provides a descriptive finding of expenditures by category. Overall, the three top types of expenditure were reported as basic needs of households, followed by education of children and health expense. The result of survey to 30 households shows that these three patterns are the core expenditures of remittance receiving households.

Other households' minor patterns of expenditures are economic and social expenses. Economic expenditure means remittances spent by households on economic reasons such as increasing remittances money through investment on business. Despite the increasing of amount of remittances flowing into Aibur village over the past two decades, the survey does not show much expenditures of remittance income for economic investment. Social expenditure is remittances spent on social and cultural events. It can be family spending money for cultural and religious celebrations and other consumptions. More detail expenditures will be presented in series.

Chart 3.3 Households' Expenditures



3.2.2.1 Basic needs

Detailed case studies of five households and survey interviews conducted with 30 households show that basic needs expenditures are prioritized for the largest portion of remittance income expenditure. According to Denton the definition of "basic needs" includes food, water, shelter and clothing (Denton, 1990). In the case of households in Aibur villages basic needs include food, shelter, clothes, and households' facilities. While in the past the majority of households in Aibur village struggled for daily survival, at present the minimum living standard of people in the community is such that everyone is able to sufficiently satisfy their basic needs.

According to the research survey to 30 households, 25 households receive remittances incomes. Out of 25 households 13 households spend more than 50 percent of their remittances incomes for basic needs. The rest 11 households spend their remittances more for other purposes. Focus group discussion of 7 persons in the community mentioned basic need as the highest pattern of expenditure of remittances. According to semi-structured interviews with five remittances receiving households, three main reasons emerged as to why remittance income expenditures are prioritized for basic needs.

First and foremost, villagers report that if given the choice they don't want to continue engaging in shifting cultivation in order to meet their basic needs. For those remittances shifting cultivation is seen as difficult and dangerous way of living. Shifting cultivation is the traditional livelihood in the area, but it is also very difficult, dangerous, and full of uncertainty as sometimes a whole year's work cannot provide sufficient food for a household. Therefore, as soon as household gain access to an additional source of income from remittances, their priority is to use the incomes to buy food from the city or elsewhere. Almost every household in the community reported that their greatest priority is food for survival.

“We used to work so hard on shifting cultivation before we receive remittances from my daughter and son living in the United States. There were many times the family was lack of cash. In order to get money we had to wait until the harvest time. Sometimes we took everything we need such as medicine, clothes, and others in credit and waited until the harvest time to pay debt. Remittances save us from all those problems. We can buy food without doing shifting cultivation” (Bil, pers. comm., July 8, 2012).

Secondly, remittances senders instruct their families not to put too much effort into cultivation as the migrant want to feel as though they are adequately supporting them and taking responsibility for their basic survival. This reason is most often reported in the case of remittance recipients who are elderly. Remittance senders feel obligated to fulfill the basic needs of their families, and encourage them to stop working on cultivation. As it is they spend large portion of the remittances income on food and other basic needs of households.

“Look, both my wife and I are over sixty years old and our children do not allow us to do any business. We open small shop because we cannot stay without doing anything. Our children take full responsibility for our survival and other needs. Actually I cannot stay without doing anything but they don’t allow me to work” (Nawn K., pers. comm., July 17, 2012).

Finally, it is a common understanding of people in rural Chin State that there is a natural hierarchy of basic needs. Remittance incomes are therefore spent fulfilling each element of the hierarchy of basic needs in turn until the income runs out. The highest level of basic needs expenditure is food. Since shifting cultivation is not always able to provide food security, for families with remittance incomes the priority is buying food. The second level of basic needs expenditure is housing. It is significant that the majority of remittances receiving households, big and small alike reported building new and better houses to the extent enabled by their remittance income. Basically replacing wooden and bamboo roof from aluminum roof cost them large volume of remittances. The lowest level of basic needs is manufactured items such as clothing, telephones, televisions, and motorcycles.

3.2.2.2 Education

The second largest category of remittance expenditure is on education. In particular, households with larger numbers of children spend more of their remittance income on education, even as compared to basic needs. Statistics from the survey show that 8 out of 30 households (which are 24 percents of households) spend largest amount of their remittance income on education. On average 33 percents (8 out of 24 remittances receiving households) of households of remittance recipients spend more than 50 percent of their remittance income on education.

The survey shows that households receiving larger amounts of remittance income spend more on education. Yet it should be noted that since households receiving remittances also enjoy higher levels of overall income, it is possible that these findings are driven by the higher levels of income (and thus expenditure) rather than other factors (Adams, Cuecuecha & Page, March 1, 2009). The estimated annual expenditures of case study households and survey households are the main data source for this finding. The survey results appear to show that once remittance income levels increase to the point where household basic needs are satisfied households then tend to focus their expenditures on education of their children more.

Survey respondents reported that the main factors for spending large portion of remittances on education are: an understanding that education is the greatest investment they can make in their children; that households with multiple children of school age must spend more on education; and that sending children to more costly private boarding schools will provide a better quality education than is available at government schools. Remittance income is also used to send children to pursue higher education away from the village.

However, there are some households which receive remittance income earmarked for education expenditure. It can be estimated that 100% of their remittance income is spent on education because they receive remittances for that sole purpose. "Both of my wife and I cannot support our children with their education, one of the families from our village living in Australia support two of my sons with their education. I always thank to God that my sons can go to school with their supports

(Bik, 2012)” said one interviewee who receives remittance solely for education of their children. In some cases, families with one or no relatives who are resettled migrants may receive remittances from non-relatives but solely to cover their children’s education. Overall, education is the second most prioritized agenda after basic needs.

3.2.2.3 Health

The amount of remittance income utilized for health expenditures is comparable to that for education. It is even greater than expenditures on education and basic needs in some households, namely households with a person with an ongoing medical condition.

In Aibur village there are two forms of health expenditure from remittances: households’ expenditure and the expenditure of community-based healthcare program. Households’ expenditure refers to the expenses of remittance receiving households for their healthcare burden. Findings from the survey and interviews show that households with an occupant with a medical condition tend to spend a larger percentage of their income on health. These households are also more likely to request remittances specifically for health expenditure from their resettled migrant relatives. Below is an interview with household that receive remittances specifically for health.

“As I have health condition and undertaking medical treatment we cannot earn extra income except remittances, we have to ask my daughter and son living in United States to send us money every month for everything we need in the family, especially for payment of my medical treatment and education of children (Bil,pers. comm, July 8, 2012).”

Overall, the average percentage of remittances spent by households for health is equal to expenditures for education. The survey shows that 24 percents of households in the community spend the largest percentage of their remittance income on health. The main reason is that healthcare burden is unavoidable for these households, and thus becomes the priority.

Community-based healthcare programs funded by remittances also spent large portion of their remittances income for healthcare. Both remittances recipients

and non-recipients can access community based healthcare program. The expenditure of community based organizations on healthcare is large. And the way of community based organizations' functioning public healthcare with remittances from resettled migrants is quite unique and interesting. The healthcare program mainly supports patients with serious illness who need to be hospitalized. Especially patients those who face financial problem are mainly supported with their financial needs.

“At least we have spent ten millions kyat for healthcare. So far all the money we have spent are from remittances, collectively sent by resettled migrants. Every time we have patient we write proposal to villagers who have been resettled to developed countries. Especially we are middle men channeling between patients and donors (Van Thawng, pers. comm., July 13, 2012).”

Both households and community healthcare program spent huge money of remittances for health. However, unlike education and basic needs, expenditure of health is usually not pre-planned or regular, but occurs in response to health crisis that arise unexpectedly. The majority of households in Aibur village do not receive remittances specifically for health purposes. It is only households where one of the occupants suffers from chronic health condition that prioritizes the expenditure of remittance income for healthcare.

