

CHAPTER V

REMITTANCE PROPENSITY AND UTILIZATION

5.1. Determinants on Remittance Propensity and Behavior of the Migrants

These in-depth studies on 12 cases of migrants and their households left behind contribute valuable data for undertaking empirical analysis on remittance flows originating in Thailand. The quantitative information of these selected 12 cases coming out of qualitative research is shown in the following charts and tables. The figure shown in these charts and tables will give background information of the respondents before looking at determining factors on the remittance sending capacity of migrants and the resulting contribution to the economy of the recipient households.

The table (5.1) shows the age distribution of the participants from the Thai and Myanmar side. The age range of the 24 participants including the migrants and head of each migrant's household was between 20 to over 70 years. The distribution of the age level was the following: two respondents were under the age of 20, six were between 21 and 30, two from 31 to 40, seven from 41-50, three from 51-60, one from 61 to 70 and three were from the group of 70 and up.

Table 5.1 Age Distribution of Remittance Senders and Recipients

Age	Up to 20	21 to 30	31 to 40	41 to 50	51 to 60	61 to 70	70 & Up
Senders	2	6	2	2			
Recipients				5	3	1	3

Participants who are working as migrants in Bangkok and Mae Sot were selected without gender bias. -The ratio of male and female participants was the same and six were interviewed in each place. For migrants' family side, sample selection was only focused on the decision maker who has authority in the household regarding using the remittances. Coincidentally, it was unexpectedly found out that those decision makers are only female. On the Myanmar side, 12 of the female household heads participated as interviewees.

The educational level of the participants varied, with some respondents illiterate and others with University degree. Among the total 24 participants, three are illiterate. Most of the household heads were the old women who had become literate in the old monastic education system. There composed of five participants in this monastic education level and another four people reached primary education level. The number of participants who achieved middle school level was the largest, seven. There were four people who studied up to high school. But only one had studied up to university level.

Table.5.2 Education Level of Participants

Education Level	University	High School	Middle School	Primary School	Monastic Education	Illiterate
Senders	1	4	5	1		1
Recipients			2	3	5	2

Since migration has been a popular economic strategy in the case study community, it is very normal to see 38 percent of people out of the total member of households participated in the research are working in Thailand currently.

Table. 5.3 Number of Migrants Currently Working in Thailand

Case No	1	2	3	4	5	6	7	8	9	10	11	12	Total
Total Household Members	4	9	10	8	6	12	12	7	6	8	8	9	99
No of Migrants in Thailand	2	2	4	3	4	1	6	2	4	3	4	3	38

Almost every migrant worker who involved in this research is sending remittances in kind and cash to their homes. In comparison with the average amount of remittances sent by the migrant workers from Mae Sot, the remittances volume sent by those who are working in Bangkok is significantly larger.

Table 5.4 Average Amount of Monthly Remittance

Amount of Monthly Remittances (Kyat)	50,000 and Less	50,001-100,000	100,001-150,000	150,001-200,000	200,001-250,000
No of Senders	2	4	5	1	

Note: Average Currency Exchange Rate of July 2007 (1\$ = 1285 Kyat)

While the amount of average remittance by migrants in Mae Sot ranged from 15,000Kyat to 75,000 Kyat, the minimum level of remittances from Bangkok workers starts from 100,000 Kyat. The maximum amount of remittances of those workers reached up to 200,000 Kyat.

Table 5.5 The Amount of Monthly Income and Remittances of Migrant Workers

Case No	Area	Monthly net income in (Kyat)	Monthly Net Income (Baht)	Monthly Amount of Remittances
1	Migrants from Bangkok	229,800	6,000	100,000
2		153,200	4,000	100,000
3		168,520	4,400	150,000
4		344,700	9,000	120,000
5		229,800	6,000	100,000
6		344,700	9,000	200,000
7	Migrants from Mae Sot	91,920	2,400	15,000
8		38,300	1,000	15,000
9		67,025	1,750	50,000
10		43,087	1,125	1500
11		99,580	2,600	75,000
12		68,940	1,800	15,000

The basic daily wage of migrants in Bangkok varied from 191 Baht to 195 Baht. Moreover, some are working in night shift and some in day time. The night shift workers pay is normally 35 Baht higher than day workers. Both of day and night shift workers are entitled to enjoy the wage for overtime working hours (OT). They are happy to work overtime because the employer pays 35.80 Baht per hours. However, they cannot get overtime working hours in every month. Access to overtime work depends on the production rate of the factories. Even in the same factory, availability of OT hour can be different from one section to another. In this case, I have requested the migrant respondents in Bangkok to estimate their average monthly income and monthly expenses for living and consuming. Here, the figure shown in the table (5.5) under monthly net income in Kyat is estimated by the workers themselves after excluding their living and consumption cost in Thailand. It should be noted that their estimation cover only on the year 2007 when I collect the data. For factory workers in Mae Sot, they get the salary monthly. The amount of salary is based on the number of pieces they have produced during the whole month. Their salary is varied in minimum 1200 Baht in non working season to maximum 3000 Baht during working season. Very few hard workers can get over 3000 Baht in these months. Their size of salary is fluctuated through out the whole year depending on their working condition. In order to make the comparison of the amount of net income and remittances between migrants in Mae Sot and that of Bangkok simple, I tried to sort out the average monthly net income based on the respondent's own estimation on their income and expenses during both working and non working seasons.

Migrants remit home out of consideration for their self interest or their sense of responsibility and affections towards other household members. They keep sending remittances to someone whom they can put trust and keep it as saving. It is not uncommon for some to sacrifice their own benefit and invest all of their energy to make money for the welfare of the family. If the amount they send is large enough to raise the living standard of their family, they expect they will be accredited to some parts of family owned property as inheritance. In some cases, the remittances are regarded as the economic co-insurance agreement between the migrants and their

families left behind. Before migrating, the family has to invest for the future of the migrants and in return the migrants have the obligation to repay this investment later.

Obviously, the remittance motives driven by kinship and sense of responsibility can be seen in the case study. Many evidence of emotionally felt motivation including altruism or self interest had been found out in the remittances sending pattern of individual cases. Here are common determinants which are influencing the capacity and propensity of sending remittances among the cases. The available evidence shows that cost for migration, working condition and further mobility in Thailand, income level, cost of living, legal status and the strength of social network are the most prominent factors influencing on their remittance sending capacity.

