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REMITTANCE AND DEVELOPMENT

A STUDY OF SELECTED VILLAGES OF MITHILANCHAL REGION OF
BIHAR

Rakesh Ranjan



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REMITTANCE AND DEVELOPMENT

A STUDY OF SELECTED VILLAGES OF MITHILANCHAL REGION OF BIHAR

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Abstract

With estimated \$70 billion remittances received by India in 2014, it has gradually been viewed as the potential creating socioeconomic development of migrant families left behind. However, the long-term wellbeing is possible through the productive use of remittance. The study tries to understand the impact of remittance on the selected household with the help of selected variable such as an impact on health, education, entrepreneurial activities, ownership of resources, and women empowerment. The respondents were selected from the Mithilanchal region of Bihar, India, as many official and unofficial sources, consider Madhubani and Darbhanga as the dominant districts of migrant remittance along with Kisangang and Siwan districts of Bihar.

The study finds that household expenditure stands priority of migrant households along with the land purchase and house construction. In contrast to the analysis drawn from existing literature, the study did not find support for the enhanced role of women in most financial activities including child health and education. The study concludes that lack of information about the available remittance mechanism at the homeland hinders the transfer, which sometimes results in the use of illegal measures like *Hawala*. However, the study finds remittances to be an important and reliable source of sustainable livelihood for many families left behind.

About Author

Rakesh Ranjan is Research Scholar, at Centre for the Study of Social Systems, Jawaharlal Nehru University, Delhi. He is part of the editorial team of the Global Research Forum on Diaspora and Transnationalism (GRFDT), an international think tank based in New Delhi, India. Mr Ranjan has contributed several articles and chapters in national and international referred publications. He has research interest in Diaspora, Entrepreneurship, International Migration, Labour and Development, Gender Studies, Media Studies, etc. In addition, he has worked and participated in various conferences on diaspora, labour and development.

Statement: All the views expressed in the paper are of the author(s).

Remittance and Development

A study of selected villages of Mithilanchal Region of Bihar

Rakesh Ranjan

INTRODUCTION

The number of global migrants has more than doubled over the last 25 years, reaching a historical record of 232 million in 2013 (Population Facts; United Nations, 2013). A growing proportion of these migrants is migrant workers moving from South to North. On the other hand, the flow of remittances from North to South has risen even faster – from US\$ 48 billion in 1995 to US\$ 436 billion in 2014. As per the estimate by World Bank (2014), this figure will increase by 50 percent or more if unrecorded flows through informal channels will be added. The addition will further enhance the size of remittances greater than foreign direct investment flows and more than twice the official aid for developing countries (Migration and Development Brief, World Bank, 2014).

In recent years there has been some exploratory work done by various scholars and international agencies (Rahman and Fee, 2012; Ratha, 2009; Kapoor, 2003; MPI, 2012) in documenting the socio-economic development and impact of remittance transactions on the households. Such attempts highlight the need to re-conceptualize the significance of remittances as socio-economic development factor rather than mere economic exchange. For example, a study focusing on the economic aspects of remittances in Kerala considered it as a positive phenomenon, as it helps the state to perform better in Gross Domestic Product. On the other hand, many sociological studies question this phenomenon based on the negative social impact it has on children left behind (Rajan, 2013: 3). Thus, sending, receiving, control, and use of remittances constitutes a complex web of social relations.

Migration in search of employment is an important aspect of human mobility. Global capital drives migration and reshapes its patterns, directions, and forms. Migration in turn is a significant factor in bringing about fundamental social transformations of both sending and receiving countries. Thus, migration is both an integral part of processes of globalization and social transformation and itself a major force reshaping communities and societies. The development effect of migration and remittances needs not to confine to the individual level, as it equally affects the community, society, and country (Rahman and Fee, 2012: 690).

The labour constitutes a spatially shifted extended family member for socio-economic development of household living behind as well as the local community. Here socio-economic development refers to a process of social empowerment of the family in terms of less economic risk, better access to resources and increase in choice and capability. Inconsistent Migration in search of employment has inherent characteristics dominated by psychological expectations of better life capability. The basic idea is that people act not only to enhance their economic status but also to minimize the risk factors and enhance the social values. Migration in any way, either internal or external seen as an option of income risk minimization and providing a secure life for the family left behind (Stark, 1991: 19).

