

Remittance Behavior of Mon Migrants Working in Malaysia¹

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Abstract

This study aim to provide a better understanding of remittance flows among Mon migrants, the amount remitted and the likelihood to remit from their destination country in Malaysia, and the impacts of these remittances on their households and communities in Myanmar. Moreover, the contribution of remittances to the total income of the remittance receiving households will be described in this study. Regarding the survey design, an ethno-survey methodology was adopted using multi-method data collection, multi-site sampling, multi-level data collection, life history collection and comparative study techniques. Analytical and descriptive approaches were used in order to analyze factors influencing the amount remitted, and the likelihood to remit. The results of this study show that the remittance behavior of Mon migrants is dominated by altruistic feelings, an attachment to their family in Myanmar and the need to provide insurance to the family left behind. Moreover, the migratory trend is towards temporary, rather than permanent migration. It can also be concluded that the inward remittance flows contribute to a reduction in poverty and an improvement in the living standards of the remittance receiving households in Myanmar, and have a positive multiplier effect on household economies over the short-term.

Keywords: Remittance, Mon migrants, Behavior, Myanmar, Household expenditure

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1. Introduction

Over the last two decades there have been large-scale migrations of people from Myanmar to other countries, especially to Thailand, Malaysia and Singapore, for the purpose of seeking out job opportunities. Myanmar migrants have come from a variety of geographical locations and ethnic groups. According to a report produced by a number of NGOs, there are currently about two to three million Myanmar migrant workers in Thailand and about five hundred thousand in Malaysia. However, it is difficult to confirm these figures due to a lack of adequate information.

In Southeast Asia, Malaysia is one of the largest labor importing countries, with more than 1.8 million legal foreign workers out of a total labor force of 11.3 million (Ahmad, 2006). Among them, Myanmar is the fourth largest contributor to Malaysia's foreign workforce, with 92,020 documented workers, as shown in Table 1. Besides documented workers, there are hundreds of thousands of immigrants who are employed without work permits or other related documents. In 2007, William Gois, Regional Coordinator for Migrant Forum in Asia, said the number of undocumented migrant workers in Malaysia from Indonesia, the Philippines and Myanmar probably topped 200,000.

By the late 1990s, Malaysia had become one of the main destination countries for Mon⁴ migrants from Myanmar. The majority of Mon migrants had to work in the "3D jobs" (dangerous, dirty and difficult) with low salaries, such as jobs in the fishery sector, in factories, on construction sites, rubber plantations and in restaurants. In 2008, only five percent of Mon migrant workers were properly documented in Malaysia, according to the Mon Labor Rights Promotion Network (MLRPN), Malaysia. As most migrants remain undocumented, their social network is essential for gaining necessary information. As for gender issues, most Mon women do not migrate alone to Malaysia. The majority follow male relatives, or their husband. Thus, the number of Mon female migrant workers is much lower than the number of male workers in Malaysia. Most Mon women prefer to migrate to Thailand, rather than to Malaysia, because of the strong Mon community in Thailand, and the ease of returning back to their origin village, although the wages in Thailand are lower than in Malaysia. Traditionally, most married Mon women have a duty to take care of their children, parents and elderly people in their community. As the formal remittance system is complex and unstable in Myanmar, the majority

⁴ Mon is one of the ethnic groups in Myanmar. Among all the ethnic groups in Myanmar, the Mon people were the first group to arrive in what is presently called Myanmar (Burma), probably between 2500 and 1500 BC.

of migrants depend upon the *hundi* remittance system⁵ (informal remittance system) for transferring money back to their household, whether documented or undocumented. This study attempts to provide a portrayal of remittance behavior of Mon migrants working in Malaysia and the expenditure patterns of remittance-receiving households in their villages. There are three specific objectives: (1) To investigate the characteristics of Mon migrants, Migratory characteristics and characteristics of migrants' families; (2) To identify the factors influencing Mon migrants' remittance behavior; (3) To investigate how the remittance receiving households spend their remittances.

Table 1 Migrants by Country of Origin in Malaysia, March 2006

Country	Number of migrants (persons)
Indonesia	1,215,036
Nepal	200,000
India	139,716
Myanmar	92,020
Vietnam	85,835
Bangladesh	58,878
Philippines	22,080
Pakistan	15,021
Thailand	7,282
Cambodia	6,637
Sri Lanka	5,076
Others	2,482
Total	1,850,063

Source: Expert Group Meeting on ESCAP Regional Census Programme, International Migration in Malaysia, Department of Statistics, Malaysia.

⁵ Hundi Remittance System - is an informal money transfer system, transferring funds (sometimes include valuable things) through the network of money brokers ("underground" Banking networks).

2. The Theoretical Framework

2.1. The Altruistic Motive

Altruistic motives are concerned with providing for family income and for the relatives of the migrant, those who are left behind in the home country. First, “the length of a migrants stay abroad and the attachment to family and/or relatives”, can also be an important factor in a migrant’s remittance behavior. Migrants generally want to contribute something to their family and/or origin community. However, attachment can decline after long periods of separation between the migrant worker and the family (Bouhga-Hagbe, 2006). Also, migrants care about the poverty situation of the family in their home country. Thus, the amount of a migrant’s income and the amount of the origin household’s income are negatively related. Moreover, higher earnings in the host country allow migrants to reunite with their close family, to whom they then tend to remit relatively more (Lucasa & Stark, 1985; Faini, 2006).

2.2. The Self-Interest Motive

The models on self-interest motivation basically state that migrants send money back home to exchange services, and to secure land inheritance or other wealth from their parents or relatives in their home area (Adams, 2004). In this case, it is reasonable to assume that the migrant has close ties with the home country, and a strong intention to return home for investment purposes. One way to invest in the home country is through buying property and housing, and then to ask the family to look after the investment as a trusted agent. Thus, the ownership of assets in their home country may motivate migrants to remit money to their families. For example, if a migrant wants to invest at home during the emigration period, their family can be a trustworthy and well-informed agent.

2.3. Family Contract (Loan Repayment)

These model states remittances may be used to repay loans that were taken out for investment in human capital and/or to support migration costs. In this case, if the migrant is able later on to find a better-paid job abroad due to the education acquired through use of the loan, he or she will send remittances to repay the family for the initial investment. Thus, the remittance amount is positively related with the migrant’s education.

In addition, migrants repay loans made by family members or relatives, to improve their skills, and are based on informal agreements. In these cases, migrants may also become a lender by providing finance to other migrant family members in their home country (Poririne, 1997; Hagen-Zankera & Siegel, 2007).

