

A Study of Factors Influencing Remittances of Myanmar Migrants (Case Study in Samut Sakhon, Thailand)

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An estimated 300,000 Myanmar migrants work in Samut Sakhon (Mahachai), Thailand, as a key labor force in the local economy (www.phamit.org). Capitalizing on the comparatively high salary migrants are paid, remittances are used by families for a wide range of purposes. However, even before migrants send remittances to families, they face complex choices and costs in their daily work conditions, at home, and around Samut Sakhon. This paper examines the relationship of Myanmar migrants' income, lifestyle, and expenditures in Samut Sakhon, to remittance payments to families in Myanmar. This paper used a snowball data collection method and examine the initial variable of income in relationship to remittance payments, and how these are influenced by daily needs, age, length of stay, and costs for legalizing documents. Then using of focus group discussion will examine the results of interviews I've conducted with migrants working in Samut Sakhon about the use of remittances channel and utilization of remittance payments back home. For migrants who make payments, this data indicates the influence of their daily choices and cost factors on the amount a family inside Myanmar will receive. In particular this paper will discuss the importance of income security on remittance payments for migrant workers. This paper will use a qualitative set of focus group discussions to examine the initial variable of income in relationship to remittance payments and the influence costs for legalizing documents.

Key Words: *remittances, legal documentation, Myanmar*

Introduction of Migrants Remittance Trends

The migration flow of people has been gradually increased worldwide since 1965. According to the Migration and Remittance Factbook 2011, 3% of world population is seeking to get better jobs in higher income countries, approximating nearly 200 million. Among them, 97% of these populations have migrated because of the economic situation of their countries of origin. Only 3% of this migration was due to asylum seekers. The most driving factor of migration is the income differences between a low-income country and a high-income country (www.lowyinstitute.com). The sluggish economy of Myanmar has pushed its citizens to seeking out better jobs all over the world for over two decades. As a developing country, this migration enlarges the inflow of remittances that bolster the disposable incomes in Myanmar. In a 2007 working paper, the IMF stated that total remittances to Myanmar was around USD 81.3 million in 2004 and was USD 300 million in 2007. The remitted amount of USD 300 million is more than double the amount of foreign direct investment and equal to the 5% of the Myanmar GDP in 2007. In practice, migrants from Thailand, send individual remittance amounts with a minimum amount of 15,000 Baht to a maximum amount of 300,000 Baht (Turnell 2008, Deelen L, 2010, Jampaklay A, 2009). This shows that the large flow of remittances to the destination can leveraged the development of a country's economy and reduces the size of poverty in recipient families. (Sean Turnell, 2003).

At the same time labor migration can also enhance the economy of the host country. If the

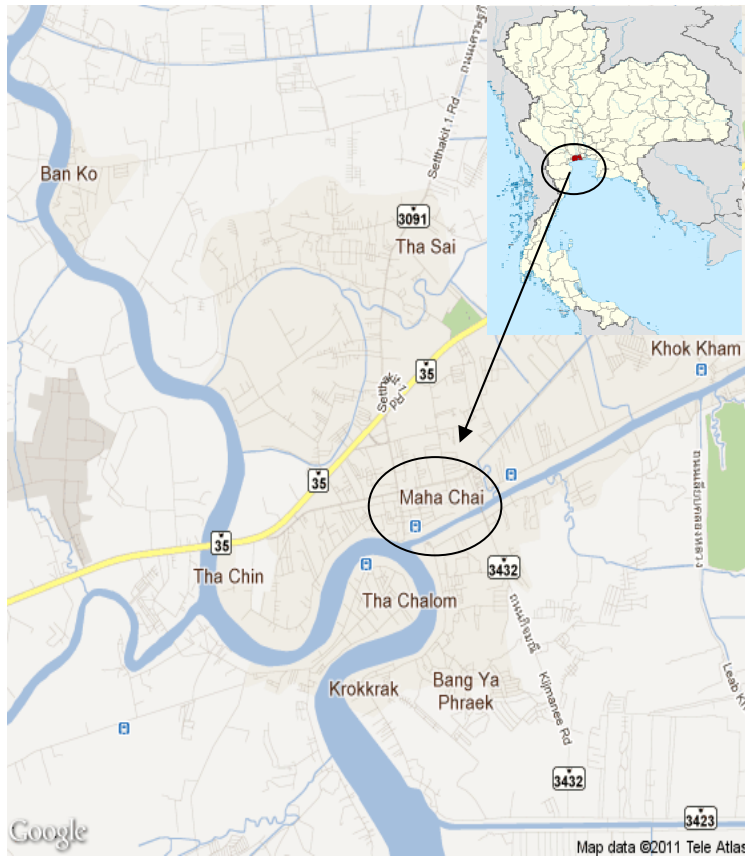
country's economy, job opportunities and labor requirements will also enlarge, then cheap labor from the low income countries will migrate to work in the job sector that requires labor. It can also control the higher wages citizens would otherwise demand in their host country. Additionally, the consumption of migrant labor also enlivens the supply side economy of the recipient country.