Remittances have gradually become a crucial factor of migrant's family. At the same time remittances on the receiving household, lead to a multiplier effects on non-migrant households (Newland 2007). These impacts are in the form of employment generation and sustaining entrepreneurial ventures. There have been a significant increase in the employment generation in studied villages, especially in the construction sector. Some of the prominent reasons are; increased demand for housing increased the trade of durable and other goods, increased consumption of migrant households, and generation of new business activities.

At the family level, remittance broadly works in two dimensions, first, it provides economic support to family living back home. Second, it assures security and the maintenance to the migrants, who intend to come back. In the real sense, remittance provides security at both the level, migrant as well as a family, in case of external shocks. These shocks can be a loss of employment, in the event of the migrant or draught in case of household living back home. Thus, the remittance is a mutual benefit between migrant and recipient. Over the time, with these development credentials of remittances, it has become a crucial factor in South Asian countries, especially for Indian, Pakistan, Bangladesh, Sri Lanka and Nepal. With remittance flows of around \$70.4 billion in 2014, India remains the world's largest remittance recipient country (Migration and Development Brief, 2015: 5).

India has been one of the biggest shareholders of global remittances. In 2013, India received \$72 billion as a remittance. It is evident that remittances have played an important part in the Indian economy, but the issue is how such flows utilized in the livelihood of remittance-recipient households. The 64th round survey of National Sample Survey Organization (NSSO) estimates that the average rural household consumer expenditure was nearly INR 38,000 compared to almost INR41,000 for rural households receiving remittances. Following the same trend Average annual household consumer expenditure was nearly INR65,000 for all urban households compared to almost INR80,000 for the urban households receiving remittances (NSSO, Employment-Unemployment Survey, 2007-08; highlights). NSSO has not specifically differentiated between internal migration and international migration in the highlight, but it gives, enough space to consider remittance as an important factor in the betterment of life.

The impact of remittances is more pronounced in parts of the country that have experienced higher volumes of emigration. In the southern state of Kerala, for example, remittances constitute 31.2 % of the state domestic product (Abdulla: 2014). Along with Kerala, Tamil Nadu and Punjab are the states that have been receiving a larger proportion of migrant remittances. Recently, states like UP and Bihar has also shown their presence with increasing share of international remittances. Bihar figures at fifth position in the country in terms of receiving foreign remittances, with a total of over Rs 200 crore sent through post offices in the year 2012. This amount specifically counts, transfer through the formal channels such as the Western Union or Money Gram. Informal transfer as *Hawala*, or in cash has been invisible and supposed to be more than formal money transfers. Within Bihar, a major share of remittances were sent to post offices of Siwan, Bhojpur, Muzafarpur, Darbhanga, Madhubani, Gopalganj and Patna (Bihar Postal Department: 2013).

Out-migration and Remittances in Bihar

The process of out-migration from Bihar has always been high. The phenomenon of human migration from Bihar to different parts of the world recorded from 1834 when a large numbers of labourers migrated from Bhojpur region at various plantation countries under indenture contract. Migration to West Asian countries from Bihar is a relatively new phenomenon. A combination of various social and economic problems has forced families to decrease the risk factor by sending their family member/s to another country or place (Desingkar: 2006). During 2012, 84,078 people migrated from Bihar to other parts of world (MOIA Currently, Bihar is fourth among all states in the context of annual emigration. The other three are; Kerala (98,178), Andhra Pradesh (92,803) and Uttar Pradesh (1, 91,341) (MOIA: 2012). Most international migration from Bihar is focused to-

wards the West Asia. Gulf Countries and Malaysia are the most favoured destination for the migration of low skilled and semi-skilled workers from India, especially following the oil boom in the Gulf countries. These migrants were mainly from Kerala and other south Indian states. Of late, however, northern states in India like Uttar Pradesh and Bihar have also emerged as leading states of origin for such migration (MOIA: 2012).

Impact of the Remittances in Madhubani and Darbhanga District

The study tries to understand the uses and impact of remittances based on the field survey of selected villages of Madhubani and Darbhanga District of Bihar. The study analyses the impact of remittance through selected variables such as health, education, entrepreneurial activities, ownership of resources, and women empowerment. The study deals with issues like; importance of international remittances in India with respect to other foreign capital flows, profile of migrants and their households at the origin, modes of transfer used by the migrants to send remittances, the impact of remittances on the economic and social well-being of the migrant households and, the impact of remittances on health, education, entrepreneurial activities, ownership of resources and women empowerment.