5.1.1. Cost of Migration and Length of Time to Recover

The cost of transportation, broker fees and the expenditures incurred before settlement in the destination places are defined as the cost of migration in general. Basically, these costs will vary depending on the destination the migrants choose. Since most of Myanmar migrant workers enter Thailand illegally or legally but later shift to overstay, they are vulnerable to a number of risks throughout the journey. Their immigration status places them at risk of arrest, deportation, trafficking, hunger and even death.

Finding opportunities which can fulfill their expectations of creating a better life or making a bigger income is a case of uncertainty. Only those who are capable of taking risks can succeed in migrating to their desired destination place. Their choice of destination is mostly dependent on their budget and affordability. It means that migration is not a cheap strategy for the community members of the case study area. It should not be expected that migrants are the poorest of the community.

In order to use the investment put into migration in the most efficient manner, they have to hire a broker or smuggling service to try to decrease the risk of being

deported. Brokers or smugglers are key players in the flow of migration from Myanmar to Thailand because they are familiar with the best way to send their customer to their desired destination places. Normally, only those who have come back and forth between Myanmar and Thailand and have sound local knowledge as to how to avoid arrest and how to deal with the problems faced during the journey do not need to use their service. For a new migrant, it is a common process to find a reliable broker before leaving home.

The service charges including transportation costs and broker fees to help migrants find a job are different from one province to another within Thailand. For example, broker fees from Mawlamyine to Bangkok via Maesot are different from Mawlamyine to Phuket via Kawthaung. The cheapest broker fee is for the closest border towns of Thailand adjacent to Myanmar including Maesot, Ranong and so on. According to the findings from the case study area, the economic levels of most of the participants who are working in Bangkok are higher than those who are working in Maesot. The case studies of this research have shown that the average cost of migration to Maesot is 979 Baht while migration costs to Bangkok are 13,584 Baht, which is more than 13 times larger. Similarly, the average income level of Bangkok migrants is also over three times higher than that of Maesot migrants. The conclusion that can be drawn from this income differential is that there is a great chance of making a better income for those who are able to originally afford to spend more for migration expenses.

It is worthwhile to invest in expensive service charges if the migrant is able to reach the destination with minimum risk. In some cases, even if the broker service is reliable, there is always some probability of risk. According to the experience of one respondent, Case No-1, he and his friends had to walk from the Three Pagodas pass to Bangkok for five days. Even though they reached a safe place in Bangkok with the arrangement of the broker, one of his friends from the same trip died of malaria after two days due to the long and harsh journey. Thus, reducing risk and vulnerability are the main reasons that migrants agree to invest in broker services, which makes the cost of migration more expensive.

“For his funeral, each close friend from the community contributed some money. For me, I had to take a loan of 2,000 Baht from my friend for his funeral. Contribution to his funeral, recruiter’s fees for finding a job, and transportation costs increased my debt another 8,000 Baht during the first month of my stay here.”(Case No-1, 34 year-old male migrant who had to repay debt for almost the whole first year of his stay in Bangkok)

Another respondent who chose the route from Mawlamyine to Bangkok via Ranong explained how he and his mother became indebted because of arrests during the trip.

“The police make greater efforts to arrest Burmese in the registration season. We used a broker service when we reached Ranong, but the broker was not able to protect me when I was arrested. On the way from Ranong to Bangkok, I was arrested twice. As a result of both arrests, I was deported to the border and had to pay the broker fees twice to be free from the arrest. The broker and the corrupt police shared the money and I could restart my journey to Bangkok by taking the bus. The service fee paid to the broker for one arrest is about 3,500 Baht. My mother and I had to work for five months to repay our debt to relatives for the broker charges.” (Case No-3, 24 year-old male migrant who migrated together other family members)

The experience of this migrant illustrates how risky migration is and how challenging it is to recover the migration costs within a short period. The respondents who participated in this research had to work for a minimum of one month to one year maximum to recover the cost of their migration. The table (5.6) shows how much each of the respondents spent for migration and the length of time it took them to earn enough to recover these costs.

Most migrants were not capable of sending money back home or were only able to send small amounts while they were struggling to recover the cost or to repay debts incurred during their initial stay. Regular remittances started to flow back to



Myanmar only after they had settled down in their work place and were able to secure a stable earning.

Table 5.6 Cost of Migration and Length of Time to Recover

Code No	Migrants from Bangkok						Migrants from Mae Sot					
	1	2	3	4	5	6	7	8	9	10	11	12
Cost in Baht	13200	15404	13500	15404	12000	12000	200	1120	300	1500	1450	1304
Time to Recover	1 Y	1Y	6M	3M	4M	5M	1M	4M	1M	2M	2M	1Y

Note: M= Month, Y= Year

Average cost to BKK = 13584

Average cost to Mae Sot = 979

5.1.2. Working Condition and Further Mobility

Among the twelve participants from the Thailand side, six migrant labors are working in fish processing and canning factories in Bangkok. Four are working in knitting factories in Mae Sot and two are self employed selling food stuff around the factory area of Mea Sot. Apart from the food shop keeper, all had bad experiences during their history of working in Thailand. They had to move from one workplace to another for survival. The following table describes how many work places they have worked in so far during their total length of stay in Thailand.

Table 5.7 Number of Work Places Moved Throughout Total Length of Stay in Thailand

Case No	1	2	3	4	5	6	7	8	9	10	11	12
Total Years in Thailand	3	10	3	2	8	8	2	1.5	2	8	9	3
No of Work Places	6	10	4	4	4	6	1	2	1	6	3	4

According to the findings of this study, only two migrant workers (Case No-7 and 9) remained stable in their first job. For the rest of the respondents, the number of work places during their total length of stay in Thailand varied from a minimum of two to a maximum of ten. These respondents had to change workplaces for various reasons, including low income, unsafe working conditions, exploitation by the employers, fear of arrest by the police, ill-treatment by superiors and business shut down by employers.