3.2.2.4 Economic investment

Remittance income expenditure for economic investment can be divided into two types of investments: investments for short-term economic benefit, and investments for long-term economic benefit. Investment for short-term economic benefit refers to the expenditure of remittance income in order to engage in activities to generate immediate income for the household. Examples of short-term investments include opening a retail shop, lending money with interest, and bank saving. Investment for long-term economic benefit refers to the expenditure of remittance income in order to engage in activities where the benefits accrue over a period of

time. Examples of long-term investment include buying land, opening small shop, and saving money for income generation.

However, it is quite rare in Aibur village that individual households spend their remittances income for investment purpose. Having prioritized expenditure on basic needs, education, and healthcare most household do not have much income left for savings and economic investment. In other words, economic investment is largely absent in Aibur village.

The research survey shows that only 1 household out of 30 households spends the largest portion of remittance incomes for economically productive investment and saving. To calculate in percentage, out of 25 only 1 (which is 4 percensd) households spend for economic purpose. That being said, there are some economic investment activities including borrowing remittance money with small interest rate, opening small store and shop, buying agricultural lands, and sending children or relatives to work abroad. The purpose of sending children or relatives to work abroad is to increase the amount of remittance income that the household receives. This is long term economic investment that migrants and remittances receiving households make. Usually they sent them to Malaysia and India where they can apply refugee status in order to get resettlement in developed countries. Sending children or relatives to work abroad is quite uncertain investment for the investors to gain economic benefits as it takes sometimes three or five years to get remittances back from them. However, remittances has been pulling and pushing more people to migrate to earn more remittance incomes for families. More significantly, remittance incomes increased dramatically after 2005. As mentioned, sending family members abroad to work is in which largest amount of money is spent as investment.

The second most remittances used for investment is buying small piece of agricultural land, animal husbandry, money lending with interest, and opening small shop. These are the most common investment of remittances for immediate economic benefits. Households with higher level of incomes tend to use their small percent of remittance incomes for economic benefits.

Since remittance is treated as income from other source which they make no effort to earn, households spend them more on consumption than investment. Volume

of expenditure for economic investment purpose is small compared other expenditure like basic needs, education, and health.

3.2.2.5 Social and others

The category of Social or other expenditure is small in comparison to the first three categories; basic needs, education, and health. This category refers to the combined expenditure of individuals, households, and religious organizations during social, religious, and cultural occasions. Expenditures during religious celebrations and cultural celebrations in Aibur village include Christmas, New Years, Thanksgiving, and weddings. Unlike the first three categories, social and other expenditure occurs infrequently although regularly and predictably.

However, not every household with remittance income make expenditure in the social and other category. Households with greater overall income or stronger religious faith tend to spend more on social and religious festivals. Traditional cultural norms and social pressure are also factor in the amount of expenditure in this category. Remittances receiving households' surveyed claim that an average 12 percents of households spend their remittance income in social category. In Chin culture there is a tradition of one family taking the responsibility to host important religious festivals for the whole community. According to religious belief, it is honorable for families to host celebrations. Once households receive greater incomes from remittances they tend to spend more for social and religious purposes. However, as this category of expenditure is very occasional the volume of remittances spent is not as much as that of education, basic needs, and healthcare.

Importantly, the category of social and other expenditure can be characterized as economically unproductive for households. In other words, this category is unique as it is neither a necessity for life or oriented towards future economic benefit for individuals and households.

Analysis of expenditures: The study shows that largest volume of remittances incomes are spent on basic needs of households. The second largest portion of remittances is spent on education and health. Social expenses of households and

expenditures of community organizations on collective benefits such as infrastructures, social welfare, and humanitarian programs are also the large in volume.

Households prioritize spending remittances on basic needs because they are often subjected to vulnerability of product from traditional cultivation especially food, shelter and other needs. Before receiving remittances, households rely their major earning from producing food such as rice, corn and vegetables from traditional cultivation, and cash from raising animals. The traditional method of earning is difficult and majority of households with remittances incomes do not want to continue traditional method because income from remittances is much higher if compared to earnings from traditional business. Buying food, rebuilding and renovating houses, and households facilities are major consumptions. Once they receive remittances money the first concern of households is securing food, rebuilding better and stronger house, and buying facilities such as phone, motorbike, and others.

The second largest volume of remittances money is spent by households and community organization for education of children. Parents understand that education will guarantee better careers to their children. In addition, households spend more money on sending their children to private boarding school which cost them double price. Parents do not trust their children of high school level to be educated at government school as teaching system is poor. Therefore they send them to private boarding school. Compared to non-recipients of remittances, households with remittances incomes spend more than non-recipient households. Health expenditure is also one of the second highest. Poverty along with poor health condition causes households to spend huge money on health. Social and economic expense of households is less than any other purposes. Except cultural and religious celebration households do not have many other reasons to spend on social purpose. Only households with greater remittances incomes are more likely to spend on social and cultural festival. The reason for less expenditure on economic purpose is due to community's lack of product, difficult transportation and market access. Moreover, once households receive remittances the first prioritize expenditure is basic and other urgent needs. There is no left over remittances income to spend for economic

purposes. That is why economic implication of remittances is less than other in comparison.

Expenditures on basic needs, education, and health are a must for households. Households with more children and health problem spend more on education and health, and basic need is a requirement for all. Remittances allow them better access to meet basic needs, greater expense on education and health. Non-remittances recipients normally cannot effort especially education of children and health expenses. At the same time, community and religious based organization also focus their remittances incomes on construction of basic infrastructures, humanitarian, and other development project like education and capacity buildings. Road, mini-hydro electric constructions are main infrastructural development project supported by remittances money.

CHAPTER IV

FINDING ON THE IMPACT OF REMITTANCES ON DEVELOPMENT

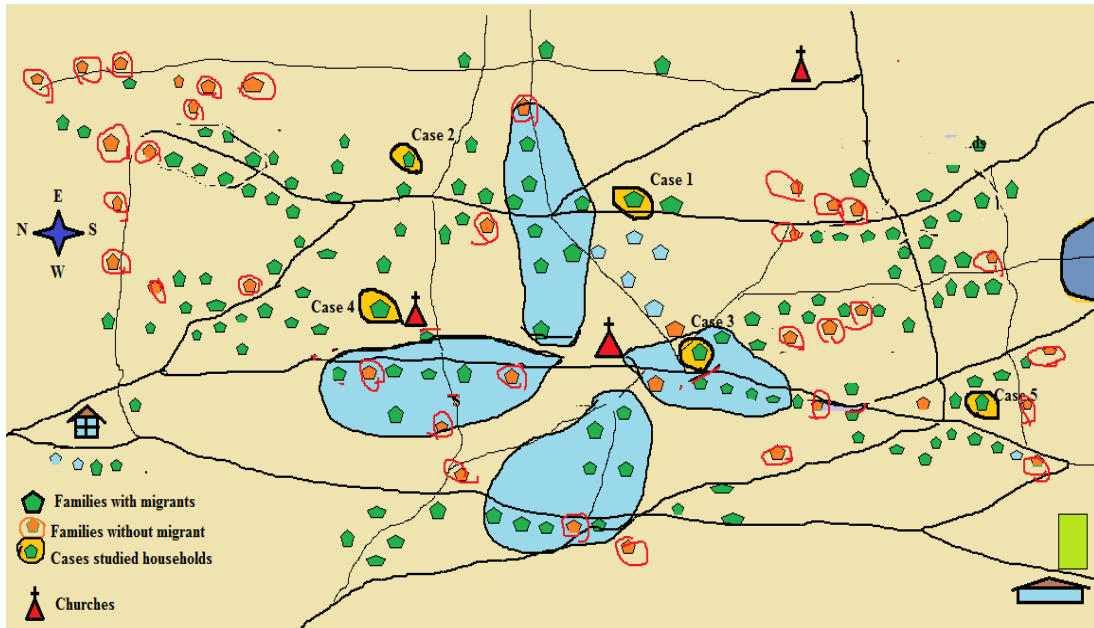
This chapter provides a general finding of the flows of remittance and the resulting impacts on remittance receiving individuals and households in the research community. The analysis is done by examining the level of remittance income and the patterns of expenditures explained in the previous chapters in greater detail. Especially, the researcher examines how the large flows of remittances and actual expenditures have impacted on development in families; including human capital and livelihood of recipients, infrastructural development and economic growth.