The focus of the study is to understand the impact of remittance on the life of migrants and their families back home. Analysis has been done on the basis of 27 case studies and informal discussion with villagers. The study did not follow any pre-defined framework, and neither tried to control any deviation during focus group discussion. The interviews were conducted with the help of a semi-structured open-ended questionnaire. The samples were approached with assistance from local contacts. As the study tried to get information about sensitive monetary activities of migrant families, the discussion was mostly informal and completed after a series of subsequent visits.

There is a pressing need to identify such issues to guide remittances research. From a micro perspective, migration is the result of individual decisions influenced by the family or the household; so is the decision to send remittances and the amount. Hence, examining remittances at the household level need a ground investigation to understand the complexity of the transactions, and its sociological implications for migrants, households, and communities. A sound understanding of the micro-level processes is essential because it captures the lived experiences within the macro-level flows of remittances and the resultant development outcomes. The study has been divided into six sections. The First section discusses the socioeconomic profile of studied migrant households. The second section talks about the process of migration. A third section of the paper discusses channels of remittance of surveyed migrant families. A fourth section analyses the usage of

remittance. The fifth section tries to understand the relationship between remittance and development, and the final section derives some conclusions and policy implications.

Socioeconomic Profile of Migrant Households

The interviews were conducted in the selected seven villages of Darbhanga (Three Villages) and Madhubani (Four), districts situated in the Mithilanchal region of Bihar. The study was conducted in two layers; the first layer is identified household and the second layer is different villages of the area. While a survey of households helped to understand the specific incidents, informal discussion conducted with village people helped in familiarization with a background of migration from the village and general socioeconomic profile.

In the survey, the majority of migrant households (88%) informed that the remittances are their most important source of income. Another three described their traditional profession (Agriculture, Shop and Manual Work) as their primary source of revenue. Interestingly, these three respondents considered remittances as a decisive portion of their family income as they selected remittance as the second most important source of income. From the household survey of migrant households in the seven villages it was found that 85% households surveyed are Muslim, remaining four are Hindu. An average number of dependents including aged members and children found to be 7 to 10 in the selected households.

The size of land owned by migrant households in found to be low (Less than one acre). Although, this trend change significantly over time. Land purchase has been found as one of the important usages of remittance. For all families other than one, agricultural income was stated as the most important source of secondary income followed by remittance income. All studied migrants from the villages have up to matriculation. Most of these workers are working in low-skilled occupations such as welders, mechanics, draftsmen, domestic workers, etc. All migrants left their wives or family behind at the origin. The majority of the migrants from both the villages moved due to 'better income opportunities' at the destination as stated by the respondents.

The survey found West Asian Countries most favourite destination of the migrants. The study finds that most of the migrants from the surveyed villages had been to Saudi Arabia and Dubai only whereas some people are in Malaysia and Singapore. Although, it is hard to verify the exact place of destinations, as most of the respondents use Saudi Arabia as a symbolic name for all the West Asian destinations.

The process of Migration

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| Saudi Arabia | 48% |
| The United Arab Emirates | 25% |
| Kuwait | 15% |
| Malaysia | 8% |
| Singapore | 4% |

The cost associated with the migration per household was reported to have from `50,000 to `1, 00,000. The amount is lump sum including all the expenditure such as visa processing fees, travel expenditure and agents' fee. Family Members of Some of the migrants claimed that they received financial assistance from recruitment officers, but could not inform the process and information about agents. One of the most important reasons behind the lack of information with parents is recruitment process of migrants. Usually, the recruitment process takes place in Delhi or Mumbai. Again, the study failed to track the problem faced by migrants after departure because most of the family members had very less or no information about routes of migrants. The survey observed that migrants from the villages do not follow any government-established machinery for job search. Most of the migrants from village rely on newspapers. Whenever, someone planned to move to West Asia, the people usually move to Delhi or Mumbai along with other people. There, migrants either search for employment with the help of newspapers or established contacts based on earlier migration. These migrants need to wait for some duration of time to find a job. Usually finding a job can take up to one month or more than that. For example; one person from one of the village had to live in Delhi for three months and in this period he spent more than one lakh rupees. Later he found a job as a domestic worker in Kuwait. The entire process depends on agents.