“My first job was in a fish processing factory in Mahachai. I could not save money to remit because the pay was very low. I decided to move to another factory along with other workers who were not happy with the wages. We resigned in groups and the manager was very angry with the workers who were going to move and he drove all the people like dogs out of the dormitory. After that, I became jobless and spent my savings to rent my own accommodation. To get my second job at another fish processing factory, I had to pay the registration fee (5,000 Baht) in advance. I didn't have enough money for registration at that time and had to borrow from a tical of gold and 3,000 Baht from my friends¹⁰.” (Case No- 6, 36 year-old female migrant worker who has been working in Bangkok for more than eight years.)

“In my first job at the fish processing factory in Samutsakhun, the wage the employers paid was much lower than the minimum standard. A Myanmar migrant worker could earn only 125 Baht per day while the minimum wage for a Thai worker was 175 Baht. After working there for one and half years, I moved to another fish and shrimp processing factory. The wages in this factory were much better. Although the daily work made me exhausted, I decided to stick to this factory for another two years.” (Case No – 5, 28 year-old female migrant who moved four places during her stay in Thailand)

¹⁰ Thai and Myanmar people use the term ‘tical’ for measuring gold (1 Tical = 1 Baht or 1 Kyat = 15.244 gm) .

The cost of mobility from one workplace to another in the Bangkok area is expensive for migrants. Moreover, there are expenses involved in finding a job. The migrant has to use broker services to find a job. The service charges for brokers range from 500 Baht to 1,000 Baht. The migrant borrowed a term 'Samat' from the Thai language to refer to this fee. Most of the brokers who provide this service are those who have stayed sufficiently long in the work area to know which work places have vacancies. Most of them can speak Thai and are able to use their language proficiency to deal with the employers and the job seekers.

In some cases, the brokers told lies to the workers and cheated the 'Samat Kha' or service fee. They only described the benefits of the new job and did not reveal the bad working conditions. In these circumstances, the migrants lost the fee paid to the broker if they found the working conditions in the new job unacceptable or the worse than expected. They were forced to invest again in the recruiter fee for the next broker to find another job. This is one of the reasons why the migrant worker who changes work places frequently cannot save money. The proverb 'a rolling stone gathers no moss' is appropriate in portraying their lives.

The pressure driving migrant workers in Mae Sot factories to move from one factory to another is related to exploitation and low wages. All four participants of this research who are working in knitting factories expressed their desire to move to another place or another kind of job. At the same time, they realized that they will be jobless or they could only make a meager income if they returned to Myanmar. Even though they are aware of the conditions of exploitation, they try to negotiate with the employer for an improvement of their working condition. However, if the employer does not comply with their request, their only option is to move to another factory. An emotionally driven 29 year-old female (Case No-10) knitting factory worker expressed the exploitation of the employers during an interview on the day of a strike.

"The employees strike against the low wages almost every month. We request to increase our pay. It is impossible to stay any longer in this factory

if they pay no more than 80 Baht per day while we are working from eight o'clock in the morning to ten o'clock at night. How can we survive?"

She has already moved to six factories during her stay of eight years in Mae Sot. Among the knitting factories in Mae Sot, some small factories which are running on outsourcing by larger factories are likely to pay much less than those which are producing directly for export.

5.1.3 Income Level of the Migrant Workers

Income level is one of the key factors influencing the capacity of remittance senders. Migrant workers are unlikely to send large amounts of remittances as soon as they arrive to a new place. It takes time to become stable with a regular income. Remittance is the whole net saving or part of the saving after covering their cost of living (food and accommodation). All the respondents working in Mae Sot do not have regular incomes because the normal working season of knitting factories is only six months per year from April to November. They only have a regular income during this working season. For the remaining six months, their earnings do not even cover their daily living expenses due to low production rates¹¹. For these months, the employees have to spend their savings put aside during the working season. Many factories in Mae Tao area allow the workers to go out in this season to find another job such as on a construction site or in local agricultural production because they can no longer provide enough income. For the ease of recruitment in the working season, they continue to provide accommodation and three daily meals of rice to each worker. Under these circumstances, it is not uncommon to find that none of the respondents in Mae Sot can send over 50,000 Kyat (40 \$) on average, while the average amount of the respondents' remittances is three times larger.

It should not be underestimated that some of the macro economic decisions of foreign investors and Thai employers also have an impact on income levels and

¹¹ The wages of workers in knitting factories in Mae Sot are based on monthly production.

working conditions. A 24 year-old male respondent participating in the factory workers' strike explained the current problem they are facing in the factory:

“My supervisor told the workers that the garment order had moved to Vietnam. The work load in this season is much smaller than that of last year in this factory. Our income is paid on the basis of the number of pieces we are able to make during the whole month. The less we are able to produce, the smaller the income we earn. I feel sad when I have too much spare time and have nothing to do. It means that I will only get paid a small amount at the end of the month.”(Respondent migrant of Case No-8, 24 years old male migrants sending remittances to his mother)

Low income is a main problem for migrant worker even in a safe work place with no exploitation. A 28 year-old female respondent who is working in a tuna canning factory which follows the minimum standard of wage for both migrant and Thai workers has concerns about her low wages. She said,

“When I called my home, I told my parents not to expect the same amount of remittances as they received last time. In this month, there is no OT (overtime work hours) and my wage for this month is smaller than usual.”(Respondent migrant of Case No-5)

5.1.4 Living Cost in Destination

The remittances sent by the migrants to their home are the net income they can save after spending on their consumption and living expenses in Thai side. The higher is cost of consumption and living expenses, the less affordability to remit. Most of the respondents who are working in the knitting factories have access to accommodation in the dormitory provided by the employer without fees. However, life inside the factory needs high level of tolerance and adjustment for the worker to live together with other fellow. Mostly their dormitory rooms are crowded and do not have enough space for their belongings. The electricity is distributed with time limit. Those who

stay outside of the factory must rent a place to stay or build temporary hut by themselves on the land leased by Thai owner. For those who are not working as factory workers have more freedom of movement. However, their life outside the factory is more vulnerable to arrests and deportation. The rental field of houses in this research area, Mae Tao Tambon in Mae Sot is varied from 800 Baht to 1200 Baht. Generally, we can see many migrants crowded in a small room.