The researcher conducted special 5 cases studies of households of remittance recipients. Five case studies were conducted in the village in order to find out more detail impact of remittances on households. These five households are selected for cases studies because remittances are their main sources of incomes. In other word, they are households that receive largest portions of remittances in the community. These households of case studies are significant because their living conditions have been totally transformed by remittances income. They used to work on shifting cultivation, animal husbandry and other seasonal income generating activities such as orchid foraging and working as construction laborers in India. However, once they receive remittances they stop traditional way of livelihood. For example they stop working on cultivation, animal husbandry, and seasonal business and become rely on remittances incomes as the main sources of their livelihoods.

Moreover, they have been receiving remittance for three to five years. Some families have been receiving remittance income for almost five years but still rely on the remittance as their sole source of income. Therefore, the researcher expected to find out more detail pattern of expenditures of households, impact of remittance on development of community; especially impact or contribution of remittance on

economic, human capital and livelihood, and infrastructural development through the cases studies of these five households.

4.1. Sampling map of case studies and survey



4.1 Livelihood Development

In analyzing the developmental implications of remittances it is very important to overlook at how it has been treated by the recipients of rural households in Aibur both individuals and households. The trends in consumption behavior largely depend on social and economic background of each individual household. Over the past 20 years the large-scale migration of Chin people is a result of political and economic crisis resulted in of livelihood insecurity of the community. Migration occurred initially as a result of political instability and conflict, and eventually shifted to economic insecurity, although both are interrelated. Thousands of people in Chin State encounter livelihood problem and as a result there is increasing unemployment and political instability. Since there is not economic opportunity, the only way to solve economic problem is to send at least one family member abroad and earn remittances income. Example can be found in the cases studies of households.

Remittance money is the greatest motivation for every individual and household to go and send their family members abroad. In some cases, the whole year earning of households in the village is equal to a month income of remittance sent family member abroad.

For this reason, households in the community engage to spend their remittance incomes for their basic needs and livelihoods security. For the majority of households, remittance income is like a heavenly sent manna which income is much greater than they can ever expect in their lives. In the past, rural households struggled for security of food, housing, health, and debt, and focused all of their disposable income on to meeting their basic needs. Remittances sent to families left behind become part of budgets that can be spent on basic needs, serve as extra funds either for increasing consumption of durable and nondurable goods, or used for savings (Ang, Sugiyarto & Jha, December 2009).

My research findings show that the largest portion of remittance income expenditure goes towards meeting basic needs, followed closely by expenditure for education and healthcare. Thus, remittances have a significant impact on the development of these three sectors in rural Chin State; which can be described collectively as the development of living condition. In general, the decision to prioritize expenditure in these three sectors is driven by the needs and wants of the remittance receiving individuals and households, rather than the remittance senders.

By looking at the results of cases studies and survey, it can be shown that that remittance income enables improved livelihood security for recipient households. For example, the entire five households from cases studies claim that remittances incomes are spent one way or another to develop living condition. In addition, according to the survey, out of 25 remittances receiving households 13 households spend largest portion of incomes on securing livelihood. From these statistic results the conclusion can be drawn that households with remittance income become less worried about their basic needs. Through remittances income livelihood of people in the village, especially those who used to depend on the production of their traditional agriculture for all of their incomes, get better. Remittance income becomes a single most important source income in the village at present. Remittances have shielded recipient families from the struggle of basic needs. Through remittances the villagers

have better housing and clothes which can lead them toward better environment as well as health. The use of remittances for ensuring food security is prominent in the community especially when the community faced serious food insecurity in recent years due to widespread famine caused by unexpected flooding and crops failures. Remittance was the major player in sustaining livelihoods of people in the community who suffered food shortage during the widespread famine. Without remittances people in the community would not be able to recover from the crisis.

Moreover, remittance has also direct positive impact on poverty alleviation. After several interviews with households with recipients of remittances we expect that remittance improve livelihood of people in Aibur village. For example, income level of households is significantly rising when compared to households' income of before and after receiving remittances. Remittances enable households that used to struggle with basic survival issues to effort consumer goods such as motorbike, TV, mobile phone, and etc. In Chart 3.1, the results show that households' income is must higher than income from other sources, indicating that remittance has a positive impact in pulling households out of poverty and improving livelihood of families.

During the field research five cases studies to households was conducted in the villages and two cases of famils shows the similar pattern of remittances expense on development their livelihood.

Case study of family: The first case is a big family. There are 12 family members including both parents and their grand children. The family receives remittances from two family members living in the United States.

The family's estimated monthly income from remittance is 500000ks which is equivalent to USD (United States Dollar) five hundred according to the current currency exchange rate. Approximately 80 percents of the family income are from remittance. The other 20 percents of incomes are from rice farming and animal husbandry of which the second daughter and her husband are working on with share. Beside remittance send from US, rice farming, and animal husbandry, the family does not have any other income source. Remittance is the main income source of the family.

The family spends remittance incomes most for improving livelihood and health. Improving livelihood means that this household spends remittances on building better house, buying food, and household's facilities. This family built one of the best houses in the villages with remittance incomes. Additional expenditures of remittance to improve and meet family's needs are foods, clothes and household facilities such telephone and motorbike for better communication and transportation. The second largest expenditure is followed by health. It is because the family have health problem. The father has stomach problem and has been undertaking medical treatment for almost a year. All the medical costs are paid by remittance. The family has been spending the large amount of money for medical treatment of family's leading father. 30 percents of remittances are spent on health. Moreover, the family also spends on education of children. The family has three children who are studying high school. All three students are financially supported by. At least 30 percents of remittance received by the family is spent for education of children.

“There are 12 altogether in the family. My wife and I used to work for shifting cultivation. Since I have stomach problem, I cannot work any longer. We have to depend on remittance sent by two of my children currently living in United States. They build new house for us. And we also spend remittance for health as I have health condition and undertaking medical treatment. We have to ask them to send us money every month for everything we need in the family. Especially we spent most in education and my health” (Bil, pers. comm., July 8, 2012).

Case study of families-2: Similar to the previous family, shifting cultivation and rice farming used to be the family employment. The family does not have rice field or any agricultural land. This is the main reason that the family used to put more effort on other cultivations for survival. The eldest son of the family resettled to United States is the one who send remittances back to the family.

Estimated yearly income of the family from remittances is 2000000ks (two million kyat). Remittance amounted maximum 90 percents of family's income. Neither the respondent nor his family members are employed. Similarly to the previous family, remittances are spent most for education. Estimated 60 percents of

remittance are spent on family's needs including building new house, buying food, clothes, and other consumer goods such as TV, telephone, and other facilities. "We prioritize spending remittances on education of children. Other 40 percents are spent on education of Children and health of the family. We request eldest son to support his brother and sisters with their education (Mang Hlun, pers. comm., July 9, 2012)." Health is also one of the major expenditure of the family. Recently, respondent's wife is under medical treatment for some chronic health problem. The family has spent huge money for her medical treatment. The expenditure of health is also large in volume. All the money is from remittance sent by the eldest son who is currently staying in the United States

4.2. Human capital development

The remittances have dramatically reduced number of children drop out from school. Households with more school aged children prioritize expenditure on education of their children as important as expenditure of their basic needs. Some families, if not majority, even spend their remittances income in education of their children more than they spend for other basic needs. Example households spend remittances incomes on education of children can be found in cases studies of five households. Household of Case 1 spends 60 percents of remittances for education of their children. Likewise the survey also shows that 8 households out of 25 spend largest portion of remittances for education while the rest of households also spend certain percentages of remittance incomes on education. Moreover, community organizations also spend remittances on education and health which can somehow be assumed as human development.