As informed by migrant families, the entire process of migration to West Asia takes lots of money. Most of this money arranged from moneylenders on high interest. The interest can vary from 3% to 12% per month. Although, in some villages, it was observed that the return migrants finance money for other migrants on 3% to 5% interest per month. With this method, they try to save money for their travel in later time. Many of the formal banks and financial institutions also provide a loan, but no one reported to have any borrowings from these institutions. While getting information about the reason of the ignorance of financial institutions, most of the family member rejected the relevance of banks. The process of documentation, verification, and bureaucracy creates an entirely negative

image of the formal institution to migrants. It is relatively easier to get money from known people of the village. Although, migrants need to pay a higher interest rate, but can get require amount within an hour or whenever require.

The 64th round of NSSO survey (2010) estimates that on an average, a male out-migrant from rural areas and residing abroad remitted INR 52,000 while the amount was nearly INR 13,000 for those living in India. In the survey, the remittance income per household among the 23 units stood from INR 150,000 to INR 4, 00,000 per year. This low income is consistent with the account described by the remittance-sending households who reveal virtually no improvement in their livelihoods even after receiving remittance income. To justify this fact, the majority of the households said that they sent their family members from the country because they saw other people becoming more prosperous from the received remittance.

Channels of Remittances

Since the 1990s, remittance infrastructure has seen a decent development. Other than existing banks, a good number of non-banking institutions also made their presence over time. Some of these institutions are Western Union, Money Gram and others. With a strict financial setup, in India, remittance transfers have operated by commercial banks, financial institutions; post office and government authorized exchange bureaus. For formal transfer of money exchange bureaus such as western union have made their presence in almost all corners of the country. These Money Transfer Organizations have become popular because these channels do not require any bank registration. A person with valid identity proof can withdraw remittance sent by known persons with the help of some code transferred via telephone or email. Reserve Bank of India regulates Money Transfer Organizations in India. The scheme requires these money transfer organizations to sign an agreement with local authorize banks.

In the present context, three main ways exist in the informal remittance system. First, is transferring through courier service or in-hand second is transfer in kind and, the third is '*Hawala*'. In-hand carry is one of the oldest systems of money transfer. Migrants use to send money to friends or relatives going back home. The in-kind transfer is also a significant and simplest of the transfer. Migrant workers can buy precious products like TV, Mobile and other goods and sell it back to the homeland to recover money in local currency. Among the informal remittance systems, *Hawala* is most popular among all. The *Hawala* system does not require physical money transfer, as it operated by illegal structure, where money transferred through *Hawala* agents

active in the homeland. Ozaki (2012:19) discussed this process. It starts when someone wants to send money contact a *Hawala* agent and accepts the amount, types of currencies, and charge for the service. *Hawala* Broker after agreement provides a code to transfer to the recipient of the money at the homeland. The *Hawala* Broker at the host land sends instructions to the broker at the homeland through fax, email, or telephone, based on the instruction, the *Hawala* broker in the homeland payment to the designated recipient.

Coming late to policy formulation compare to other South Asian countries, India has had a less active approach towards remittance policy. However, with the explosive rise of remittance forced the government of India to revisit their approach towards migration. In this context, in 2001, Government of India establishes the High Level Committee on Indian Diaspora under the leadership of the L.M. Singhvi. The committee in 2003 came with various measures about the better involvement of Indians living abroad. These measures include the establishment of a separate ministry for overseas Indians, PravasiBhartiya Divas, Mission in different countries and many others. The foreign exchange control act replaced by the Foreign Exchange Management Act, 2000. Formal remittance channels enacted to deal with informal channels like *Hawala*. Non-resident Indian deposit scheme initiated to attract foreign capital in India.

The study found some of the very interesting facts about remittance transfer. During the survey, most of the family members said that they receive money through formal channels such as banks and financial institutions. Some of them reported that they receive money through *Hawala* and agents or cash transfer, either by migrants or from friends. While discussing remittance transfer through a bank or financial institutions, only two families reported to get the money transfer through bank accounts. Most of them claim to get money from agents on the doorstep. The interesting fact is, no financial institution or MTO deliver money on the doorstep. While the family claim to have remittance transfer through the financial channel, but it is an informal channel, most probably '*Hawala*'.

In the study area, most of the migrants or family members are hardly literate because of the inefficient condition of government schools. Most of the migrants or potential migrants try to get matriculation certificate, just to clear emigration check. Most of the family members hardly found college educated. Ignorance towards higher education is also a reason of lack of information about remittance channels and accessibility of MTOs. Surprisingly, almost all families have bank accounts, but due to inefficient banking services, these accounts are used for saving purpose or securing money from any other risks.