For the factory workers in Mae Sot, the expense on daily staple food composed the largest part of their consumption. Generally, knitting factories in Mae Sot, employers provide the cooked rice for three times per day as staple food. For dishes to go with rice, they can buy from Myanmar food shop inside or outside the factory. Some who want to save more money can cook by themselves. However, it makes them busier because they have to manage for cooking within a short interval of their long working hours. Normally, working hour starts at 8 o'clock in the morning and end at 10 o'clock at night, and it is difficult to have a good time management. Some parents who come to the factories from time to time bring food for their children. Or some use the carriers to send dry food which are not likely to go bad within a short time. These kind of children are more likely to be able to send money if they can really reduce the daily expenses. Inevitably, a factory worker has to spend minimum 300 Baht to maximum 1200 Baht for food in every month. Among the respondents, female workers like Case No-11 who have high concern on the welfare of the family left behind are spending less on food and other consuming goods. For young male workers, they like to eat more and the expenses are never less than 1000 Baht per month in average. Such workers can barely send half of their salaries to the parents. For example Case No-8 and 9.

The respondents in Bangkok are living in the dormitory around their factories. Rental fee for a room varied from 1400 Baht to 2200. Married men and women who are working in the same places with their husband and wife rent a separate room for privacy while others likes to stay in a room by sharing with friends and relatives. It will make the rental fees cheaper for individual person. Their expenses on food cost them maximum 1000 Baht to minimum 500 Baht. They all cook by themselves

whereas it is convenient to buy food and eat outside. Their high remittance propensity prevents them not to spend much on food.

Other consumption cost come from other needs and wants occur in their daily uses. Male respondents in both case study areas are relatively spending more than female respondents. In general, earning of male workers is easily slipped away to drinking, gambling, eating outside, and entertainment. Expenses on cosmetics and clothing are composed a sizable portion of female workers' salary.

In both case study areas, Mae Sot and Bangkok, the respondents are obliged to spend on social affairs and donations. When temporary migrants have turned to long term residents in destination country, they try to less their home sick by creating an environment which is very similar to their home land. If they can access a favorable environment, their own social and cultural practices from original land come to be active. This is a very common phenomenon observed during the field trips to migrant communities. They celebrate wedding in their traditional style; they have donation in monastery and their small and crowded rooms on some of special full moon days for Buddhist; they set up fund for common welfare, they put contribution for health expense of friendly community members. More or less, all the respondents are spending a considerable amount on such expenses. In summary, regardless of male or female, married or unmarried, the amount of remittances they can send is dependent on how much they had spent on their living and consumption and how much they can save after deducting all costs.

5.1.5 Legal Status

While not in their home land, the legal status of Myanmar migrant laborers plays a crucial role in their daily life. Since they entered Thailand without a passport or documents to stay legally, registration is as important as their national identification card in Myanmar. Registration as a legal worker means safety, job security, basic labor rights, regular income, entitlement to the 30 Baht Universal health scheme and stronger capacity to send remittances. The consequences of not

registering are only negative, such as exploitation, risks, fear of arrest, deportation and a small income. Among the 12 respondents of migrant workers in this study, four are unregistered workers. All participants recognized registration is essential for job and life security. Three out of 12 respondents had been arrested by Thai security forces at least once. All had long experience with hiding themselves under the fear of arrest by the police.

More importantly, employers are reluctant to offer jobs to unregistered workers. Even if they employ migrants without registration in their work place, the wage level is much lower than for registered workers. They have only a limited choice of the type of job available and have to approach the bottommost level of 3D jobs. A respondent from Bangkok explained how the registration is important for a Myanmar migrant in Thailand.

“My sister-in-law wants to send her daughters to Thailand to find jobs in my factory. But the problem is they cannot get the registration in this season. I am really upset when they give me pressure to bring them immediately to my factory. What a pity! They don’t know how life is difficult here without registration. How can I hide them when the police come and search my room? I must be worried to keep them at home while I am away working in the factory and they remain jobless. I don’t think they can work as domestic workers, which is the only safe job available.”(Respondent from Case No-6 who is taking care of the three children of his brother in the same work place)

All of the respondents in Bangkok recognized that the registration fee is expensive for them. However, they know that registration is a compulsory requirement for their job security and safety. Four respondents out of six from the Bangkok case studies managed to acquire registration by borrowing money from relatives and friends because it was a prerequisite for their employment. A returned migrant who is still receiving the remittances from her son working in Bangkok shared her experience with the registration.

“As soon as we (my two sons and I) had stable incomes by working here, I brought my other two sons who were working in Malaysia to Bangkok. They arrived in mid-December and out of the registration season. Being a mother, I was very anxious about their illegal status here and tried to get the registration at any cost. I borrowed 24,000 Baht from my friends and paid this amount to a Thai female broker who lived in front of our dormitory to get registration for my sons. She said she could manage to get it. But it was my fault to put all my trust in her. Finally, I came to know that I was cheated by that woman. The consequence was the whole family had to struggle for another five months to repay this debt and my unregistered son had to run and hide in order not to risk police arrest until the next registration season.”

Fear of arrest is the most serious concern among migrant workers. They have to suffer many consequences after being arrested. Most of the migrants who are arrested by the police hardly go back to their place of origin. They decide to go back only if they have no other way or no chance to re-enter into Thailand. They try to get back to their original work place in Thailand as long as they can find enough money to spend on their return. Undeniably, the return for unregistered worker is costly. They have to pay the broker fees and bribes to the police. They might lose their job for the long absence at their previous work. They have to borrow money for the cost of returning if they have no extra saving and must struggle to repay debt. Meanwhile, it is very unlikely to send remittances back home before they resettle. A 28 year old man who works as primary money collector explained the roles of brokers involved in the arrests and deportation.

“If you are arrested, your friends or family members have to contact the broker who is doing business around Thai police. You have to pay money to them to contact the police. You must give bribes to the authorities to find out the names of the migrants who are under detention. You should not expect that the police will release you immediately after receiving money. It is out of the question. After bringing you on the police truck together with other detainees out of the detention center, they will release those whose names

are on their list. The broker fee for this service is varied from 5,000 Baht to 8,000 Baht.”

However, the current registration system of Thailand does not cover all migrants who are working at the bottom level of the Thai labor pyramid. Among the six participants from Mae Sot, only two are registered. The factories in Mae Tao area tried to protect the unregistered workers by paying bribes to the local police. Every unregistered worker in the factory had to pay 100 Baht per month for this service. The employer deducted 100 Baht from their monthly salary. However, the bribes are not always effective. Whenever the police come to arrest illegal workers, they cross the Moei river and take refuge in the Myawaddy side.