2.4. Family Contract (Risk and Income Diversification)

This model is based on the New Economics of Labour Migration (NELM) model, which views remittances as components of a self-enforcing, cooperative contract between the migrant and their family and/or relatives. In this case, the migration and remittance decisions are not made by migrants individually, but with the cooperation of their families, though much international migration is motivated by political causes and market failures in the home country. Migrants make co-insurance agreements with the family left behind, to insure the remaining members of the family against loss of income and unemployment. Thus, remittances are sent home when the origin household experiences a fall in income. In this context, remittances become a strategy to minimize the risk and hardship of the household left behind. The variable length of stay can also be used to measure the risk level of the migrant as after a longer stay the migrant generally knows the destination country better, has a steadier job, etc. Thus, length of stay generally has positive effect on remittances (so more insurance) (Hagen-Zankera & Siegel, 2007).

3. Research Design and Data

Ethno-survey methodology was adopted in the design for this study. The approach of this methodology uses multi-method data collection, multi-site sampling, multi-level data collection, life history collection and parallel sampling, in order to improve the validity and reliability of research, and to understand the problem and trends (Massey, 1987).

This study was focused only on Mon migrants working in Malaysia, and the survey was conducted by collecting information on the migrants and their families from their place of origin, through structured questionnaires and in-depth interviews. Moreover, semi-structured interviews were also included with key informants in both countries. The questionnaires sought information on a broad range of subjects, in order to represent the basic information on the migrants and their families, and also information and statistical variables regarding the determinants of remittance, according to the remittance theories and household expenditure. However, the remittance behavior of the Mon migrant workers and the household expenditure behavior in their community of origin were mixed with complex individual, social, economic and political data. Therefore, one model alone could not be used to analyze the behavior of the migrants and the behavior of remittance receiving households. Thus, semi-structured interviews with key informants were used as a tool to evaluate the context of both migration and remittances.

The data collection was separated into two stages. In the first stage, 216 Mon migrant workers from the two selected Mon villages in Myanmar, those who were working in Malaysia, were interviewed and answered the questionnaire, in order to understand the factors that influenced their remittance amounts. Since the Mon migrants are a highly mobile population in Malaysia, its actual population is unknown. To overcome this limitation, first, this study targeted the group and the location of the migrants, in order to collect data such as the construction workers group, fisheries workers group and the restaurant workers group. Then, this study used a 'snowball' sampling method to collect the data in Malaysia, through initial contacts such as the *hundi* dealers⁶, money collectors⁷, migrant brokers and some migrant workers.

Before asking the questions, the author explained all the questions from the questionnaire, in order to reduce the fear factor amongst the migrants on the questions, to get a higher response rate, to give a better understanding on the questions, to explain their context, and to increase data accuracy.

In order to answer the questions, the migrants fully participated with an understanding that their answers would assist in author's education and academic studies, not for the purposes of administration. However, thirteen migrants refused to answer the question, especially the migratory and origin household information parts. This showed that they were aware of their illegal migration status, and so feared for their family left behind, because the authorities could arrest them and their family, for illegal migration activities.

In the second stage, the survey was completed with 147 households in the target villages in Myanmar: Taung Paw village and Yay Paw village⁸ (migrants' villages of origin, who were interviewed in Malaysia by the author). The sample households had at least one household member working in Malaysia. Similarly, in the early stages, since most of the migrant household members had migrated to Malaysia as undocumented migrant workers, their family members in Myanmar were frightened to answer the question regarding migration issues. In order to gain the trust of the migrant households, the author trained the people from the local community, those who had graduated from university and/or were NGO workers, as survey assistants, and requested them to accompany me during the whole data collection

⁶ Hundi dealer - Person/ company who is receiving remittance money in Malaysia and who is arranging to deliver the remittance money to recipient or Money distributor in Myanmar.

⁷ Money collector - Person/persons who collect the transfer money from migrant worker/s in Malaysia at micro level.

⁸ The real names of villages have been changed to protect identity and security of respondents

process. Furthermore, this study was conducted with some key informants: the *hundi* dealers, money collectors, money distributors⁹ and other key local informants, all of whom were interviewed using the semi-structured interview method, and in order to understand details of the remittance behavior of the migrants, the impacts of remittances and the remittance channels.

During the whole process of data collection, migrants were interviewed in their language (the Mon language) in order to reduce the risk of misinterpretation, and to reduce the fear of the respondents. In addition, author promised to all the respondents before asking them a question, that any information provided would be confidential, and that they could refuse to answer to any question, at any time.

In this study, the deductive approach rather than the inductive approach was used to analyze the remittance behavior data, and in accordance with the relevant theories. To identify correlation among the variables, this study used an analytical approach to test the influence of the various factors on remittance behavior. Articles in the literature argue that remittance behavior can be seen as a two-stage decision process: whether or not to remit, and how much to remit. Thus, they use a two-stage model to analyze remittance behavior. However, this study did not rely only on an analytical approach, due to the small sample size in the case of both the remitters and non-remitters, and also a lack of secondary data. To overcome this constraint, a descriptive approach was used to identify the characteristics of the remitters and the non-remitters. To identify the factors determining the amount remitted, this study used an Ordinary Least Squares (OLS) regression method to estimate the significance of the relationship among variables, according to the theories and literature review. In the OLS model, the dependent variable, amount remitted by migrants was converted to the logarithm form. Regarding the independent variables, the measurement variables were based on three sets of figures: individual, migration and family characteristics.

Giving support to altruistic hypotheses, numbers of phone calls to family left behind in Myanmar, having a school-age children in Myanmar and have been returned to village in last 3 years was expected to show a positive relationship with the amount remitted.

The duration of migration influences remittance behavior. A temporary migration presumes that people who migrate plan to come back, and therefore during their stay in the host country they send regular payments, and sometimes the amount sent even increases

⁹ Money distributor - Person/persons who give the information of migrant's remittance to migrant's family or receiver in Myanmar and distribute the remittance money in Myanmar

over time (Cracium, 2006). Therefore, this study expected that the length of stay in Malaysia would show a positive relationship with the amount remitted. In addition, legal status variable is included to examine the risk factors and opportunities of migrants in Malaysia.