It can be assumed that remittances enable more students to pursue education to higher levels than before. From the focus group discussion of the 20 high school students 13 students claimed that their educational expenses are being fully covered by remittances sent from their family members abroad. Community based organizations funded by remittances are also supporting children in the village with education through running several educational development programs such as summer teaching program, pre-school, and need based financial grants. Without the

flows of remittances those households will not be able to support their children with education.

At the same time, remittances also strengthen social welfare program in the village. Remittances receiving families are more likely to participate in helping people in need within their community which can be assumed as development of human capability and responsiveness. Remittances receiving households not only are able to access better health service but also become more willing to participate in community service. Through remittance funded healthcare service program, more people in the community both remittances recipients and non-recipients can access better health service. Chart No. 3.3 give a clear picture of how remittances has been spent for education and health. The second largest percentage of households' remittances incomes are spent on education and health which imply that these flows of remittances may improve toward physical or human capital development.

The increase expenditure on education of children, and individuals and community health service- enabled by the inflows of remittance money has a significant impact toward physical or human capital development. In other words, remittances have positive impact on development of human capital or capacity through spending on education and health.

Three families' cases can be good example of the impact of remittances on development of physical and human capital. Out of five cases studies of families in the village, two families spend largest amount of remittances on education and health of their families which directly linked to remittance spent on human capital development.

Case study of families-1: The first family has nine family members including parents, two sons and five daughters. Both parents are uneducated and used to work on shifting cultivation. The family owns a small piece of agricultural land where they grow rice, corn, and other crops. Like other families, cultivation used to be the family's main livelihood. Animal husbandry and orchid foraging used to be their other sources of family income.

This family has two family members resettled to Australia. Both of them have been sending remittance back to their family. The family has been receiving remittance for almost five years. After being receiving remittance the family stopped working on shifting cultivation and relies mainly on remittance. Both parents, due to old ages and request from two of their children in Australia, no longer work on shifting cultivation except working on small garden for vegetables. For their piece of agricultural land, the family hires workers for plantation and growing rice field. Agricultural land somehow assists family incomes but all the resources needed for plantation and agriculture require remittance sent from Australia.

Estimated family's yearly incomes of remittances are 20,000,000ks (20 millions kyat). This family spent remittance mostly for education of their children. Parents make decision for all expenditures. "According to the estimation of the family, approximately 60 percent of remittances are spent for education of their children¹⁰". There are three children who have been studying high school. In the village there is only middle school and all of three children have to study in Hakha, capital of Chin State, to pursue higher education. The reason for spending such high volume of remittances for education is that the living expense and tuition fees are much higher in Hakha than in the village. Moreover, beside three children, the family also supports two students from their relatives. The family pays everything they need for their studies. Now it has been two years that the family has been supporting them. All the living expenses of five students come from remittance sent by two family's members living and working in Australia.

The second main expenditure of remittance is for housing, food, and clothes. Before they received remittance the family lived in a small house which had very limited space for the whole family and the house used to be very messy with all family's stuff. After the eldest daughter was resettled of Australia she first sent money to build a new house. The new house is big enough and has enough space for the

¹⁰ Interviews with Pu Thla Mawng, father of family Case-1

whole family. It has three bed rooms, a living room with well decorated, and a kitchen room. Remittance is more regularly spent for buying food. Basic food, especially, rice and corn harvested from the agricultural land is never enough for the whole year survival of the family. Since working on shifting cultivation has been stopped, the family has to buy extra food from other sources. The family does not have other income source to buy food. Remittance is the only income source that the family has. Therefore, the remittance that the family received is used to buy food, especially rice. As extra expenditure, remittance is also used for consumer goods such as clothes, TV and charities. Christianity is the family's religious belief.

According to Christianity, each individual has duty to give 10 percents of income to Church as offering. Therefore, this family also spent remittance incomes for religious purposes such as festival (charismas, New Year) and offering as tithe. Remittance is also spent for health care. However, as there is no one within the family who has been seriously ill, expenditure on health is less than other expenditures.

“I have seven children altogether. We are quite big family. My wife and I used to work on shifting cultivation, but now we are old and two of my Children in Australia do not want us to work on cultivation anymore. That's why we mainly rely on money they send us. However, family livelihood is much better than before because we can send the rest of our children to school with money they send us. We can also support two of our relative children for their education. We have better accommodation. We don't need to work very hard on cultivation like before.. At least we spent 60 percent of remittance for school fees of children. (Thla Mawng, pers. comm., 7/July/2012)..

Case study of families-2: Unlike the previous families, the respondent is former headmaster of middle school. He retired from his job in the year 2007 with full pension. He used to support the family with his monthly salary. “The family used to live in extremely difficult condition, my salary was never enough and my wife and I had to work on shifting cultivation to secure our living and earn extra income. Moreover, we also had to pay tuition fees for all our children and our income was never enough (Tial L., pers. comm., July 10, 2012)”.

The family has two migrant family members, eldest son and his younger sister resettled to Australia 2007. Ever since, the eldest son and her sister were resettled to Australia both parents retired from working on shifting cultivation and others to earn more family income. The family has been dependant on remittances sent by both eldest son and daughter living in Australia. Yearly estimated incomes from remittances are 4 million kyat.

This family, like previous cases, spends remittance income most in education of children and expenditure of day-to-day family living such as food, health and other basic needs. Expenditure on education is significant because the family spends largest volumes of remittances for sending two sons to university. They have graduated with supports from remittance incomes. Graduated sons in the village are unemployed and one of them went to India for further studies.

Except huge expenditure on education of their children, the family does not spent remittances for generating incomes or direct economic investment and saving. “My family would not be able to send our children to school without remittances, and most of incomes are spent on education and our basic needs (Tial L., pers. comm., July 10, 2012). There is no record of remittances spent on economic purpose.

4.4 Economic Development

For majority of remittances receiving households in the village remittances have grown to become one of the largest sources of financial income. The Chart 3.1 shows that more than 80 percents of households in the villages receive more than 50 percents of their financial incomes from remittances from abroad. This statistic surveyed result shows that remittances have been playing an important role in economics of receiving households as well as the community as a whole. It is also found that remittances are redistributed within the community and have some certain impacts to non-recipients. So the question is whether remittances have any long-term effects on economic performance, and in particular, whether remittances can promise economic development. The analysis will look at economic impacts to households with remittances income and non- recipient households.

Remittances increase financial income of receiving individual households. The research found out that health, education, and living condition appear as positive development impacts of remittances to receiving households. Remittances also provide maximum infrastructural development. These development impacts are determined by how they are spent by households with financial remittances incomes. However, in economic sector, remittances have less development impact to households. According to the study done to remittance receiving households, the potential of direct economic development given by remittances is largely absent. The first hindrance to economic development is that receiving households become more dependent their financial remittances income rather than their own products from farming and cultivation. According to five cases studies in the village, majority of households with more remittances income have stopped working on farming and agriculture. They stopped their agricultural sector businesses once they receive enough incomes of remittances. They are no longer motivated to work on traditional shifting cultivation. Particularly, earning from traditional shifting cultivation and animal husbandry are very low when compared to volume of incomes they receive from remittances. Another factor is that market access is very limited in the community due to poor communication and transportation infrastructure. The community has agricultural products such as vegetable, fruits and others. However, due to lack of market access they cannot use them for creating income. Moreover, using remittances for the purpose of business investment is not a strong motivation for people in the villages. Unlike remittances senders in Philippine and other countries, remittances senders of the research field are resettled or permanent migrants. Remittances sender in Chin State have no future plan or interest to come back to the country. They send remittances money only because they feel like they are obligated to look after their families left behind home. Remittances are not sent for economic purpose. The chart 3.3 shows that only 2 percents of remittances are use for economic investment. This investment includes buying lands, money landing with interest, and opening small shop for regulation of income. This is the reason why remittances are not treated for business investment. Remittances are mostly treated for consumption on the need of households. In addition, recipients are content with the income of

remittances they receive. Education, health, and buying lands are the greatest investment that somehow related to productive expenditure of the remittances.