All registered migrant workers in this research see the entitlement to enjoy the Universal Health Care 30 Baht Scheme under the current registration policy as a benefit. Three of the participants had never received treatment from a Thai hospital. Two underwent operations for health problems and had enjoyed the 30 Baht program. Safe working and living conditions after being registered made their life easier and raised their capability to remit part of their salary back home.

5.1.6 Social Networks in Thailand and Myanmar

Better telecommunication and transportation help to build a stronger network between migrants and their families left behind. The information flow between migrants and their families are much faster than in the past mainly because of advances in telecommunications. Migrant workers in Thailand are able to contact their home via telephone, mail and carriers. Every respondent in this research had contact with their home at least 12 times per year, approximately once per month. The more frequent communication between migrants and their community at home has made it easier to ensure that remittances actually reach their families left behind. Social networks among migrants have become wider among the migrants as well as between migrants and their home with the assistance of better transportation and telecommunications.

In terms of social network theory, migrants who settled overseas as early comers facilitate the smooth migration of the migrants that followed. During the last two decades, the number of migrants coming from Myanmar to Thailand has been dramatically increasing each year. The current Thai migration policy is trying to control and manage this increasing influx of migrants from neighboring countries. However, there is no sign that the existing policy can limit the flow of migrants given the lack of opportunities in Myanmar and the incentives to make a better living in Thailand. As a direct result, despite the efforts of the Thai authorities, the number of illegal and legal migrants continues to rise. Strengthened social network among migrants is one of the main factors contributing to the dynamic growth of migration from Myanmar to Thailand. In the case study area, many households are almost empty or have only non working age members remaining; the older members and children are left behind while many community members are working mostly in groups in various provinces of Thailand. One after another of the community members have left for Thailand following the migration fashion. The old migrants who have been working for many years in Thailand support would-be migrants in various ways in order to make their migration process as smooth as possible.

Social contacts are involved in every step of the migration process. As a first step, those who want to migrate have to estimate the cost of moving to Thailand and must decide their destination province. As a second step, they must decide how to go to Thailand. Thirdly, they have to make contact with a reliable broker if they do not have enough skill to avoid the arrests by the police. Fourthly, they have to find accommodation in Thailand before getting a job in order for them to settle down. As a next step, they must seek information about job vacancies in the area they stay. It is only after these often lengthy and risky steps, that the migrant is able to get a job, save and remit some of the earnings home. This process requires a strong commitment. They must find a reliable remittance service provider. Finally, they might return home when they can save a sufficient amount of money to build up a sustainable livelihood in their place of origin because they know that they are allowed to work in Thailand only temporarily. Social networks thus play a crucial role for every step of this process. In the present research, the concept of 'knowledge is power' is directly

applicable to the current situation of migration flows from Mawlamyine to Thailand. The more knowledgeable a migrant is, the more likely the chance of successful migration. If the migrant is aware of the pros and cons involved throughout the journey of migration, there are less costs and risks involved in migration. Whenever they need information, they can rely on their social network to provide the required information. Good social networks not only provide much needed information, but also financial and social support. The following interruption came out from a long term male migrants point out a link between the early comer and the follower migrants.

“I have to inform my relatives who wish to come to Thailand about vacancies in my factory. My factory usually recruits new workers before registration season.” (Interrupting from an elder brother of a respondent from Bangkok who was also listening to the interview with her sister)

Another respondents working in Bangkok Tuna canning factory said he should be thankful to his kind relatives who assisted for his settlement.

“I have some cousins in Thailand. They felt pity for my mother who was struggling very hard for daily survival and they decided to help her by bringing me to Bangkok. They arranged my trip to Thailand with a broker service and let me work in the same factory with them. The reason why they chose me among my other many siblings is that I am the only one who is willing to look after my mother. But I had to repay the debt for the traveling cost to them later. But I should say thanks to them.” (Respondent of Case No-2)

Table 5.8 No of Close Relatives Working in the Same Work Places

No Relatives	of	1	2	3	4	5	6	7	8	9	10	10+	20+	No
No Migrants	of	4		1	1		2					1	1	2

Information from friends and close members of the migrant community is helpful even to choose the money transfer service. The old community members also provide the new comer migrants with the necessary information on how they should send remittances home. They give recommendations as to the most reliable money transaction operators. There are uncountable anecdotes of migrant workers who were deceived and exploited financially because they act without sufficient information and are unlucky in their choice of service provider during the process of migration. Social networks are a fortress which can protect migrant workers from undue risk and help them earn the most amount of income in the best working conditions possible.

5.2 Utilization of Remittances in Place of Origin

The assessment on the utilization of remittance in the recipient households is an important part of this empirical research. Available evidence discovered in the case study community suggests that migration is significantly improving the living standard of the migrant recipients by means of remittances. Nevertheless, the maximization of the economic development through the remittances is largely determined by the way the recipients use remittances.

Economic growth stimulated by the remittances is primary determined by the way the recipients allocate money in their hands. Two patterns of use; productively uses and unproductively uses are categorized in table (5.1). Daily household expenses on basic needs mainly food, debt repayment, donation, contribution special social events such as wedding, funerals, christening to newborn babies, gambling on underground lottery, purchasing durable goods, housing improvement and other uses are categorized as unproductive uses of the remittances. This includes migration fees for other family members, making investment in agriculture including buying land, live stocks and other equipments, investment in industries and finance, health and education expenses and saving are classified under the category of the productive remittances uses.

Classifying what are composing the productive uses and what are unproductive uses still remain a hotly debated issue. Some researchers studying the spending pattern of the remittance did not try to categorize which is productive and which is unproductive while other studies believed only investments on income generating activities are productive uses. This study put all the income generating businesses and the other expenses which are contributing long term economic sustainability under the title of the productive uses. For example, health care expense has been categorized as the productive use even though it does not make money directly or create employment. Health care expenses should be recognized as productive use of the remittances because it is generally accepted that man with no good health can create no wealth. Judgment on the use of remittances in the context of Myanmar society, some types of expenses such as donation and spending on social events comes within the bracket of unproductive uses. It is arguable that if spending on special social events is promoting the level of status for the users or if the giving food as donation in an ordination ceremony will help the poor to save money for one day expense on food. Similarly, debate is continuing whether purchasing durable goods contribute to the local economy indirectly if these good are local product and its production is creating employment in the region. To measure the contribution of remittances in this research, all of the above mentioned multiplier effects of the remittance use are not taken into the scope of the study. The contents of the table shows only expenses which has direct effects on the economy of the recipient households.