To identify the factors determining the amount remitted, the model took the following form:

$$\ln \text{Rem} = \beta_0 + \beta_1 X_{1,i} + \beta_2 X_{2,i} + \beta_3 X_{3,i} + \beta_4 X_{4,i} + \beta_5 X_{5,i} + \beta_6 X_{6,i} + \beta_7 X_{7,i} + \beta_8 X_{8,i} + \beta_9 X_{9,i} + \beta_{10} X_{10,i} + \varepsilon_i$$

$\ln \text{Rem}$ = natural log of total value of money a migrant sent back to their origin family within the last twelve month period (US dollar)

X_1 = age of migrant (years)

X_2 = years of schooling of migrant

X_3 = marital status of migrant

1= If married

0= Otherwise

X_4 = number of household members in Myanmar

X_5 = number of household members in Malaysia

X_6 = school-age children in Myanmar (under sixteen years old)

1= If yes

0= Otherwise

X_7 = length of stay in Malaysia (years)

X_8 = legal status

1= If undocumented

0= Otherwise

X_9 = number of phone calls to village within last twelve months

X_{10} = return to village within last three years

1= If yes

0= Otherwise

ε_i = error term

i = for individual

In order to evaluate the use and impact of the remittances on household expenditure, the inductive approach was used to analyze the data, and the information obtained through questionnaires and through interviews with remittance receiving households (in Myanmar). The main purpose of using the inductive approach was to evaluate in more depth and detail, the impact of the behavior of the remittance-receiving households, on remittance and household expenditure, and to examine how the remittances impacted on development in the

migrants' origin household and communities.

4. Empirical Results

4.1. Characteristics of the Sample

4.1.1. Migrant Characteristics

In this study, the sample was predominantly made up of male migrants (95.83 percent). This may be one of the reasons that the majority of the Mon female migrants in the study area did not migrate alone to Malaysia, and the majority who migrated were accompanied by their relatives, or their husband. On average, the age of the migrants in this sample was 30.33 year old, and 54.17 percent of the migrants were married. The average educational attainment was 5.4 years of schooling. 85.19 percent of the migrants had attended primary and/or secondary school, and 11.57 percent had attended high school or higher education. It was found that only 3.24 percent of migrants were illiterate in the sample. About 44 percent of the migrants worked in the construction sector, and another 32 percent worked in the service sector, most of them working as waiters or waitresses, chefs, or cleaners in hotels and restaurants. The remaining 24 percent of migrants worked in the fisheries sector. The real monthly income of the migrants in this sample was an average of US\$ 305.61 per month. The wage rates differed depending on the individual skill of the worker and the nature of the work. In this study, the migrant workers working in the services or construction sectors earned approximately US\$150 to 360 per month, and those who were working in the fisheries sector, earned about ten to twenty percent more than those in the construction and service sector.

4.1.2. Migratory Characteristics

The average length of the migrants' stay in Malaysia was 4.88 years, and only ten percent of the sample population had over ten years experience in Malaysia. Regarding the age distribution of migrants at the time of first migration, the largest age group was the 18 to 25 year olds, making up 43.52 percent, followed by 26 to 33 year olds with 27.78 percent, and 34 to 40 year olds with 10.65 percent. The age group above 40 was a lot lower than other age groups, with only five percent. Furthermore, this study found that there were also a significant number of migrants who were under eighteen years of age, with 12.96 percent. The Majority of migrants were working in Malaysia without any legal documentation and only 20.37 percent of migrants have legal document to work. Among the whole sample of this study, 44 percent of migrants had returned to their home village for short visit in the previous three years.

4.1.3. Family Characteristics

As shown in Table 2, it was found that most of the migrants in the sample left their spouse in their home country, or in Thailand. Only 6.94 percent of the migrants were staying together with their spouse in Malaysia. On average, the number of household members left in Myanmar was 4.01 people and 55 percent of migrants had school-age children (16 years and under) in their household. The average number of household members in Malaysia was 0.5 people. Furthermore, the average number of phone calls to family and/or relatives in Myanmar was 7.75 times for a year in 2008.

Table 2 Characteristics of the Sample

Variables	Mean	Standard Deviation	Minimum	Maximum
Migrants Characteristics				
Probability of remitting	0.94	0.2384	0	1
Amount of remittances (US\$) (within 12 months)	1794.90	1621.6282	0	10328.64
Age(year)	30.33	7.0037	18	50
Male	0.96	0.2003	0	1
Married	0.54	0.4994	0	1
Education(grade)	5.08	2.7657	0	15
Illegal	0.80	0.4037	0	1
Length of Stay in Malaysia (year)	4.88	3.0930	1	15
Family Characteristics				
Spouse in Malaysia	0.07	0.2548	0	1
Household members left in Myanmar	4.01	1.7077	0	9
School-age children in Myanmar	0.55	0.4986	0	1
Household members in Malaysia	0.50	0.7716	0	5
Number of phone calls to Myanmar (within 12 months)	7.75	4.8973	0	35
Return to village in last 3 years	0.44	0.4981	0	1
Job Characteristics				
Construction	0.44	0.4969	0	1
Service	0.32	0.4691	0	1
Fisheries	0.24	0.4285	0	1

Source: Author's survey data

4.2. Characteristics of Remitters and Non-Remitters

This section attempts to describe what factors impacted upon the migrants' decision to be a remitter in the previous year (January to December 2008), when compared to those who did not remit. In this sample, about 94 percent of migrants were remitters who had sent remittances to their origin village in Myanmar during the previous year and six percent of migrants were non-remitters. The higher number of remitters was due to that this study mostly collected the survey data through the channels of the money collectors and *hundi* dealers in Malaysia. As a result of this, the actual proportion of non-remitters could have been higher than the survey results. As shown in Table 3, both age and married status had a significant relationship with the likelihood to remit. It shows that a remitter was more likely to be older and married, when compared to a non-remitter. Moreover, females were slightly more likely to be remitters than male migrants. This clearly shows that among female migrants, there were no non-remitters in this study. Regarding the family loan agreement hypothesis, the highly educated migrants were slightly more likely to be remitters than less educated ones (difference 0.25 schooling year). The active remitters had stayed just 0.24 years more than non-remitters, showing that the length of stay in Malaysia was not a strong significant factor affecting the probability of becoming an active remitter. However, interestingly, the number of phone calls to Myanmar in the previous year (2008) and the variable showing whether the migrant had short visited the home country in the last three years, both had a significant positive relation in terms of the migrants' probability of being a remitter.