The only positive impact of remittances on economic development is that non-receiving households are more motivated to work on cultivation. Since remittance recipients are no longer working on cultivation as traditional animal husbandry non-recipients becomes more responsible to supply their consumption needs. Remittances receiving households come to rely on agricultural and other products of non-recipients. In other words, non-recipients become supplier of demand or receiving households. Non-recipients households try harder to make more products so that they will also earn more incomes by supplying demands of remittances receiving households. According to interview with remittances relying households, majority of their consumptions are from local products accept cloths and other industrial products. Rice, vegetable, and meat are bought from local products. In addition, households with remittances incomes need labors as they themselves are not working on their agricultural land and hire villagers especially those who do not have remittances income. It can be determined that remittances somehow create employment opportunities for non-recipients.

Economically, remittances have indirect positive impacts to non-recipients while households receiving remittances income are becoming more dependent. Of courses, receiving households have greater opportunities of livelihoods security, health and education but economically they have less potential for long term economic growth because remittances are mainly used for consumption purpose. Consumption level becomes higher as result of continuing flows of remittances and economic performance of remittances is weak for receiving households. In other words, the main finding of research, in term of economy, is that remittances do not seem to make a positive contribution to economic development, especially of receiving households except the increase of income which is not sustainable. Only few households use remittances for home business. One of the case studies of households shown that few remittances incomes are spent for economic purposes.

Case study of family: The family is significant. It is quite big family. It has five family members living in Australia and North America. All five migrated sons

send remittances to support family left in the village. Before receiving remittances, the household was economically secured with many acres of rice field and other seasonal business such as shifting cultivation, and farming. After getting remittances as regular income from migrated sons, the family sold all their farms, agricultural lands, and house in the villages and move to Hakha, the capital city of Chin State. In Hakha, the family bought a house with remittance money and open small shop for regulating remittances money. According the informal chatting with family during field research, the family's main income is from remittances as their children send them money in regular basics. The family earns only little income from opening small-shop and still relies on remittances income as main financial source.

Estimated incomes of family from remittances are 500000 to 600000ks excluded remittances sent to a daughter studying in Singapore. The entire living expenses of the family are covered by remittances. Remittances are mainly spent on education of the rest of three children as one of daughters is currently studying in Singapore and all her living expenses and tuition fees are covered by remittances.

Secondly, a large portion of remittances go to buying house and land in Hakha as it is very expensive. After a decade flow of remittances the price of land and house are increasing double as most families invest more in buying lands. For rural family it is almost impossible to buy land and house in city with their income from cultivation. Finally, the remittances go to basic needs of the family. Even though the household open small shop, it is not large enough to secure daily expenses and still need to rely on remittances income for their daily expenses and other basic needs.

4.4 Infrastructural Development

Analysis on remittances' impact on infrastructural development is very important because large proportion of remittances has been spent for basic infrastructural development projects. Most often, remittances are considered money sent by individuals to benefit families and friends, but this study has found out productive usage of remittances benefiting the community. The infrastructural

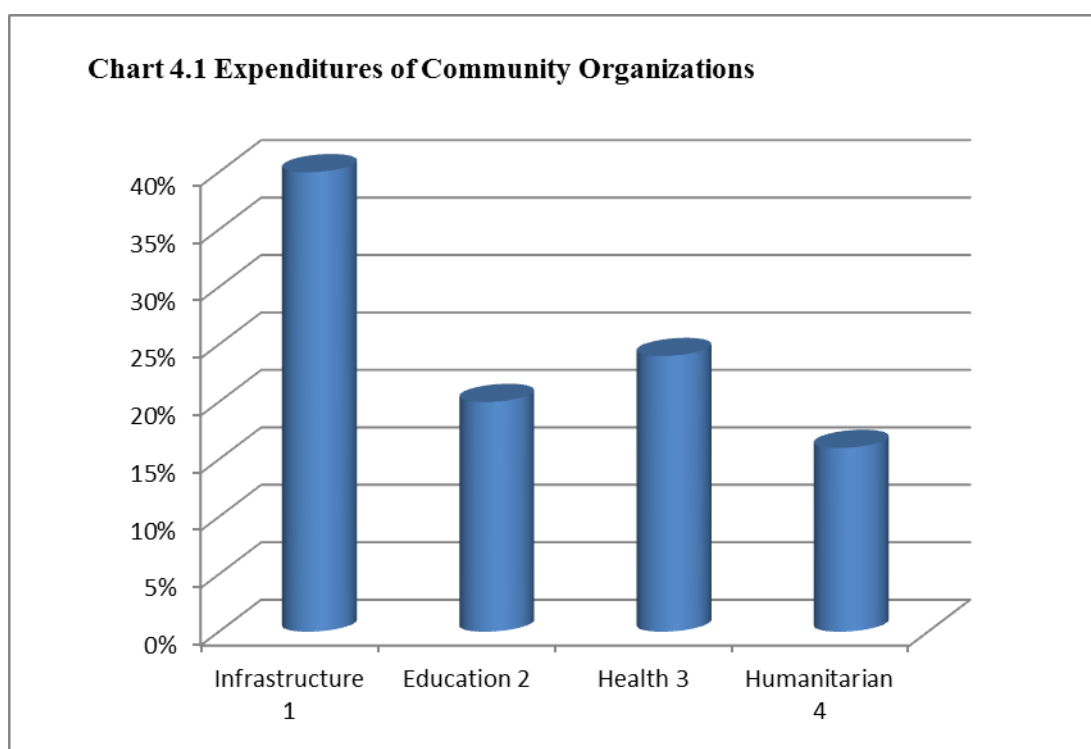
development impact is solely depends on how the civil societies or community based organizations spend remittances funding on development projects. As mentioned earlier, remittance is not just income of individuals and households with family's members working abroad. It is very unique that both collective remittances and others flow to the community for development projects to in order to benefit the community at whole. Particularly flow to the community organizations as development funds.

Expenditures of collective remittances flow to organizations focus on construction of basic infrastructures. Compared to educational and other expenditures the amount of remittances spent for basic infrastructural construction is must greater. According to the survey results of organizational expenditures showed in Chart 3.4, organizations spent largest amount of remittances' incomes for infrastructural building. According to the estimation, at least 40 percents of expenditures go to construction of basic infrastructures such as electric power generation, road, school, community library, and community rice bank. Most of basic infrastructures in the village, except some infrastructures constructed by INGOs like UNDP and government, are built after the flows of remittances to community. Most vividly, mini-hydro electric power construction was fully funded by collective remittances sent by villagers migrated to other countries. Some religious organizations also spent huge remittance income for construction of religious buildings. In addition, households with incomes of remittances can enjoy better and safer shelter.

