

## BOOK REVIEW

**Impact of Migration on Poverty and Local Development in Bangladesh**, by Tasneem Siddiqui and Raisul Awal Mahmood, published by Swiss Agency for Development and Cooperation (SDC) and Refugee and Migratory Movements Research Unit (RMMRU) Refugee and Migratory Movements Research Unit (RMMRU), Dhaka, 2015; xxi, 200 pages.

Migration, more specifically labour migration, has long been playing a significant role in Bangladesh's economic development. On one hand, through foreign remittance, it is injecting crucial foreign exchange into the economy, which is critical to the smooth functioning and growth of the economy. On the other hand, by creating employment for more than 10 million people so far, it has reduced pressure on the domestic labour market. In the process, labour migration is naturally expected to have an impact on the poverty situation both at household and national level. The impact of migration on poverty in Bangladesh is the subject for the book..

The book is the outcome of a survey conducted by RMMRU on 5,084 households covering both male and female; internal, international and non-migrant households across 17 districts of Bangladesh. The study uses internal migrant (IM) and non-migrant households as control groups to which international migrant households, defined in the book as Short Term International Migrant (STIM), have been compared.

The long term goal of the survey mentioned above is to create a panel data on international migrant workers of Bangladesh which, the authors believe, will help in policy evaluation aimed at harnessing the full potential gain from international migration from Bangladesh. With that long term goal in view, the book aims to see i) the nature of the relationship between international migration and poverty, ii) the impact of remittance on local development through consumption and investment and iii) the role of international migration in community development and tries to highlight the implications of the observed relationships for policy planning.

As far as the long term goal is concerned, the study is a commendable initiative. Sampling method used by the study is sound, making the sample a good representative of the population as well as covering some desired aspects of international and internal migration such as female migration and climate change induced migration. The study has collected cross-sectional data on a wide range of issues. If this can be transformed into panel data, as vowed by the authors, it surely will be of great help to understand the dynamics of migration-poverty alleviation-local development nexus.

Following the introductory chapter, the book includes a short literature review, research gap, rationale and research questions of the study, the second

chapter discusses conceptual and methodological framework of migration, poverty and local development used in the study. Then after making a short discussion on the current trend in international migration from Bangladesh, the authors examine the socio-demographic and economic profile of the sample migrant and non-migrant households to see who are more likely to migrate – within and beyond the border. Then they describe the migration experiences of the sample migrant households which give an idea on drivers, cost, sources of finance, duration, destination and other aspects of migration. Both the profile of the sample households and migration experience of sample STIM households have important policy implications. The following chapters deal elaborately with the main objectives of the study – tracing the differential impact of migration on household poverty and migrants' contribution in local development through investment, consumption and community participation.

As mentioned above, the study examines various socio-demographic characteristics of the sample households like family size, religion of the household, gender, marital status and age group of household members. It finds that: i) On average, STIM households have the largest family size, ii) Households having more male members, are more likely to migrate – be it internal or international, iii) In case of education the picture is mixed; upto SSC, STIM households lead but beyond that level, they lag behind IM households. The findings of the study suggest that in case of migration, demographic composition of households matters more than social characteristics like education.

The study also examines economic profile of all sample households and reviews the migration experiences of the migrant households. Major findings are as follows.

First, STIM households have higher monthly income compared to IM and non-migrant households which confirms the general belief. What is interesting is that the mean annual income of non-migrant households is higher than IM households.

Second, regarding the occupation, there is not much difference among the STIM, IM and non-migrant household members. Skilled work (tailors, welders, drivers, etc.), service work (hotel, transport, sales), farm work and production/manufacturing work are the major occupations for both STIM and IM household members and there is no significant difference among migrant and non-migrant households in this regard.

Third, prior to migration, a high proportion of the sample migrants, both national and international, were unemployed. Among those who were employed prior to migration, farming, skilled work and construction work were the major economic activities and in this case too, there is not much difference among the STIM and IM households.

Fourth, education level of the internal migrants was better than that of the international migrants. This finding is not surprising if one keeps in mind the education and skill composition of international migrants of Bangladesh.

Fifth, economic compulsion is the primary driver of migration, be it internal or international. Other drivers of migration are downward trend in agricultural production, natural calamities and riverbank erosion.

Sixth, almost all international migrants borrow money to bear the cost of migration.