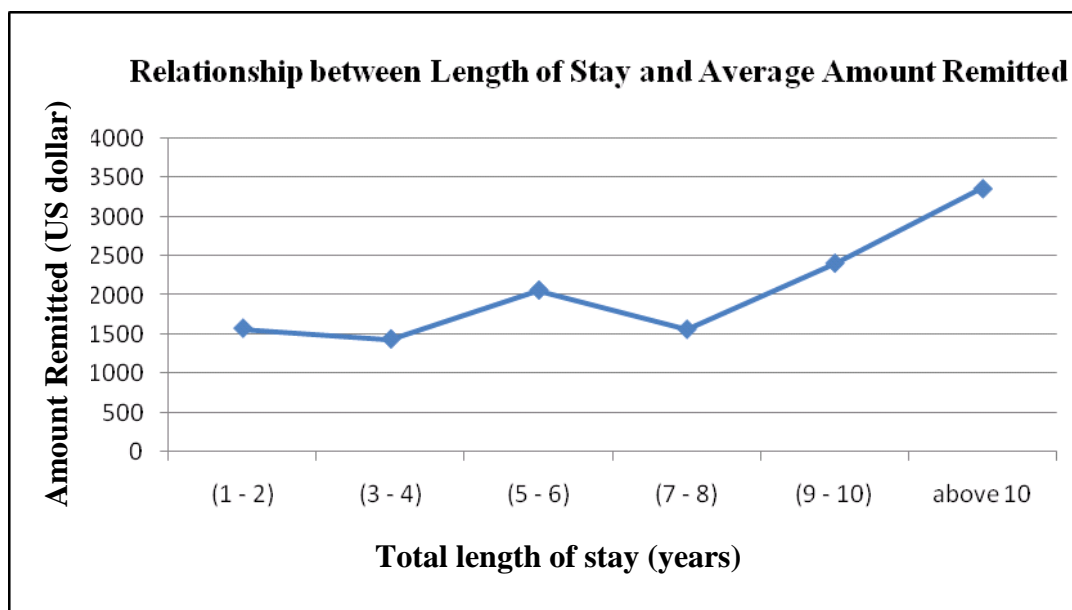
In terms of family characteristics, remitters were more likely to have school-age children (16 years and under) than non-remitters. The number of household members left in Myanmar and the likelihood to remit was negatively related. Regarding to the job characteristics, the migrants who had worked in service sector were more likely to be remitters than other sector.

Table 3 Characteristics of Remitters and Non-Remitters

	All Migrant (mean) (N =216)	Remitter (mean) (N=203)	Non- Remitter (mean) (N=13)	Difference
Migrant Characteristics				
Probability of remitting	0.94	1.00	0.00	1.00
Amount of remittances (US\$) (within 12 months)	1794.90	1923.73	0.00	1923.73
Age(year)	30.33	30.44	28.62	1.83
Male	0.96	0.96	1.00	-0.04
Married	0.54	0.56	0.23	0.33
Education (grade)	5.08	5.10	4.85	0.25
Illegal	0.80	0.79	0.85	-0.05
Monthly Income (US\$)	305.61	307.83	297.34	10.49
Length of Stay in Malaysia (year)	4.88	4.89	4.65	0.24
Migration cost (US\$)	815.02	816.90	804.69	12.21
Family Characteristics				
Household members left in Myanmar	4.01	4.00	4.23	-0.23
School-age children in Myanmar	0.55	0.58	0.15	0.42
Number of phone calls to Myanmar (within 12 months)	7.75	8	3.85	4.15
Return to village in last 3 years	0.44	0.46	0.23	0.23
Job Characteristics				
Construction	0.44	0.43	0.46	-0.03
Service	0.32	0.33	0.23	0.10
Fisheries	0.24	0.24	0.31	-0.07