The figure in the table is shown in millions of Myanmar Kyat. The amount of expenses is estimated by the respondents themselves on the basic of the total amount of remittances they have received throughout the migrant's stay. However, in one case, the respondent (Case No-11) could not recall how she had allocated the remittance since the first time of receiving money from her children. She remembered only the amount she has spent for building a new house. Fortunately her daughter, the respondent from Mae Sot recalled the total amount of money she have sent whereas the household head, the mother could figure out what item she had spent on with the remittances. Not surprisingly, this household is still in deep poverty even after

receiving remittances for more than eight years. The household had received total 8.4 millions Kyat during more than eight years stay. All had flowed mainly into housing improvement, emergency special social events and household consumption for daily survival. Repaying debt for a wedding, six funerals of relatives from both parents' sides had absorbed all of the remittances she sent.

Table 5.1 Remittance Allocation of the Recipients Households Shown Kyat in Million

Sr	Household Code	1	2	3	4	5	6	7	8	9	10	11	12	Total	Total %	
1	Unproductive Consumption	Household Consumption	0.85	1.67	1.55		1.65		0.02	0.12	2.66		0.02			
2		Debt Repayment	0.93		1.6		1.1	1.5		0.03	0.5					
3		Donation		0.15			1.7									
4		Special Events		0.09	0.15		0.45				0.75					
5		Gambling		0.02						0.03						
8		Housing Improvement	0.35				8	0.8			0.6					
6		Buying Durable Goods			2.7			3.7			2.4	0.15				
7		Other		0.35												
		Total Consumption	2.13	2.28	6	0	12.9	6	0.02	0.18	6.91	0.15	8.4	0.02	45	70%
9	Productive Consumption	Migration cost for other			0.5		0.6									
11		Investment in Agriculture			2.1	0.3	4.5									
12		Industrial Investment														
13		Health Care						2.7								
14		Financial Investment	0.6			0.7										
15		Saving				3		0.8								
16		Expenses on Education	0.11	0.42	0.54			3.5			2.3					
		Total Investment	0.71	0.42	3.14	4	5.1	3.5	0	0	2.3	0	0	0	19.2	30%
														64.2	100%	

Note: Average Currency Exchange Rate in July 2007 1\$=1285 Kyat. Unlike table (5.5) which shows the average amount of remittances sent by migrants in the year of data collection, table (5.9) describes the amount of remittances received through out the migrant's stay which is estimated by the recipients. The length of receiving time is different from one migrant household to another based on the migrant's stay in Thailand.

In brief, only one household of the total 12 respondents have used larger volume of remittances on the productive investments. The total use of remittances by the whole number of respondents on the unproductive consumption is 45 Millions Kyat (70 %) while the volume on productive investment is only 19.2 Millions Kyat (30 %) of the total remittances.

The largest amount of total remittances of all respondent households flows into the daily consumption while debt repayment absorbed the second largest flow of remittances. The reason why the recipients set their second priority on the debt repayment is because of concern for high interest rate charged by the lenders. In Case No.1, they had taken mortgage of 0.25 million Kyat on their real estate for the husband traveling expenses for trip to Thailand. But after one and half year, he had to pay back 9.5 million Kyat to the money lender to take it back. It is not very surprising that the second priority of the respondent households is debt repayment.

Giving generous a donation is one of the most common characteristic of Myanmar people. Donation has been seen as a part of the house hold expenses by three respondent households. Two households had used large amounts of remittances on new building for a monastery. Therefore, a significant question to be raised is; why they spent large amount of remittances come out from their children's hard work to the new building in a monastery compound? In economic vantage point of view, remittances are used to fulfill the needs and wants of the recipient family. Construction of a new building for donation might not be taken as satisfying an essential need for a family. However, sentimentally, it might be proud to be a donor of a religious building. They might consider such expense as a measure they should take to brighten their dignity.

Similarly, two recipients Case 2 and Case 11 had used remittances for ordination. In a way, cultural values accepted by the community are influencing in the decision making of the stake holders for allocation of remittances. Culturally, ordination is a merit making ceremony in every Buddhist mind-set. However, the changing social value had dramatically concealed the essence of religious ceremony

and to spend more money to show off. More or less, the villagers spending on this occasion is dependant on their individual wealth. Even poor families who can hardly survive with meager income want to spend on ordination because they think that life is worthy if they have chance to hold such fair of vanity. Excessive spending for pride drives out the remittances to the recipients' wallet to others' pocket.

Another unproductive uses of remittances is on the special social events. Helping each other in case of celebrating special social event is a beautiful Myanmar custom. People in the case study community have very close relations to each other and as a community member it is obligation to help and join in any events. Living in such kind of community has positive and negative consequences. Villagers have to show their sympathy or good will by contributing some money to the owners of the social event. When a household in the community celebrates a social event such as a funeral, wedding, ordination, christening, they are obliged to receive financial contribution from other community members. The level of contribution is varied based on friendship and social status of the recipients and the contributors. In average, the amount of contribution for each event is ranged from 1500 Kyat to 5000Kyat. The community has three social events per month in minimum. It is not a legally binding obligation. But the social custom has stronger effects on sense of responsibility. If someone failed to join in events personally or did not contribute financial support, he or she might feel ashamed or sense of inferior among other villagers. Every respondent household participated in this research has shown their feeling of uneasiness towards this kind of contribution. While four households only have mentioned how much they had spent on these contributions with the remittances, the other stated that they have participated in these events with income from other sources. However, every respondent said that life will be very difficult to live in such kind of community if the income is not sufficient enough to cover the social cost.