In fact the total infrastructural development given by remittance is much greater than infrastructural development given by official government and INGOs. Infrastructural development given by remittances has several positive impacts to the people I the community. This infrastructural development creates better environment and greater opportunities for both remittances recipients and non-recipients. Significantly, people in the village can enjoy electricity which directly gives positive impact on environment. For example using electricity for cooking reduces consumption of firewood which used to damage large forests. In addition, students have more time to study as they have light at night. Lastly, through infrastructural development people in the community can access better transportation and communication as road and telephone are constructed and bought with remittances from abroad. The research analysis supports the contribution of remittances toward both direct and indirect

development of rural community. These flows of remittances contribute to the creation community physical infrastructure such as schools, health centers, roads, and other community projects. The expenditures of organizations are mostly for development of basic infrastructure.

4.4.1 Expenditure on development of basic infrastructure



Despite the relatively small number of households that prioritize remittance income expenditures on social occasions, in Aibur village there are some religious and community-based organizations that are fully funded by direct remittance income. In these cases, the remittance income expenditure can be categorized as expenditure for collective benefit. Expenditure for collective benefits refers to organizational expenditure to provide benefits for the community as a whole.

Pattern of collective benefit expenditure can be categorized into three main types: expenditure on infrastructural development, social welfare and other community development services.

The research findings show that community-based organizations spend the largest portion of remittance income on infrastructural development; including mini-hydro electric power generation, road construction, and building construction (schools, churches, libraries, etc.). Starting in 2005, the Aibur Development Program (ADP) implemented a mini-hydro electric power generation construction project, which was completed in 2008. According to the organization's financial records, ADP spent ten millions kyat for the mini-hydro electric power construction, all of which was received as remittance income. The construction of mini-hydro electric power is the most visible success story of collective benefit remittance income expenditure in the community.

Remittances are also spent for humanitarian and social welfare within the community. For example, in collaboration with churches in the community the ADP launched a community healthcare program. The ADP health department's role is to act as a liaison between patients and individual remittances senders. The healthcare program organizes the raising for funds through remittances for people in Aibur village who cannot afford their required hospital fees. It also promotes and provides community health education covering a range of health problems present in the community.

Remittance income is also spent for other humanitarian purposes. For example, in the year 2010, unexpected flood destroyed 70 percents of paddy fields in Aibur village. Local households rely on the production from their paddy fields, and many were in a situation where serious famine was imminent. However, remittances played the most important role in assisting the affected households to achieve food security.

Remittance income is also spent for a variety of small community development projects. For example, a child education program (Kindergarten), a community library, a community rich bank, a summer teaching program for youth educational development, and a community cultural festival have all been funded by collective remittances sent by villagers working abroad. In this way, remittance is redistributed within the community. Community and church-based organizations act as a channel between remittance senders and the wider community in order to engage in a variety of community development activities.

Pattern of remittances expenditure for collective benefit (see Chart 3.4) is significantly different from other expenditure categories such as education, health, and economic investment. The decision over expenditures on education, health, and economic investment is made by households and individual recipients, and occasionally the senders. In most cases, it is the parents who are the leaders of the households, and are the main decision makers regarding expenditures. However, this is not the case for remittance income expenditure for collective benefits. Remittance senders and the leaders of churches and community-based organizations make the key decisions regarding expenditure for collective benefit. Church and religious-based organizations tend to engage their expenditures more on social welfare and humanitarian projects, while other community organizations such as ADP tend to prioritize infrastructural and educational development project. Expenditure for collective benefit can be described as one of the most effective expenditure category in term of developing the rural community as a whole.

Analysis of case studies: After seeing the cases studies on impact of remittance, education is really strong as three households of the cases spend largest volume of remittances are spent on education of their children hoping that the children will get better job and better livelihood. This finding paragraph is explained on the table.

4.1. Finding of households case studies

Cases Studies	First Expenditure	Second Expenditure	Third Expenditure
Case 1	Education	Basic needs (Houses, food)	Households facilities
Case 2	Health	Education	Basic needs (House and food)

Case 3	Education	Basic needs (Food, Shelter)	Household's facilities
Case 4	Education	Basic needs (Food, shelter)	Households facilities
Case 5	Home economy (Shop, Open	Education	Food (Basic need

While the impact of remittances on health is seen on case 2, it can be found that health is one of the main concerns of remittances recipients in Aibur village. The same expenditure is also found in case number five.

Significantly, after receiving remittances households stop working in traditional shifting cultivation. The main factors for discontinuing working on traditional shifting cultivation are health condition of parents in the family, being feeling secure with remittances income for food and other expenditures, and demands of remittances senders to their parents not to continue working. Generally, the major reasons why households stop working on cultivation are mainly because they feel enough with remittances incomes for basic survival. Survival is the major reason for working on cultivation and they replace with remittances.

More significantly, all the households of case studies spend their remittances incomes mostly on education and basic needs. Case number 1, 3, 4 spent most of their remittances incomes on education while case number 2, 5 focus on health and basic needs. Approximately, 60 percents of their remittances incomes are spent on education of their children. Especially, parents take full responsibility to support their children until they finish Bachelor level. The main reasons why parents encourage their children to pursue education is, first they understand that education is the only way to escape from poverty. Parents don't want their children to inherit the same old job of traditional shifting cultivation as it is difficult and dangerous. For example,

parents normally encourage their children by saying “you have to study hard if you don’t want to work on cultivation like me”. It shows that parents support education because they want their children to get better employment. However parents/households first prioritize remittances for basic needs. After fulfilling basic needs, pattern of expenditures are shifted to education and health of family.

Even though the largest amount of remittances are spent on education of their children, basic needs such as food, clothes, shelter, and households facilities are firstly prioritized by households of case studies. In basic needs food and shelter are most prioritized by households or remittances recipients. Usually, food insecurity is one of the greatest problems for people in rural areas. The whole year’s effort on shifting cultivation sometimes does not guarantee food security. Therefore once they receive remittances money they use them for buying food from city. In addition traditional wooden housing, roofed with bamboo leaf or grass, are very vulnerable and they replace with stronger wood or brick and aluminum roof which cost a lot more than traditional house.

The impact of remittances on households’ livelihood is strongly depends on the needs of households. If the households have more children expenditures go education and the same is true to health and infrastructures. Another point of conclusion that I made after conducting the field research in Aibur village is that the impact of remittances to people’s livelihood is really connected with the main needs of the households this argument is also applicable to another typical Chin state village’s households who benefits from the remittances abroad. For instance if the household has young children, the expenditure will go to education with bigger pattern. I think that this is related with the households’ expectation in seeing education as an investment. So that when their children grow up with a good education they can get better job and livelihood living in Myanmar or may be abroad. So they will contribute to the household and community by giving remittance or support. So this cycle of remittance will be maintained.

A slightly similar situation will be happened with household with older member of families. They will allocate the expenditure for healthcare to accommodate the

deteriorating condition of the senior members and for the infrastructure as we such as house renovation or building new community center. In this way the remittance gives a broad impact to the community with different specific concerns of each household.

CHAPTER V

CONCLUSION, DISCUSSION AND RECOMMENDATION

5.1 Conclusion

The study shows that remittances are overwhelmingly employed in the cause of families' basic needs, education, health, and basic infrastructure. The finding from households' survey and case studies shows that remittances used for basic needs are in the highest level of expenditures. It is because fulfilling basic needs is one of the greatest challenges for majority of families in Aibur village. The second highest is expenditures of households on education while health expenditure is also one of the main expenditures of households with remittances incomes. The reason for spending large remittances on education mainly because parents believe education will provide better livelihood to their children in the future. Health expenditure depends on health condition of families. Expenditure for economic purpose is small in comparison to other expenditures although some families' expenditures on economy are found in households case studies. Community organizations focus their pattern of expenditure on construction of basic infrastructure. Pattern of expenditure is strongly connected to the needs of households. If the households have more children expenditures go education and the same is true for expenditures of basic needs, health and infrastructures.