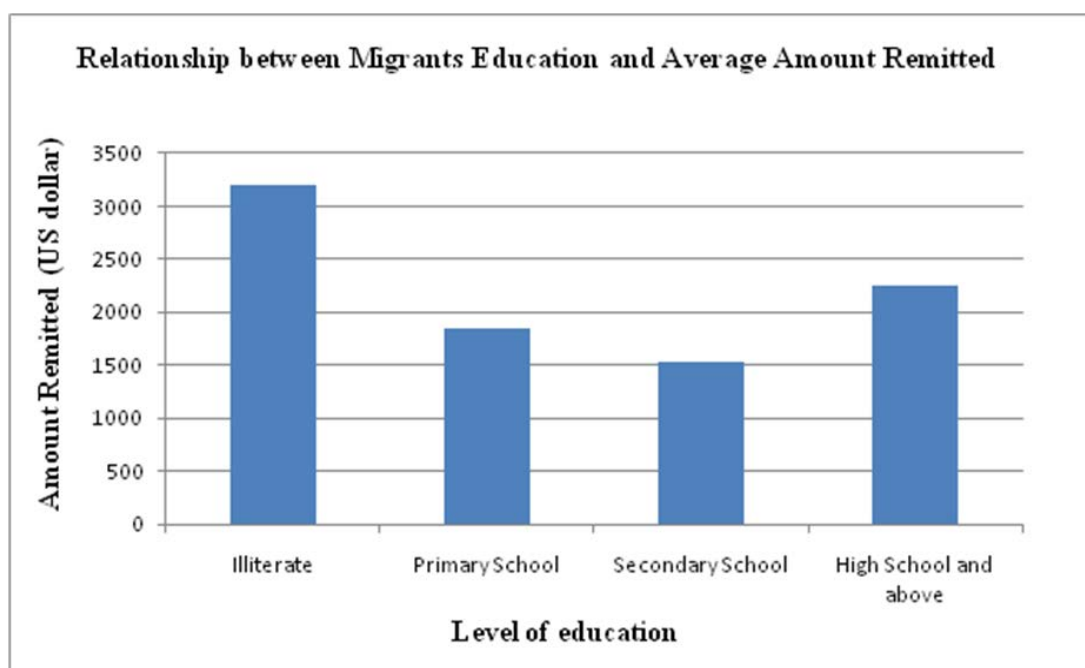
Source: Author's survey data

Figure 1 Relationship between Length of Stay and Average Amount Remitted



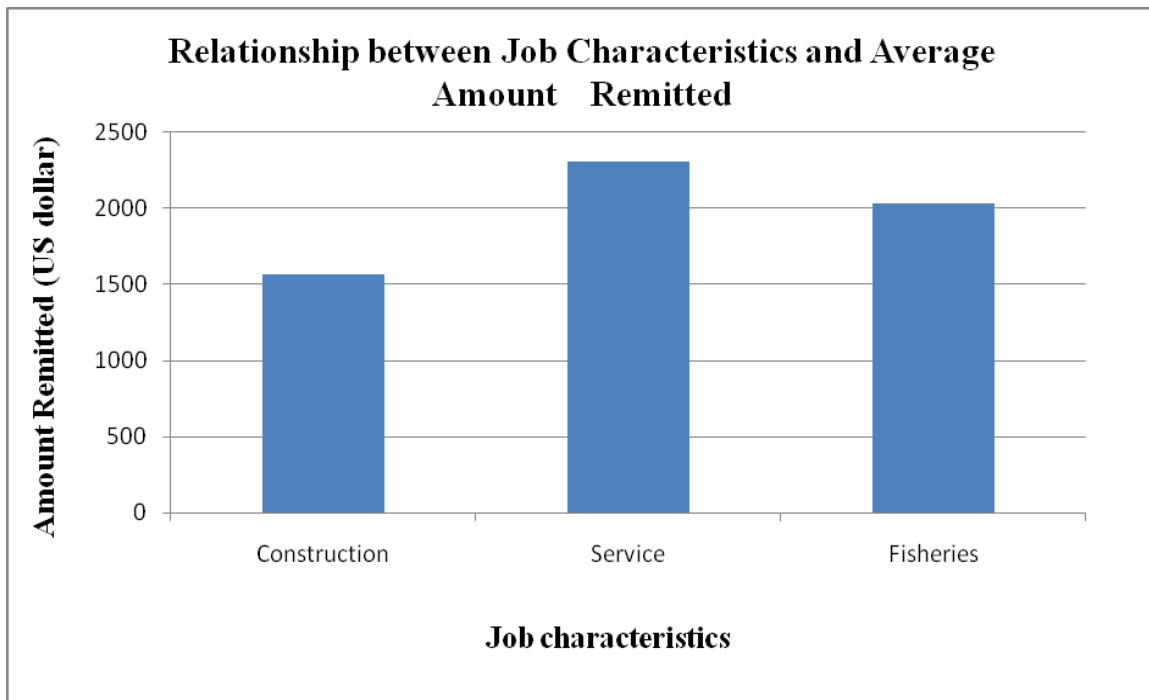
Source: Author's survey data

Figure 2 Relationship between Migrants Education and Average Amount Remitted



Source: Author's survey data

Figure 3 Relationship between Job Characteristics and Average Amount Remitted



Source: Author's survey data

4.3. Amount Remitted: OLS Regression Analysis

The above tables provide the result of the OLS regression analysis, suggesting that a number of factors are significant in the behavior regarding the amount remitted. The model in this study analyzed not only all migrants but also separately for those in the construction sector and the service sector, and for those migrants in the fisheries sector. The three groups of aggregate factors were: individual migratory characteristics, individual migrant characteristics and family characteristics.

As the results of regression, the migrant's education level was positively related to the amount remitted. This findings show that those migrants with a higher education level remitted four percent more than the migrants with a lower educational level. Moreover, the length of stay in Malaysia exhibited a slightly positive relationship with the amount remitted. The next significant positive effect on the amount remitted was the number of phone calls to the home village, and the number of times the migrants had returned to their village in the previous three years. Migrants who made more phone calls to the family sent five percent more money to their family than those migrants who made fewer phone calls. Surprisingly, the average amount remitted of the migrants who had visited their home village for a short period, was 27 percent higher than those who had not. This suggests that who exhibit an emotional

connection and strong family ties, remit higher amounts.

In the construction sector, being married had a positive relationship with the amount remitted. Interestingly, in this sector, documented migrants were sending approximately 40 percent more than those who were undocumented. This may have been due to the fact that most of the documented workers also had more skills and knowledge than the undocumented ones. In this sector, some skilled and knowledgeable migrants worked as micro sub-contractors rather than on daily wages, in order to gain a higher income. For example, one technically skilled migrant made contracts with construction companies or individual customers, with regard to the painting of a house or room, with a mutually agreed price. After that, the skilled migrant hired other Myanmar migrants to paint the house or room, by giving them daily based wages. Normally, these types of migrant held a valid passport and were legal and safe, as they had to contact construction companies or individual customers. Moreover, they could speak Malay and/or Chinese, in order to communicate.

For migrants in the services sector, the number of household members in Malaysia had a negative relationship with the amount remitted. Therefore, the existence of multiple migrants in the households in Malaysia was not significant in terms of the amount remitted.

Regarding migrants in the fisheries sector, the findings were that the age of the migrant and length of stay in Malaysia both showed a positive relationship with the amount of the remittance; those who were older and more experienced in Malaysia were sending higher amounts of money when compared to the others.

Finally, supporting the altruism hypothesis, the number of phone calls to family members in Myanmar showed a positive relationship for those working in all sectors, showing that the invisible emotional relationship with the family encouraged migrants to send high amounts of money.

Table 4 Relationship between Migrants' Characteristics and Amount Remitted
(All migrants)

Variables	B	
(Constant)	6.179***	0.42
Migrant		
Age (year)	0.011	0.009
Education (grade)	0.04**	0.02
Married	-0.012	0.132
Family		
Household Member in Myanmar	-0.028	0.033
Household Member in Malaysia	-0.023	0.068
School-age Children (Under16 year) in Myanmar	0.064	0.111
Length of Stay in Malaysia (year)	0.029*	0.017
Undocumented	-0.2	0.131
Phone Calls to Village (within 12 months)	0.051***	0.008
Return to Village in last 3 years	0.277**	0.108
R Squared	0.351	
Sample size (N)	203	

Note: ***, ** and * denote statistical significance at the 0.01, 0.05 and 0.1 levels respectively

Source: Author's survey data

Table 5 Relationship between Migrants' Characteristics and Amount Remitted
(Construction)

Variables	B	Std. Error
(Constant)	7.07***	0.489
Migrant		
Age (year)	-0.006	0.011
Education (grade)	0.014	0.028
Married	0.279*	0.163
Family		
Household Member in Myanmar	-0.059	0.042
Household Member in Malaysia	0.018	0.071
School-age Children (Under16 year) in Myanmar	-0.06	0.141
Migratory		
Length of Stay in Malaysia (year)	0.014	0.024
Undocumented	-0.409**	0.169
Phone Calls to Village (within 12 months)	0.059***	0.014
Return to Village in last 3 years	0.205	0.14
R Squared	0.404	
Sample size (N)	88	

Note: ***, ** and * denote statistical significance at the 0.01, 0.05 and 0.1 levels respectively

Source: Author's survey data

Table 6 Relationship between Migrants' Characteristics and Amount Remitted (Services)