“I used to go fishing when I lived in my village. When I caught more fishes, I went to join all the ceremony, festivities and social events. But fishes in the river were not always waiting for me. It is really burdensome to participate in such kind of events when the income is not enough even for the daily

food. This is one of the reasons I have come to Thailand. Here, I don't need to contribute anything and the income is also higher and more regular than fishing." (Case No-7, a 42 years old shop keeper who followed his daughter migrants and then moved the whole households to Mae Sot)

Spending on gambling is the most unproductive expenses. In today Myanmar society, betting on the underground lottery is the most common and the easiest way to be involved in gambling. A sizeable portion of many households' income is streaming into gambling. In cases Code No. 2 and No.8, they are spending 200 Kyat every day on betting on the illegal lottery which is equal to 20% of their expenses on daily food.

Living in a decent house is the most common objective of almost every participant. Many factors are encouraging the migrant households to set one of their favorable priorities on building and improving houses. Buying land for houses should also be included in this category. But in this research, there is no participants had bought new real estate with the remittances. Building new houses and improving and repairing parts of houses are what they had done with it.

Most of the people in case study community want to own a house, big or small in their life time. Traditionally, the house shows the symbol of status of the residents. Possessing big and grand house means the owners are well off and their influence on the community is considerably substantial. Every respondents participated as migrants in Thailand mentioned that their ambitions is to own a good house or to improve their existing house. Nevertheless, many researchers recognized spending on houses as unproductive investment. In fact, the decision making of the remittance recipients to make the housing improvement is influenced by macro and micro economic condition. Inefficient macro economic policies of the government are reflecting in the daily struggle of the public.

The prices of commodities have sky-rocketed during the last several decades. However, on the other side, the income of the public has not been improving significantly to catch up with the rising prices. Due to high inflation rate, if they do

not build and buy house while they have sufficient income from continuous remittances, it is not sure if they can do it in the future. According to the former member of village administration board of 1990s, the price of real estate in the community had increased many times in the recent decades. A plot of land which the village administration board allotted to the villagers in 1989 with the price of 600 Kyat to 900 Kyat has increased to 1.5 Million Kyat and four Million Kyat respectively in 2007. During field study, many new houses had been seen in the community. Definitely, almost every family that built a new house recently has one or more migrants working in Thailand or other countries. One of the respondents expressed his view that holding cash as saving in his hands is more vulnerable than buying some assets. He said 100 Kyat he has in his pocket in this year might be devaluated to 50 Kyat in next year because of the lower purchasing power due to inflation.

While some of the respondent households has used or intended to use remittances for housing improvement and purchase of real estate in future, many cases are still far from being capable to reconstruct the former asset they used to own. In Case No-7 and Case No -11 had sold out their houses and used the money as transportation and settlement cost in migration process. Even after migration, they wish to resettle their life in native by buying new fixed assets such as land and houses. But the real estate price in their home village is rapidly rising and their current income is not big enough to catch up with the fast moving land price. Moreover, the daily consumption and their immediate wants and needs of durable goods cut down their saving capacity. In such cases, the original valuable assets were devaluated and turned to be inferior goods which are not essential parts of their life. To reach their goal, they might need more efforts to raise their earning and saving power. In Case No-1, the wife did join with her husband and work together to repay mortgage they have taken on their land. They might lose the land if the husband alone has regular income. Ability to diversify income sources is main strength behind their ability to repay debt.

Purchasing durable goods such as motorcycles, clothing, households utensil, furniture and so on, is one of the largest expenses for Case No-3, 6, 9 and 10. Only

four households can spend on buying durable goods in a considerable amount. For Case 3, half of the households members are working in Thailand and the amount of income are relatively higher than its neighbors. In the same way, Case 6 is also economically stronger than many other respondents and her big families have strong demand on both consuming and luxury goods.

For those who are struggling for meeting their daily requirements partly or completely with the support of remittances, spending much money on the durable and luxury goods is out of the question. This does not necessarily mean that the other houses apart from these four participants have not been spending on the durable goods completely. They might have used on buying goods but they cannot remember how much they have spent overtime because the amount is pretty small.

Under the category of productive investment in the Table (5.1), spending remittances on the traveling expenses of would-be migrants is included as the first item. Some households sent requests to their children migrants to remit for the traveling expenses of another would-be migrant. Generally, the cost for migration is supposed as a kind of investment by the migrant sending households because they will get the profit out of migration sooner or later. In Case No 5, only parents are left behind at home and all four children are working in Thailand. After one child had settled well in their working place, they remitted home to bring one sibling after another to Bangkok. The more number of children is working in Thailand, the more likely to receive larger amount of remittances in combine. For this kind of household, the parents hardly hesitate to invest more in their children migration.

According to the findings of the study, all the participants' households have not made investment in any industrial activity. Limited amount of remittances had poured into the health care, financial investment and saving. Here, financial investment means giving loans to the borrowers with a certain level of interests. Households with children spend a part of remittances on education. Five out of twelve households are sending their children to school with remittances.

Investment in education is supposed to be one of the most productive uses of remittances. However, the way the remittance users view on the value of education is driving their willingness to invest. The background information on family status indicated that seven cases have sent one child after another to Thailand before their graduation of middle school or high school education. The intensity of the poverty and poor access to employment in public and private sectors are discouraging them to do investment in education. Since the outcome of education investment can be seen only in the long run, many respondents could not wait patiently. Instead they choose the short term solution for survival and send their children as migrants to Thailand for future financial gain. In Case No.2, the child left behind is studying in high school. But the remittance sender said he would not send the child to the college because it is difficult to find a job even after graduation from the university. The sender wants him to run a shop instead of studying university education because he thought it is a waste time and money to spend on education if they cannot see the potential outcome. In this case, the migrant himself is not educated and he might not have broaden-outlook on the value of education. Basically, the perception of the parents on education is the most important driving force for educational investment. However, in many cases, the intense poverty had pressured on parents to withdraw their children from school. Their perception might change if they have access to regular remittances as a reliable income source. For example, Case No-4 is enthusiastic to educate the youngest two children while they can receive remittances from the eldest three children who dropped out school in their teenage.