Based on the thesis finding, the impact of remittances shows positive in terms of development of livelihood and living condition of families. With remittance incomes families can access better housing, better quality of life, such as housing, equipment for communication and transportation, better access to higher education as they can send their children to higher level of education which can be seen as long term investment of families or households. Moreover, remittances become more important as community organizations can more money for infrastructure such as road, electricity. Due to limited access to state welfare, community become engage in social welfare, humanitarian service, and several development fields including running pre-school, summer teaching program, building community library and community rice banks.

In conclusion, remittances have impacts on improving living standard and livelihood development of families, physical or human capital development and certain impact on basic infrastructural development. Significant expenditure of households on basic needs have impact on improving livelihood of the families since most remittances recipient families can build or renovate their houses, buy food, clothes and goods. Human capital development also happens through the expenditure of remittances on education and health. Infrastructural development is one of the greatest impacts of remittances on development of community. Although, direct impact on economic development is likely to be absent development of human capital and basic infrastructures can somehow be great investment for future economic development.

Although there is great interest in remittances among Chin people, the development impact of remittance income in recipient countries is an area where further research is needed. The ability of research to conduct comprehensive analysis in this field is limited because accurate data on remittance flows are difficult to obtain since most are channeled through unofficial and informal financial systems (Chami, Fullemkamp & Jahjah, and September 2003). Due to this limitation, this study focuses on the patterns of remittance income expenditure and redistribution in one village in rural Chin State.

There is no doubt that remittances have become one of the main income sources of people in Aibur village. Remittance income has been sustaining the livelihoods of the people the community for nearly a decade. Research conducted for this paper has shown that remittance have played an important role not just in livelihood of individuals and households, but also in contributing to the development of the community as a whole. Remittance income also has change the nature of social relations and economic environment in Aibur.

5.2 Discussion

In the absence of remittances impact on economic development, if the government has better service such as banking system and standard monetary policy migrants may send more money to their families for economic investment. Currently

migrants send money to their families left home for consumption purposes. Instability of currency exchange rate and lack of economic opportunity may be one of the reasons that migrants are not motivated to do business in the country. Regarding families who stop working on traditional shifting cultivation and other business, issues of family health, old age, difficulty of shifting cultivation, and low wages or products are the major reasons that remittances receiving family are not willing to continue traditional method of livelihood. If remittances senders establish their own families in the countries they migrated to they might not be able to send remittances money. Majority of the current remittances senders in all the case studies have not yet established their own families. This is why they can send more remittances money to their families. Perhaps households' pattern of remittance will be changed as the country is opening up for investment and business. There is a trend of change from focusing expenditures on basic need to more economic and productive means.

Expenditures of households on building houses, buying families' facilities and other households' needs for improving living standard can likely be a precondition for making investment on more productive means in the future. Households may think that these expenditures will lead less expenditure on basic needs and can focus remittances for more economic benefits in the future. Moreover, expenditure on children education and health can also have a certain impact in improving future livelihood of family.

Another important finding is that the remittance is positive and significant for education and health spending. In other words, the analysis supports evidences of remittances contributing toward human or physical capital development. For example, covering expenses related to education of children and unexpected families health problems used to be big challenges for families in rural village. Families' financial problems caused an increase of numbers students dropped out from high school level. Especially in Aibur village, there is only a middle school and most children end up their studies at grade 7 or 8 level. Due to families' financial problem most parents could not send their children to pursue higher education in urban city.

5.3 Recommendation

Conventional wisdom is that increased rural incomes from remittances automatically improve living condition of individuals and households as well as contributing to wider community and economic development. This is not a practical rural development model because recipient households cannot always depend on remittances flowing continuously as there are many external factors which may influence remittance flows. Therefore it is very important for households to reexamine their patterns of remittances expenditures while they are receiving remittances money, in order to leverage this income into local and sustain development activities. It is important to have long term economically sustainable plans so that their remittance incomes will not just consumed. For long term benefits and sustainability, remittances need to be spent more on economically productive means.

Large portion of remittances spent on health is due to lack of government healthcare program in the villages. So I propose the government to provide better health service to rural community so that remittances would not be spent on unproductive means. It is also important for the government to establish banking system from through remittances can be more easily remitted by migrants and also recipients can use for saving their remittances money. Difficult transportation between villages and city is also one of the main factors which hinder villagers to access market. So the Chin State government must engage more on infrastructural development. The role of NGOs on giving economic awareness to the families with remittances receiving households also is very important.

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APPENDICES

APPENDIX A

Survey Questionnaires

Section A: Identifying Remittance Recipients

A1. Gender

Male Female

A2. Age

less than 20 years 31~35 years 46~50 years 60~65 years
 21~25 years 36~40 years 51~55 years above 65 years
 26~30 years 41~45 years 56~60 years

A3. What is level of your education?

High school level Bachelor degree Non-formal education

A4. What is your employment status?

Unemployed Student
 Farmer others.....

A5. In general, what is your income level (in kyats) per month?

less than 30,000 90,001~110,000 170,001~190,000
 30,001~50,000 110,001~130,000 190,001~200,000
 50,001~70,000 130,001~150,000 > 200,000
 70,001~90,000 150,001~170,000

A6. Do you have family or relative abroad?

yes No

A7. Do you receive remittance?

yes No

A8. If yes, how long have you been receiving remittance?

1 year 2 years
 more than 2 years others.....

A9. How frequently do you receive remittance?

- monthly/regularly sometimes
 rarely never

A10. What is the main source of your income? (You can choose more than one)

- Remittance Farming/agriculture Salary others.....

A11. How many percentages of the remittance you receive amount to your income?

- 75-100 percent 50-75 percent
 25- 50 percent less than 25 percent

A12. How long do you think you will receive remittance?

- 1year 1-2 years more than 2 years

Section B: Pattern of Expenditure**B1. Why does your family or relative send you money? List three reasons below**

- a)
b)
c)

B2. Who decide money expenditure?

- sender parents individual others

B3. For what purposes are remittance spent most? (Mark two from below)

- Basic needs (food, shelter, clothes)
 Education for children
 health
 Business (buy land, open shop, micro-finance, etc.)
 Social (religious festival, vacation, etc.)

B4. How many percentages of remittance do you use for Basic need (food, shelter, clothes)?

Less than 25% 25-50%

50-75% 75-100%

B5. How many percentages do you spent for education and health?

Less than 25% 25-50%

50-75% 75-100%

B6. Do you spend remittance money for investment?

yes no

B7. If yes, for what kind of investment do you spend remittance? Please list below.

- a)
- b)
- c)
- d)

B8. How is the outcome of investment?

Very good Good Not good

B9. How will you support your family or yourself if you don't get remittance?

Farming run business others

B10. Do you use remittance money for community or villages development such as construction of road, mini-hydro electric power, school/church/hospital/library building, and etc.?

yes no

B11. If yes, how do you use remittance for community or village development?

pay tax donate to Church/CBO

others.....