Variables	B	
(Constant)	5.657***	0.658
Migrant		
Age (year)	0.032	0.021
Education (grade)	0.048	0.03
Married	-0.382	0.239
Family		
Household Member in Myanmar	0.012	0.055
Household Member in Malaysia	-0.329*	0.191
School-age Children (Under16 year) in Myanmar	-0.001	
Migratory		
Length of Stay in Malaysia (year)	-0.021	0.033
Undocumented	-0.147	0.204
Phone Calls to Village (within 12 months)	0.048***	0.012
Return to Village in last 3 years	0.229	0.216
R Squared	0.472	
Sample size (N)	67	

Note: ***, ** and * denote statistical significance at the 0.01, 0.05 and 0.1 levels respectively

Source: Author's survey data

Table 7 Relationship between Migrants' Characteristics and Amount Remitted (Fisheries)

Variables	B	
(Constant)	2.686*	1.418
Migrant		
Age (year)	0.061**	0.028
Education (grade)	0.101	0.075
Married	-0.447	0.426
Family		
Household Member in Myanmar	0.041	0.09
Household Member in Malaysia	0.359	
School-age Children (Under16 year) in Myanmar	0.661	0.286
Migratory		
Length of Stay in Malaysia (year)	0.175***	0.052
Undocumented	0.458	0.523
Phone Calls to Village (within 12 months)	0.058***	0.018
Return to Village in last 3 years	0.336	0.28
R Squared	0.563	
Sample size (N)	48	

Note: ***, ** and * denote statistical significance at the 0.01, 0.05 and 0.1 levels respectively

Source: Author's survey data

4.3. Remittance Behavior of Mon Migrants Working in Malaysia

The analysis of remittance behavior in this sample proves that a number of factors play an important role in the decision to remit, and the amount remitted. This study found that remitters tended to have slightly more schooling than non-remitters, and there was a positive relationship between the level of education and the amount remitted. However, within this variable, this study found some hidden remittance behaviors of the migrants. As shown in figure 2, among four groups of education level, the illiterate group remitted the highest amount of money to their family. This was followed by the groups who had attended high school and higher education, and the group who had attended primary school. The lowest level remittance group was those who had attended secondary education. Unlike in other studies, in this study,

the migrants who had never attended school remitted the highest amount of money compared to the other groups. Since majority of migrants have to work in “3D jobs” (dangerous, dirty and difficult), the determinant factor of wages was based on how much those migrants could endorse their labor through hard work, how much they were willing to do dirty work and work in a dangerous environment, rather than through their education level, age, legal status etc. As human beings, most of the people with a higher education did not like to work in a poor environment, when compared to the less educated, even though the wages were high. This was the main reason why the illiterate migrants group was able to send the highest amount of money home, compared with the other groups.

A study of Mexican migrants who worked in South Carolina, proved that those with a longer length of stay are 0.91 times less likely to remit than those with a shorter length of stay, but that there is no relationship with the amount remitted (Barcaglioni, 2008). However, in this study, the results do not support this. The active remitters had just stayed in Malaysia 0.24 years more than the non-remitters (Table 3). But, those migrants with a longer length of stay sent only 2.9 percent more than those with a shorter length of stay (Table 4). This shows that a longer stay in Malaysia increased the chances of finding a stable and well paid job. Thus, the growth trend of remittances increased over time.

The number of phone calls to families left behind in Myanmar was significant in predicting the decision to remit and the amount remitted. Moreover, the migrants who had visited home for a short period were positively related to the likelihood to remit and amount remitted. Both indicators clearly showed that strong ties and close relations with the family, whether it is an emotional or physical attachment, have an influence on remittance behavior.

As mentioned previously, the remitters were more likely to be older and married, when compared to the non-remitters. However, the characteristics of the migrants in this area had no significant affect on the amount remitted. This was due to the fact that being older and/or married meant that the migrants had some responsibilities to take care of their spouse and children who were left behind in Myanmar.

Specifically, in terms of job characteristics, the migrant workers who worked in the service sector were more likely to remit and remitted a higher amount, when compared to the migrants' workers working in the construction and fisheries sectors. It is important to mention that the reason behind this was the fact that the ratio of abusing drugs and drug related substances were higher among Mon migrant workers in construction sector and fisheries sector than service sector. According to the KAOWAO News (2009) and my key informants in Malaysia, at least two-third of the Mon migrant workers in Malaysia were abusing

drugs, drug related substances and alcohol, most of them were using a “combination of three tablets sleeping pills”, to sedate. However, due to the lack of official statistical data, it is difficult to confirm. Another reasons for this was the fact that jobs in the construction sector were more likely to be unstable and/or temporary jobs compared to service sector, since they were based on construction sites, or projects. During the periods in shifting from one project to another, there was no income for the migrant workers. Although the migrant workers in the fisheries sector were less likely to remit, if they did so, the amount sent was larger than for the other migrant workers. Thus, the average amount remitted in fisheries sector was higher than construction sector.

In particular, regarding the remittance behavior of documented and undocumented migrants, Table 3 shows that documentation status appears not to have been a significant factor in influencing whether a migrant was a remitter or not. However, regarding the remittance amount, documented migrant workers remitted higher amounts when compared to undocumented ones. Moreover, the average age, education level, length of stay in Malaysia and monthly income of the documented migrants were all higher than for those who were undocumented.