Seventh, in case of international migrants, the majority (52 per cent) carry out the migration process through *dalals*, followed by relatives and family members (37 per cent). In case of internal migrants, it is the migrant himself/herself or their family members/relatives who accomplish the migration process.

Among all the above-mentioned findings, some confirming the existing beliefs and bringing some new facts into the light, have significant policy implications.

The first objective of the study is to find out the impact of international migration on poverty. The study deals with this issue elaborately but the methodology used in this case suffers from a major flaw. Based on per capita income of households for the year 2014 (for which data was collected through the household survey), the study shows that the poverty rate (headcount ratio) of STIM, IM and Non-migrant households are respectively 13 per cent, 46.1 per cent and 40.2 per cent. The study finds similar results by comparing the living standard (which included the nature of construction and size of the homestead, source of drinking water, type of toilet, sources of power etc.) among the three groups of households. From these evidences, the authors conclude that "international migration does play a significant role in reducing poverty." However, it is to be noted that from poverty rate or data on standard of living in one year, one cannot say whether poverty has increased or decreased. The authors themselves warn, "An analysis of the HIES 2005 data found that poverty amongst remittance receiving HH was 17 per cent but, in the case of non-remittance receiving HHs, as high as 42 per cent. This lower rate of poverty may not only be due to remittance flows, however, as the migrant HHs may be better-off to begin with." (Introduction, p. 4)

How the authors could be certain about the redeeming impact of international migration on poverty from the data of one year? Although the authors did not explain it explicitly, one explanation can be found in their process of selecting non-migrant households. "These non-migrant HHs were located with the help of the migrant HHs. The migrant HHs were requested to identify non-migrant neighbours who were in a similar economic condition as them when a member of the migrant family first

migrated.” Thus, as per their explanation, since the STIM and Non-migrant HHs were of similar socioeconomic background before the STIM HHs started the migration, the difference in headcount ratio between these two groups in the study year reflects the impact of migration on poverty.

Even if one accepts the above argument, the conclusion seems to be grounded on weak foundation. The determining similarity of two households in socioeconomic condition is too complex an issue to be left to the judgment of the respondents. This is more so when one makes an important claim based on such judgment. Rather, the study could have used the headcount ratio and other measurements of living standard of the three groups only to show their poverty scenario. Later on, when in its course, the study will transform this baseline data into panel data, the difference of headcount ratio and other measurements over time can be used to measure the impact of international migration on poverty. The same view was held by the experts participating in the dissemination workshop, as is mentioned in the Recommendation section of the book.

The authors identify five factors that they think influence the observed relationship between international migration and poverty. These are: geographic location, gender of family head, duration of migration, the number of migrants in the family and family size. Among those, the last three factors seem to be superfluous. There is not much point in saying that the lower the family size or the higher the number of international migrants in the family or the longer the duration of migration; the higher is the poverty reduction impact of migration. There is no doubt that the first two factors are important, but it would have been better if the authors could give some indications why those factors are affecting the said relation.

The second objective of the study is to examine the impact of migration on local level development which the authors identify as an important research gap in the existing literature on the impact of migration in Bangladesh. This objective has been dealt in the book quite elaborately and successfully.

That international migration helps local development through increased consumption of food and non-food items, education and healthcare service is a known fact. Going beyond this limit, the study intends to see whether and how international migrants contribute in local development through investment. To its success, the study reveals many interesting and significant features regarding the investment behaviour of migrant and non-migrant households.

The authors, with support of various empirical evidences, rightly challenge the traditional notion that migrant (international) households do not invest in productive activities. Their study shows that compared to IM and Non-migrant households, STIM households invest more in some sectors like agriculture, business enterprises (shops) and financial instruments.

The study finds all three groups of households (STIM, IM and Non-migrant) to make their highest amount of investment in agricultural production, both as landowners and sharecroppers. According to the authors compared to IM and Non-migrant households, STIM households contribute more in agricultural development through use of improved seeds and adequate fertiliser, regular irrigation and higher investment in modern agricultural equipments. This is because these agricultural activities require cash flow and the STIM households have better access to it. In contrary, among all three groups, IM households lead in agro-based industries which include poultry, animal husbandry and pisciculture.

The next important sector of investment for STIM and IM households is the transport, in which around 10 per cent of them invest. The type of transport, however, differs between these two groups. In all three groups, a small fraction (three to five per cent) is found to invest in shops and quite expectedly, a very little of them (less than one per cent for STIM and Non-migrant and zero for IM households) invest in mills and factories.