Usage of Remittances

The usage of remittance is one of the important areas of concern in India. A survey conducted by NSSO (2010) and RBI (2012) listed nearly 12 specific expenditure patterns in India, which includes expenditure towards food, health, education, entrepreneurship, land purchase, philanthropy, marriage, and others. The present study tried to understand the usage of remittance in the selected villages of the region. The information collected are discussed below:

Household Level Expenditure

The NSSO (2010) and RBI (2012) indicated that the household level expenditures are of primary use for the migrant household. The study of selected villages also supported this finding. The remittance-recipient households use their income, mostly in daily household consumption. While, the study could not explore the exact amount of expenditure towards household work, but it is supposed to be almost 50% of remittances. Item wise, the food stood the major component in which a significant amount of household budget was spent. Other household level expenditures, such as family functions, wedding, and funeral stood second important priority. Debt payment was also found as one of the important aspects of remittance usage. Most of the families found to have continuous debt because of various reasons. The migration cost, which supposed to be around one lakh, is also found as one of the significant reason of debt. At the same time, most of the families try to save the remittance for future use.

Impact of Remittance on Health and Education

The impact of remittance earnings in the creation of human capital such as the investment in health and education has taken the central space in debates among academia and policy-makers. Many studies have revealed that the remittance-receiving households were observed to be spending a significant proportion of their income on health and education-related expenditure. This evidence found during surveys complexes or contradicted the existing consideration. The expenditure in education and health found to be comparatively less than NSSO (12.62%) or RBI (10%) survey. Most of the families spent the least amount of money for schooling of children. The reason came out during the survey are a). The government schools are free and easily accessible b). There are very less number of private schools exists in these districts, and fees of available private schools are comparatively low c). Most of the young people found to be less educated. Most of the people usually try to get matriculation, just to get rid of emigration checks, and d). Young people from the selected villages have less attraction towards government em-

ployment. Those who are interested already migrate to the urban areas. These circumstances create a lack of consciousness towards education. The survey found education-related expenditures as less priority than other expenses.

The women in a majority of the households in the study area gave birth in the home rather than in hospital. Although some of the evidence found where, family preferred to go to private or government hospitals. Because of lack of education, the awareness about maternal health found to be non-existent. Most of the families preferred locally experienced women for delivery of a child. The issues of awareness about maternal health can be further divided on the basis of religion. While most of the Muslim families consider expenditure towards maternal health unimportant, surveyed Hindu families preferred government or some extent private hospitals. It was reportedly heard during the inquiry that well-experienced women had long provided the services of childbirth. In contrary to this tendency, however, a significant number of households in both groups were found to be giving regular vaccination for their children. In most of the cases, the government hospitals or homeopathic doctors found to be most preferable, that usually result in less expenditure. The same can be observed in the event of healthcare of old aged person.

Ownership of Electronic Items

The use of media found to be higher in surveyed households. The ownership of media items such as radio, television, telephone, DVD players and some instances computer found very general. There are two interrelated reasons found of this high familiarity. First is the increase in import of budget Chinese electronic products and the second is migrants experience at the host land. Migrants carry electronic products like Mobile, Camera, TV, and DVD while coming from host land. Mobile remained to be the most used means of communication in the study area, which was available to all families in the selected villages.

Remittances have been one of the important sources of the expenditure towards electronic items. 88% of total surveyed households reported that they purchased electronic items especially mobile and television with the help of received remittances. The use of television was found to be higher than the use of radio, indicating that the tendency of households had switched to adopt the new means of communication rather than relying on the traditional means.

Land Purchase

The land purchase had been the most favoured means of creating wealth by remittance-recipient households. Land Purchase and House construction found as one of the most preferred usages of remittance after the household expenditure. Almost all studied families, either already purchased land or planning to purchase. The purpose of land purchase by the households in the study region was mostly to use it for agricultural purpose while some of them reported that they purchased land for the home construction purpose. The families prefer to buy land within the own village because of two main reasons: a). For agriculture and b). House construction for next generation/ extended family. In the survey region, the expenditure on the home purchase and maintenance took a substantial share of total household spending. This trend is consistent with the tendency that a significant proportion of households purchased land to construct homes as explained above.

Entrepreneurial Activities

Entrepreneurial activities among migrant families found to be higher. Most of the family members have some small shops either running from home or nearby market. An interesting fact came out in the course of the discussion that, most of these entrepreneurial activities are treated as the waiting period until emigration. Almost all the shops owned by young people found to be less active or just a disguised entrepreneurship. When these young shopkeepers move from the homeland, the responsibility usually comes to the elder of the family, which later results in inactivity or closure of the shops.