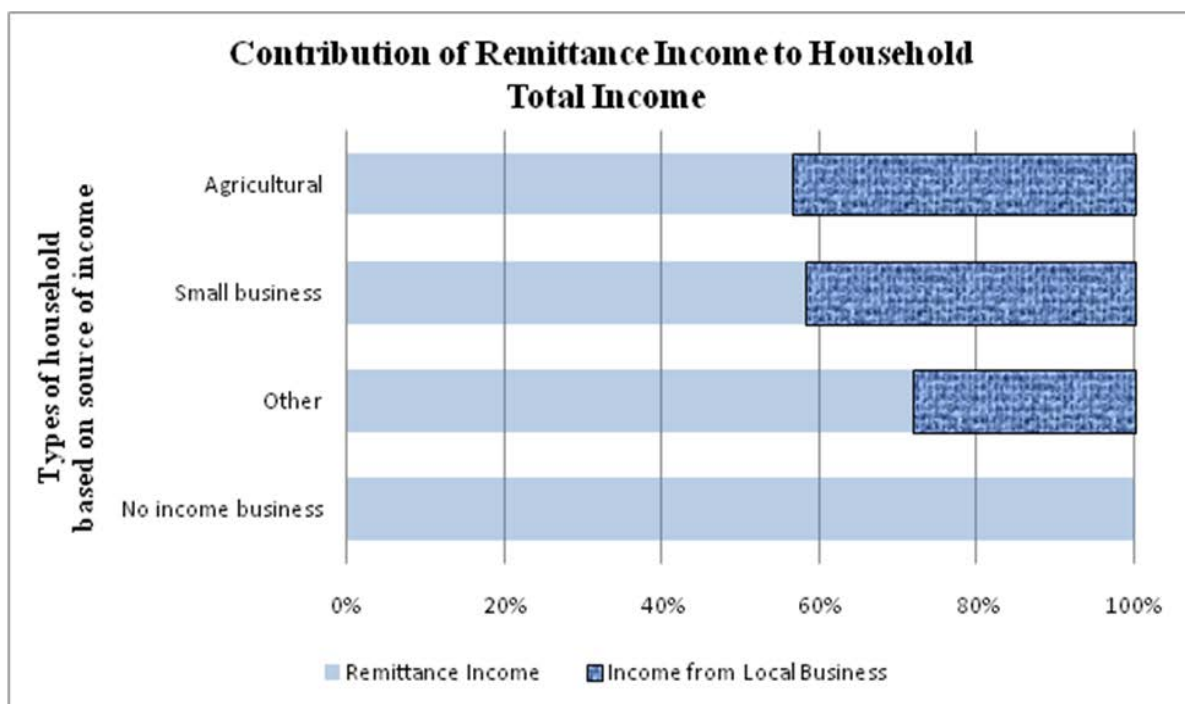
Looking in-depth behind the statistics, there were some other factors influencing the decision to remit. In Malaysia, since undocumented workers do not have permission to work and stay in the country, they can be arrested any time by the police, immigration authorities and RELA Corps¹⁰. Moreover, for the documented migrants in this sample, most of them did not know whether they were valid to work on their current job or not. In Malaysia, according to the Malaysia Immigration Act, the employer has the right to terminate and cancel the work permits of migrant workers who run away from their employer, or who transfer to other jobs without permission. Even if an employer gives permission to work on another job, the migrant can still be arrested by the authorities if the work permit status is not valid with the new job type. Thus, whether they are documented or undocumented migrant workers, their life is still uncertain and they can be arrested by the authorities at any time. In addition, most migrant workers stay in shared accommodation with others, without either privacy or security. Therefore, these migrants do not generally want to keep large amounts of money with them in Malaysia, and so prefer to send back money to the family as soon as they receive their wages, whether they were documented or undocumented, due to the insecure conditions.

¹⁰ RELA (Ikatan Relawan Rakyat or People's Voluntary Corps) is a Malaysian government-backed untrained paramilitary force whose members, in conjunction with immigration and police officers, routinely round up suspected undocumented migrants.

4.4. Contribution of Remittance Income to the Household Total Income

According to the statistical survey on the households that received remittances from Malaysia, out of 147 remittance receiving households, 79.59 percent of them partially depended on the remittances, and 20.41 percent of the household who had neither business nor work for regular income, completely depended on the remittances income. Although 79.59 percent of total 147 households had their own business or work that enhanced their income, actually it was still not the main source of funds for their total household income. Moreover, Figure 4 indicates that the total amount remitted to the 147 households appeared to constitute two-thirds of their total income. Scrutinizing this data therefore, the income received from the remittances was significant, and of paramount importance for them. Furthermore, the majority of the households relied mostly on the remittances, rather than on income generated domestically in their home village. In other words, the survey indicated that the majority of the households were not self-reliant enough to generate adequate income on their community.

Figure 4 Contribution of Remittance Income to the Household Total Income



Source: Author's survey data

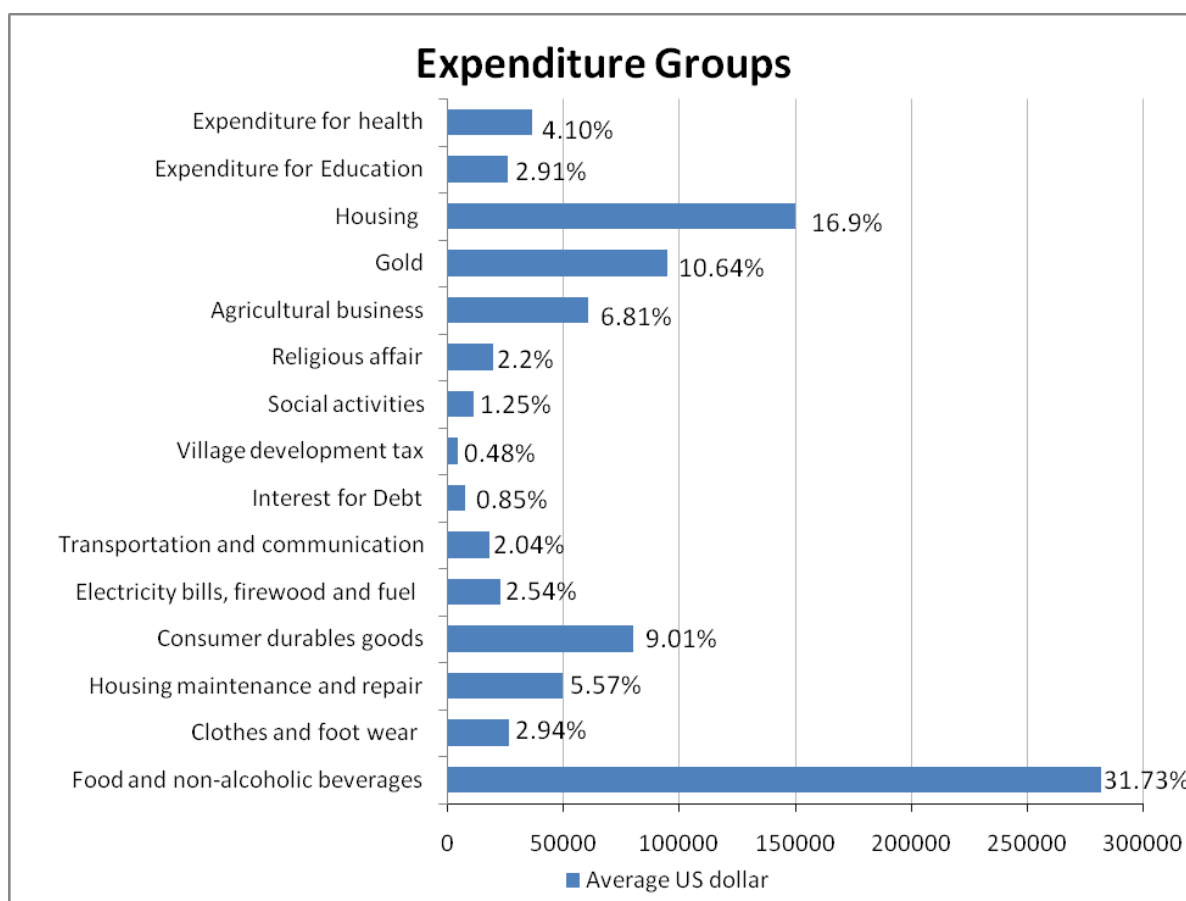
4.5. The Use of Remittances on Household Expenditure