The critical link between migration and agriculture found by the study deserves attention. On one hand this link suggests that agriculture sector of Bangladesh is in dire needs of credit and in the absence of other inexpensive sources, remittance has become a good source of it. On the other hand, the heavy dependence of STIM households on agriculture indicates lack of investment opportunity. New avenues for investing remittance of STIM households should be opened up through proper policy intervention. Agro-based industry can be one such example in which STIM households still lag behind.

The authors claim that the findings of the study on migrant and non-migrant investment in financial instruments, shed new light on investment behaviour of migrants. So far, according to them, almost every study has found evidences of very little investment by migrants in financial instrument but their study tells a different story. It finds that about 20 STIM households invested in monthly DPS and 64 per cent possess one or the other type of financial instrument. The figures are significant indeed and more importantly, these are far higher compared to that of IM and non-migrant households.

It should be noted however that while the study establishes the international migrants as a good source of investment, it should not be taken to mean that international migrants "have a tendency to invest more" compared to IM and Non-migrant households. From the data presented in the book, one cannot be certain about whether the higher investment by STIM households is the result of the impact of migration on investment behaviour per se or is it the indirect impact of migration through increased income. If the latter is true, then any non-migrant household with income equal to a STIM household will invest equally.

A notable finding of the study is that international migration creates employment at home. International migrants create jobs for their household members, local non-migrants as well as intra and inter-district IMs. They create employment through renting out their agricultural land. They also hire workers to manage their poultry farms, livestock and small-scale enterprises. The authors find in their household survey that 46.4 per cent STIM households employed one or more workers during the sowing and harvesting season, which is significantly higher than IM and non-migrant households. Their community series data also find the incidence of seasonal in-migration is far higher (79.6 per cent) in high STIM areas compared to medium (41.7 per cent) and low (33.3 per cent) STIM areas. Another important observation of the study, which deserves attention is that high and medium STIM areas have higher wage rates while low STIM areas have lower wage rates.

International migrations stimulate local development through increased consumption - this already established fact, is re-enforced by the study which finds that compared to IM and Non-migrant households, STIM households annually spend 31 per cent and 24 per cent more respectively on food and other expenditure.

The third objective of the study is to examine the role of international migration in community development. The authors depict the participation of international migrants in community development as a channel through which migration contributes in local development. The authors cited various studies which show the contribution of Diaspora in local development. For example, a World Bank-NDS study found that the Nepali Diaspora had contributed to the establishment of public libraries, trade schools and health posts in rural areas. A study on Bangladeshi Diaspora in the UK and the USA also found them running educational scholarship programmes and health camps.

In case of the present study, the authors found the international migrants supporting community libraries and schools as well as contributing in infrastructure development in their community series data but they admit that their household survey could not capture such information. In fact, the picture that emerges through the household survey is not encouraging at all. The household survey data show that 64 per cent, 44 per cent and 42 per cent of STIM, IM and Non-migrant households respectively contributed in community development work while 92 per cent, 94 per cent and 89 per cent of these households who made such contributions, contributed either in mosques/temples or in madrassas. Migrants' and non-migrants' contribution to establishment and support to school/college/training centre or development of infrastructure is either absent or negligible. The authors believe that the migrants contribute to Madrasa with the intention of helping the poor children, which leads them to hope that if vocational training centres or other similar ventures could be developed in rural areas, the migrant and non-migrants would provide assistance to those as well. This is indeed a very good recommendation. However, in the

sociocultural context of Bangladesh its implementation is quite difficult and it will require a rigorous mass campaign.

Throughout the book, the authors use the gender issue as a crosscutting issue and found that females, both migrant and non-migrant, lag behind their male counterparts in many cases such as education, employment, land ownership, income, remittance, investment etc. This certainly deserves concern of the policy makers.

Finally, it can be said that the study, of which the book is a result, has a commendable aim and the book can be considered as a good start with that end in view. The sample has been selected carefully following a sound sampling method. The book is well articulated, rich in information and is written in a reader friendly style; but it seems that less care is taken about the index. The book has no doubt enriched the literature on the impact of migration in Bangladesh. The contribution will be even more if the data presented in the book are transformed into a panel data through a few follow-up studies.

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