As mentioned above, limits on the expenses on productive types of investments had been clearly seen in the household consumption pattern. Only one household, Case No.4 has spent more on productive investment. Even in this case, the saving they kept in their hands is intended for purchasing new house at the end of 2007. The weak potential of starting new business in the local community has pushed the remittances stream into the unproductive uses. No one of the participants has yet started a new business with the remittances. A few respondents who already possess some income generating business have more likely to extend their investment in future. For the rest of the participants, the amount of remittances is still limited to

catch up with the rising consumption cost of the households. All these factors are constructing an environment for circular migration for returnee migrants who see their life is still unsustainable in their own community.

5.3 Remittances and Poverty Alleviation in Mawlamyine

5.3.1. Increasing Income Level through Migration

Migration has seen as an effective way of improving the income level of migrant households. The more the number of migrants is, the greater the sum of remittances the households likely to receive in return. In the case study village, the percentage of houses with migrants in Thailand is 62 % of the total number of houses. This indicator suggests how much the local economy is dependent on the remittances sent from Thailand.

Individual economies of the respondent households are also partly or completely reliant on the remittances. The volume of remittances they can send is varied dependent on the migrant legal status and working condition. Nevertheless, their remittances are raising the income level of the family members left in Myanmar because the amount they are sending is greater than the wages they used to earn in their previous jobs in native. Similarly, migration blessed former jobless with employment of a sizeable earning. Out of 12 remittance senders, five used to be unemployed and the rest had run their lives as fishermen, construction workers and street vendors in the past before migration.

Ten of the respondents mentioned that their former household income were not sufficient even for the daily consumption. They used migration as a tool to make money for their daily survival. They expressed their concern that they might have been struggling with the debt problem for an unlimited time if they did not decide to come and find a job in Thailand. Only three out of the twelve migrants were free from debt when they left their home. Most of them tried to keep repaying debt for several

years even after recovery of migration expenses. They admit that remittances are reducing the poverty intensity they are suffering in their home town.

The Table (5.2) illustrates how much percentage of the total household income is contributed by the remittances. The amount of remittances shown in the table is the total value of remittances both in kind and cash. The figures in the table shows most of the remittance senders are supporting a large portion of the total households' income.

Table 5.2 Contribution of Remittances to the Total Income of the Cases

Case No	Monthly Amount of Remittances (Kyat)	Total Monthly Income (Kyat)	Contribution of Remittances to Total Household Income (%)	Monthly Consumption (Kyat)
1	100,000	100,000	100	75000
2	100,000	100,000	100	69000
3	150,000	383,333	39	150000
4	120,000	275,833	43.50	150000
5	100,000	291,666	34.28	105000
6	200,000	608,333	33	150000
7	15,000	49,500	30	30000
8	15,000	30,000	50	30000
9	50,000	200,000	25	75000
10	1,600	464,100	0.3	135000
11	75000	170,000	44	120000
12	15,000	115,000	13	90000

Note: Average currency exchange rate at time of data collection in July 2007 is 1\$ = 1285 Kyat

For Case No.1 and 2, remittances are providing hundred percentage of their household income. Large share of households' income are also composed of the

remittances except for Case No.10. If they no longer receive remittances, it will be very difficult to stand with their monthly income alone especially for Case No.1, 2, 7, 8, 11 in which their household consumption is largely made up of the remittances.

5.3.2 Remittances as Emergency Relief

For many households, remittances are not only fulfilling the basic daily requirements, it is also meant for an insurance or emergency supply in case of economic crisis. Migrants with regular income are the last resorts for the families left behind if they have emergency needs. Nine households out of the twelve cases are giving pressure on the remittance senders for many reasons including urgent demand. If they do not have access to the remittances, they will have to solve their financial problem by borrowing money from the lenders or taking mortgage on their properties. Now, remittances are the preferred solution for their crisis time. The duty of being a working migrant can be seen in the following expressions of the respondents.

“Last month, my father-in-law called us to send emergency money as quickly as possible for the medical fee of my sister-in-law. She is suffering from cancer and the family has to spend a lot on her health care. We transferred 100,000K to them two days after receiving call. This is not regular sending but we have to send to both sides of parents if they have urgent needs.” (Case No-2, a 34 years old household head who is working in the same factory with his wife)

“I sent 1.2 million kyat in last June for my father medical expenses. He was transferred to Yangon hospital from my home town to receive a better treatment. At that time I did not have enough money in my hands to send such big amount. So, I had to pawn my gold necklace of three tical (my saving) in Thai gold shop. I had solved many emergency problems of my family in this way because the interest rate for gold is relatively cheaper. Now the Gold shop owner and we even become friends after pawning things

many times. (Case No-6, a 38 years old migrant who works in the tuna canning factory)

5.3.3. Migration as a Means of Risk Diversification

Risk diversification is one of the function migration do through the remittances. In many cases, the remittances are expected to be used for risk sharing between senders and the recipients. Sharing income from different sources make strengthen the household finance capacity. Four respondent households are the examples to see the nature of risk diversification in family decision making for sending migrants. Among the respondents, Case No-3, 4, 5 and 6 had decided to send their children to find jobs in Thailand with the consideration of risk in case their produce from agricultural would not meet the target to repay debt. All these households have agriculture-based economies and their weak finance had given pressure to send their children to Thailand at the time of decision making.

Taking loans in the paddy growing season by the money lenders is different from other kind of loans and mortgage for the farmers. Despite the money lenders do not charge interests on them, the farmers have to pay back in rice for debt in the harvesting season. The huge profit for the money lenders comes from the price gap between the growing and the harvesting season. For example, the current market price in 2007 for rice is about 600,000 Kyat per 100 Tin (local weighing system)¹². But the sale price fixed for repayment to the money lenders is about 250,000 Kyat per 100 Tin. In this case, the gap of the price within four months of growing period is 350,000 Kyat. Since the money lender reap huge advantage out of their agricultural product, it is not easy to repay debt once a farmer becomes indebted.

Four of these households used to run in the vicious circle of debt before they sent children to Thailand. In their cases, they have viewed migration as a tool to minimize the risk of any misfortune by diversifying sources of income. They expected

¹² 1 Tin = 33.33 Kg

remittances would be assistance should they have any obstacles such as floods and low production rate. Three female household heads explained that their children had made earnest efforts to repay debt in early years of migration and shared the burden of the parents. They have seen the significant benefit come out from the migration and hence, the remittances catch the attention of every household in the community who are battling with the extreme poverty.