4.5.1. Basic Needs and Assets

As shown in Figure 5, the majority of household expenditure goes to food and non-alcoholic beverages category and one-third of their total household expenditure was spent on food and non-alcoholic beverages. Among 147 households, 92 percent of the total remittance-receiving households spent money on clothes and footwear during the previous year (2008), and these expenses incurred an average of 2.94 percent of the total household expenditure. About 9.01 percent of their total expenditure was spent on consumer durable goods, such as electrical appliances and motor-cycles. Compared to before, many motorcycles have been purchased by the households in the villages for transportation. Expenditure on the purchase of motor cycles was clearly highest within this durable goods group.

The surveyed area received electricity for light for part of the night, as managed by their respective village monasteries, and they had to pay their electricity bills monthly. Since, the demand for motorcycles has been high in recent years, and so the purchase of petrol has increased relatively. In this category, 2.54 percent of total household expenditure was on electricity meter bills, firewood and fuel. Moreover, out of the 147 remittance receiving households, the expenses on such house repairs amounted to an average of 5.57 percent of their total household expenditure. Regarding transportation and communication cost, 2.04 percent of the total household expenditure was spent on it. Furthermore, Out of the total of 147 households who received remittances from Malaysia, 23 percent of households had had debts during the previous year (2008), and the expense on interest payment was about one percent of their total household expenditure. Apart from the specific household expenditure as shown in figure 5, there were also some other hidden expenditures related to illegal gambling, such as the two digits and three digit lotteries and football matches. It was hard to find out more about the gambling expenses, as it was kept low profile and not recorded. However, according to the estimates of social community groups, village authorities, school teachers, the total amount spent on gambling was on average, between one and three percent of the total household expenditure. But there was not enough evidence for this to be confirmed.

Figure 5 Average Household Expenditure by Expenditure Groups
(January to December 2008)



Source: Author's survey data

4.5.2. Community and Social Use

Nearly four percent of household expenditure was spent for the purpose of community and social use such as religious ceremonial occasions, village development activities and social activities. Regarding religious and social activities, almost 100 percent of the households had spent money on various religious and social ceremonial occasions, such as ordinations, alms offering ceremonies, funerals, weddings, the construction of pagodas and monasteries. Regarding village development tax, most of the funds were used to repair roads, build bridges and to cover the administrative expenses of the village authorities.

4.5.3. Savings and Productive Investment

In this study area, 45.3 percent of the household' businesses were in the agricultural sector. However, the households in this sample had only spent 6.81 percent of their total household expenditure on assets such as fertilizers, seeds and farm tools and equipment. Despite the village economy being based on agriculture, investment in agricultural businesses was less than other types of household expenditure. Some of the remittance receiving households had micro-scale home based businesses such as small tea shops, shops selling homemade snacks and native traditional foods, grocery stores, other small businesses related to agricultural farming. The number of households that had home based businesses was 27.89 percent of the 147 remittance receiving households. As they did not keep proper accounts, it was impossible for me to find out the proportion of total household expenditure spent on their businesses. The structure, condition and nature of these businesses were informal, small in scale and seasonal.

In terms of social development and the human resources development process, education and health are always important areas for improvement. In the educational sector, the expenditure was 2.91 percent of total expenditure, and 4.1 percent of the total expenditure in the health sector. In the study area, there was no regular medical doctor, no formal clinic and no hospital, except a health assistant and midwife. If they were suffering from a serious illness or were in need of surgery, they had to go to the nearest township hospital or private clinic to have treatment. Regarding to educational status, those of the villagers was much higher than in comparison with the previous decade. However, the majority of the people did not continue their studies to high school education and above after they had graduated from secondary education. They looked forward to working abroad or working in their family business, to alleviate poverty and for their families' survival.

In Myanmar, over the last decade, the inflation rate has increased at a rate of between twenty to 40 percent every year and has been above the nominal interest rate (Kyaw, 2008). Thus, most people, both rural and urban, prefer to save their money in relatively inflation-proof items such as gold, foreign exchange currencies, real estate and cars. Furthermore, the rising value of gold has most likely exceeded the profits gained from agricultural businesses. Thus, instead of investing in agriculture, gold and housing have been a more likely purchase for people's savings. Out of the 147 households, slightly over eleven percent of them had bought houses, land estates, or had rebuilt or renovated their house in the past year, although the costs of doing this were high. The expenditure in the category of buying and constructing housing were about 17 percent of their total household expenditure,

and was the second largest area of expenditure, after food. Moreover, the spending on gold was the third highest amount among expenditure groups, with nearly eleven percent of total household expenditure.

5. Summary and Conclusion

This study proved that altruistic feelings, physical and emotional attachment to the family, and a co-insurance agreement with the family left behind in Myanmar were the main influences on the behavior of remittance. Moreover, this study found that the amount remitted of the documented migrants were higher than for those who were undocumented. However, the documentation status did not influence significantly on whether a migrant was remitter or not, since the risk factor among undocumented and documented migrants was not significantly different in Malaysia such as protection from labor rights, secure work environment and secure accommodation.

Regarding the impact of the remittances on household expenditure, they were seen as a crucial source of income for the families in the study areas, since around two-thirds of the total income of the households was contributed to by the remittance income. This finding showed that a large proportion (approximately 55 percent) of household expenditure was used in the categories of basic needs and assets. In addition, 14 percent of household expenditure was invested in agricultural businesses and human capital investment, and about 27 percent of total household expenditure was used for savings such as buying housing, land and gold to protect against high annual inflation rate ranges from 20 to 40 percent in Myanmar.

Therefore, in conclusion, this study proved that remittances undoubtedly contribute to poverty reduction and to an improvement in the living standards of the remittance receiving households. Moreover, there are positive multiplier effects on the household's economy for short-term, as a result of investments in housing, land, gold and human capital. However, in the long term, remittances probably generate an increased dependency upon the remittance themselves in the source villages, due to a lack of productive investment opportunities.

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