There are some of the evidence of necessity entrepreneurship found during the study, but it is largely insignificant because of the major reliability towards remittance. In some instances, there is another aspect of entrepreneurship came into notice. With the increasing flow of remittances and TV/Mobiles at the homeland, businesses related to Mobile and Digital TV top-up recharge has gradually become an important entrepreneurial activity. Most of these enterprises are run by migrant families because these enterprises require comparatively high capital investment and electronic familiarity.

Women Empowerment

A marginal increment in women empowerment was also observed in remittance-recipient households. Migrant himself mostly carries out the decisions regarding financial transactions. In some instances of less valuable transactions, elders or wife of the migrant decides. In other empowerment indicators, such as decisions regarding children's education, childbirth, women's health, family health and involvement in social activities, women found to be empowered to take decisions.

In case of the presence of a migrant's male parent, the decisions usually carried out by them. The role of the women found to be as caretaker of the resources owned by the family. The decisions regarding financial transactions, children's education, childbirth, women's health and involvement in social activities were made both by male and women in some instances but mostly it was found as men's affair.

Summary and Conclusion

The study put forth the number of conclusions about the usage of remittances at the household level. First, remittances form an important part of household livelihood strategies. Remittances contribute directly to raising household incomes while broadening the opportunities to increase incomes. They also allow households to increase their consumption of local goods and services. Second, at the community level, remittances generate multiplier effects in the local economy. This effect further creates jobs and spurring new economic and social infrastructure and services, particularly where effective structures and institutions established to the pool and direct remittances. Where these have been set up and encouraged, and where the state is supportive, remittances can make a difference, particularly in remote rural locations where state resources were not effective. Third, at the national level, remittances provide foreign currency and contribute significantly to GDP. Fourth, remittances can redistribute resources from rich to poor countries.

From the findings of the study, it is concluded that although there is the high dependence of migrant households on remittance income to satisfy their basic minimum needs of the family. The socioeconomic conditions of the migrant households in studied villages of Madhubani and Darbhanga Districts of Bihar have changed significantly because of the continuous flow of remittances. For the studied, households, remittances lead to better economic and social conditions, because the availability of surplus money and the reduction in credit constraints. However, there is no significant development in the context of education, health and women empowerment, but the overall condition of families' increases sharply.

Remittances lead to spillover effects from households in the village community via generation of employment. These effects are evident due to increasing construction sector and investment of remittance money by the non-migrant members into microenterprises. Increased consumption of the migrant households increases the local trade activities, which further benefited the non-migrant households. These spillover effects also lead to more business activities in the villages in terms of money transfer. This effect is evident in all the studied villages. One of the most significant examples can be

found with the increase in daily wages for manual labour, especially in the construction sector. Overall, the remittances have been crucial for not only migrant families but for the villages also.

Policy Implications and Areas for Further Research

The study of selected region finds many issues need to be covered by governmental institutions. India is facing the pressing problem of widespread unemployment, especially among youth. The employment schemes like MNERGA have largely failed because of the irregular nature of work and less remuneration. Many families reported that they were sending their beloved ones to foreign employment because no other option is available for them to stay within the country. In this regard, it looks urgent to take concrete measures to retain most productive workforce within the country. At the same time, many issues found in the analysis of the financial cost of migration. The interest rates charged by the local money lenders are significantly high amounting to almost 12 percent per month. These rates are a quite higher comparison to the rates charged by formal banking institutions. Due to lengthy banking process and administrative laggard, needy people are not benefitted from the banking facilities. While the government with different schemes is trying hard for financial inclusion of the rural population, but the problem is that people are seemed to be unaware about such provisions available to them. Therefore, it is crucial to make people aware about the facilities already available to them on the one hand and make those services as uncomplicated as possible so many people would involve in the program on the other. The familiarity with the financial institution will also result in increased formal remittance transfer.

This study revealed that there is no significant impact of remittance in the establishment of businesses by migrant-sending households. This trend needs immediate amend by bringing appropriate policy measures to encourage remittance-recipient households to use their money in productive areas.

There are many fields related to remittances need to be addressed carefully. It is require understanding the specific uses of remittance with the help of primary surveys. The study also finds some of the incidences of relative deprivation; there is a need to understand separately and examine this important area of concern about what impact remittances received by receiving household play on non-receiving families.

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