B12. Could you list other remittance expenditures? (Eg. Festival, vacation)

- a)
- b)
- c)

d)

Section C: Perspective on Development Impacts of Remittances**A. Community development****C1. In general, do you think your village/community is more developed after receiving remittance?** Community/village is more developed than before Community/village is not more developed Undecided**C2. Remittance is very important for community/village development.** Yes No Neutral**C3. Remittance helps us better communication.** Yes No Neutral**C4. Remittance helps improve infrastructure of the village/community.** Agree disagree Neutral**C5. For long term development how do you rate your favor/support for the current flow of remittance?** Strongly favor Somehow favor neither favor nor oppose Strongly oppose Somehow oppose**C6. Do you think Remittance contribute or do not contribute to the development of your village? Why and How? Please write your opinion below. You can also write separate paper.****B. Livelihood development****C7. In general, do you think your livelihood improve after you receive remittance?** Yes No undecided**C8. If yes, can you specify areas of improvement below?**

a)

- b)
 c)
 d)

C9. How is your family living condition compared to before and after you receiving remittance?

better not better undecided

C10. Do you think your family income increase through remittance? How?

yes No undecided

C. Human capital development

C11. My family and I have better health care through remittance.

agree disagree neutral

C12. Mortality of the whole community decrease because of remittance

strongly agree somehow agree neither agree nor oppose

strongly oppose somehow oppose

C13. How will you rate the importance of remittance in education development of the village? 1=very important, 2= important, 3= less important

No.	Description	Level of importance		
		1	2	3
1.	Number of student access to basic education			
2.	Student achievement			
3.	Student access to higher education			

C14. How do you think the current economic situation to compare with the situation before remittance flow?

better worse same

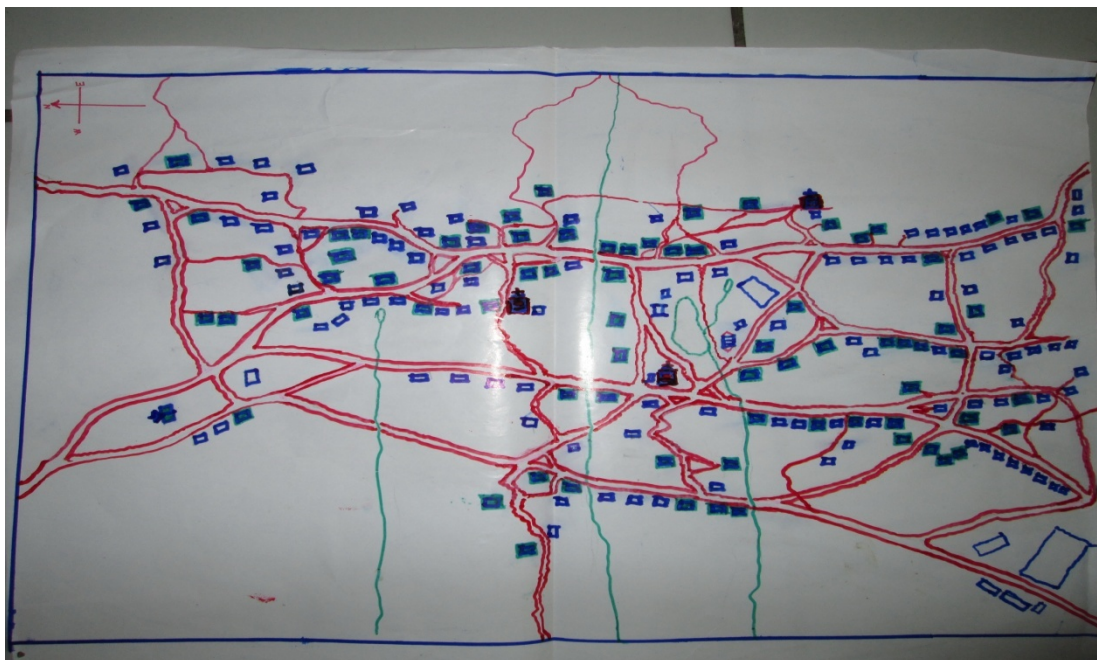
C15. You may know the implication of remittance in your village. How do you understand remittance in term of development? (You may select more than one option)

- Remittance benefit only recipients not the whole community/village
- Remittance directly or indirectly improve living standard of both recipients and non-recipients
- Remittance widens inequality among villagers
- Remittance creates more economic opportunities
- We should promote remittance for development of village
- We should not promote it because people become very dependant

C16. Could you write your personal opinion of impact of remittance on development of your village?

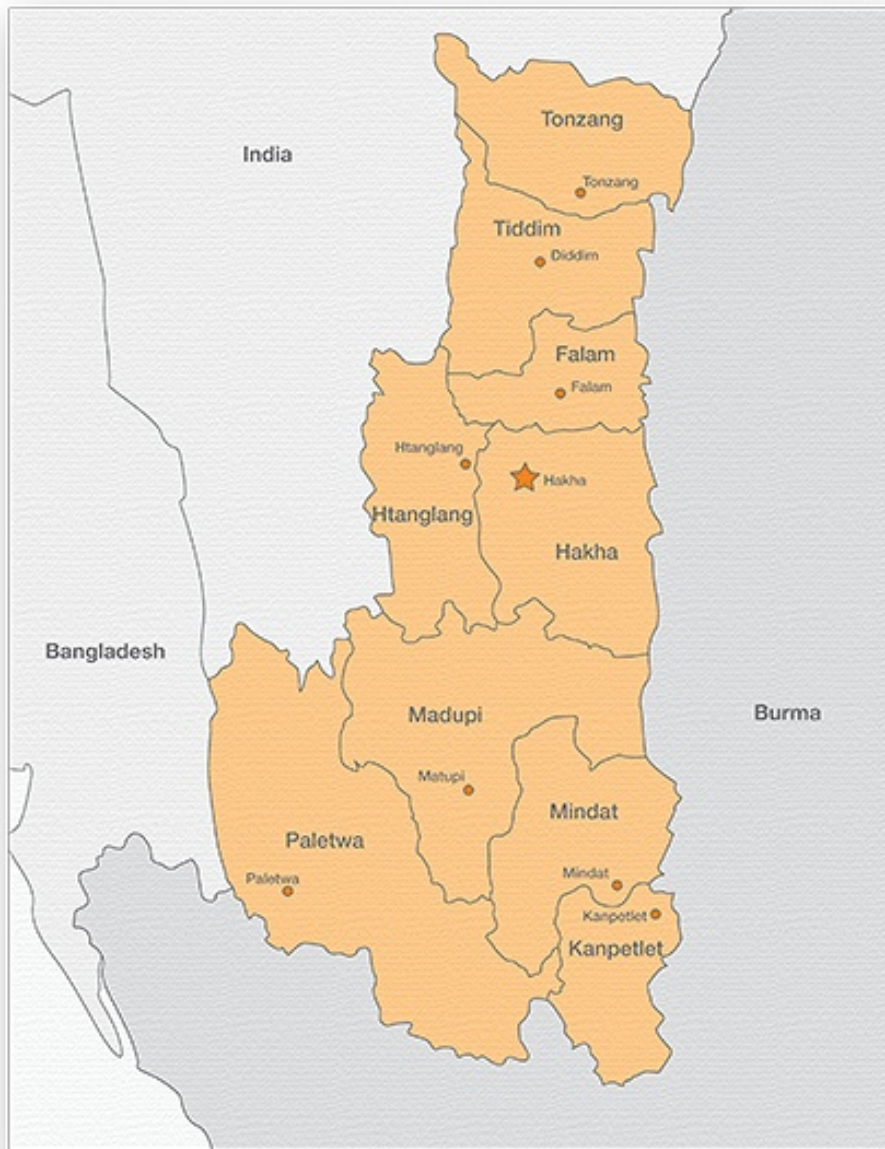
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Map and photo of the community



APPENDIX B

Map of Chin State



Derived with permission from a map by Human Rights Watch (HRW) © John Emerson/HRW 2008.

Focus group discussion



A group of primary student in Aibur village



Rice field on the hill



Aibur village



Middle school of Aibur village



VITAE

Rual Lian Thang is the third born son of Pu Zung Er Thang and Pi Tial Hliang. He was raised up in Aibur Aibur village of Chin State in western Burma. He earned bachelor degree in 2007 from Dagon Biblical University in Yangon. Having finished school from Dagon biblical university, he worked at several developmental sectors/organizations namely as program manager at One Chin Organization and Chin Education Network organized by a group of Chin youths. Starting from 2011 he continued his master program in International Development Studies at Chulalongkorn University of Thailand. Rual Lian Than recently finished his final Master thesis on Remittances and rural development.