

Chapter 6

Conclusion

Over the last two decades, a large number of people from Myanmar have migrated to other countries for the purposes of reducing their poverty and consumption risks, for better job opportunities, to gain higher earnings and to escape political and social discrimination. As a result of the large number of people migrating to other countries, a large volume of inward remittances have flowed into households in Myanmar, contributing to the economy of the families left behind.

This study has focused on the migration and remittance patterns of Mon migrant workers from Myanmar working in Malaysia and the characteristics of their remittance behavior. This emigration and the inward flow of remittances have grown steadily in the study area since the late 1990s. Surprisingly, 90 to 94 percent of the total number of households in the study area had at least one family member in each household working in other countries. Thus, the importance of migrant remittance to Mon people, especially to the rural areas of the Mon people, cannot be neglected.

Moreover, among the Mon migrant workers in Malaysia, the proportion of documented migrant workers was low (only one-fifth of the migrant population).

This study found that the average age, education level and amount remitted of the documented migrants were all 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.

The education level of the migrants was slightly associated with their probability to remit, and also had a positive impact on the amount they remitted. However, on average amount remitted, the illiterate migrants group remitted the highest amount of money to their family compared to other groups of education level (primary education, secondary education and higher education). The main reason was that since majority of migrants were unskillful migrant workers, the determinant factor of wages was based on how much those migrant 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 background education level, age and legal status.

Furthermore, this study showed that there was a relationship between the length of stay in Malaysia and the likelihood of becoming an active remitter, with a significant positive relationship found between length of stay in Malaysia and the amount remitted. Nevertheless, the number of phone calls to the family left behind in Myanmar and the number of visits back to the family left behind in Myanmar, also had a positive significant impact, both on the likelihood to remit and the amount remitted. Thus, these results suggest that the intention to return home, emotional attachment to the family in Myanmar and the level of physical attachment to the family left behind in Myanmar, were all significantly and positively associated with the probability of sending a remittance and the amount remitted. In another words, the intention of Mon migrants in this study was not to stay and work as a permanent

migrant worker in Malaysia, even though over ten percent of the migrants in the study had already stayed over ten years in Malaysia.

To sum up, this study proved that altruistic feelings, attachment to the family, and a co-insurance agreement with the family left behind to insure the family against drops in income and unemployment, were the main influences on the behavior of remittance, due to the political and market failures in the home country. Moreover, the trend within the migrations was a temporary one, rather than for a permanent migration.

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, such as on daily food consumption, clothes, footwear and durable goods. Thus, the remittances contributed to the basic survival and improvement in the living standards of the receiving households.

In addition, this study found that about 40 percent of the expenditure was used for savings, human capital investment and productive investment in agricultural business. Among those expenditure groups, only about 14 percent of the remittances were invested in agricultural businesses and human capital investment, and the majority of expenditure was used in saving such as buying housing, land and gold because this is to protect against high annual inflation rate ranges from 20 to 40 percent in Myanmar. Thus, contrary to other studies, this study does not consider that investments in housing, land and gold are unproductive investments, since the average

rate of return from these investments is higher when compared to the average rate of return from agriculture and other small business.

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 is positive multiplier effects on the household's economy for short-term, as a result of investments in housing, land, gold and human capital, since the price of housing, land and gold increased annually. 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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