The province of Samut Sakorn (Mahachai), which is located in the southwest of Thailand, is quite small but is highly industrialized. Seafood processing occurs in the majority of the district. Those seafood products mainly come from the many long haul boats at the deep-sea port in the area. Although Samut Sakhon is not close to the borderline of Myanmar, large numbers of Myanmar migrants come to the district by using formal or informal border crossing methods due to the feasible job opportunities in Samut Sakorn's wide range of labor-intensive sectors. Thus Samut Sakorn has become one of the vital provinces, which attract low skill workers from neighboring countries. Since exporting has grown, the frozen food industry in Thailand has had a huge impact on the improvement of the country economy, Thailand has rose up the HDI (Human Development Index) and now ranks 92 out of the 169 countries (www.wikipedia.com). As a result Thailand has experienced a shortage of unskilled labor because most Thais will not work in the seafood processing and commercial fishing industries. Thus, workers from under developed neighboring countries, such as Myanmar, Cambodia and Lao, come to work in those places. Among them, the vast majority migrants from Myanmar are about 94% (http://www.phamit.org/index_profiles_raks_thai_sk.html)

Samut Sakhon has a residential population of approximately 450,000. An additional 250,000 or more workers are Thai migrants, principally from northeastern Thailand, and another 160,000 to 200,000 are foreign migrants. Total numbers of local resident are approximately 450,000. Due to the high cost of entering the registration process, the number of undocumented migrants has increased significantly. In 2005, 69,455 workers from Myanmar were holding work permits, out of a total 73,896 documented workers. It is estimated that there are 300,000 migrants who are working in labor-intensive sectors in Samut Sakhon (Mahachai). Among them 50% of migrants are Mon, while the rest are ethnically Dawai, Rekhine, Karan, Burma, Shan, Pa-O and Kachine (http://www.phamit.org/index_profiles_raks_thai_sk.html)

Those migrants working in these jobs are often subjected to dangerous, dirty and degrading conditions. Nevertheless, nearly 80% of migrants send money back to their families in Myanmar, despite working under these circumstances. Low class migrants face many challenges in Samut Sakhon, such as assault and theft by muggers, harassment by police and law enforcement personnel to extort fees, and high costs of legalizing documents, all of which undermine the income security of migrants. Based on conditions, this income becomes the inflow of remittances to Myanmar, to reduce poverty of migrants' families to some extent, and as a result, improves the Myanmar economy

Map of Samut Sakhon (Mahachai)



Source: Tele Atlas, Map Data, 2011(www.google.com)

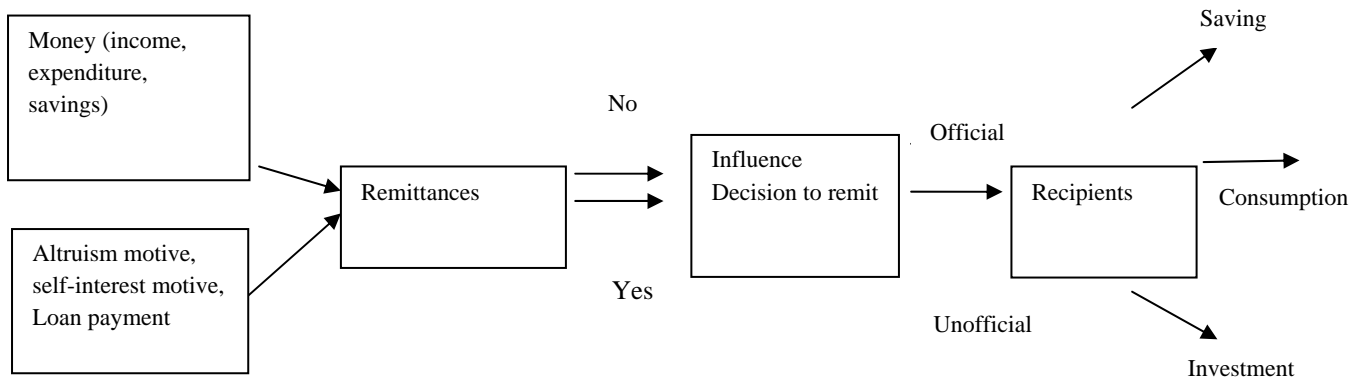
Objectives of the Study

The aim of this report is:

1. To study the factors influencing remittances payments
2. To study the distribution of remittance utilization by families

Theoretical Background

Figure (1.1) Remittances Decision Framework



Source: Adapted from Russell (1986)

Behavior of migrant remittance payments depends on the decision of the remitter; whether to remit or not and what amount of money will be remitted. The willingness of those who do remit is determined by three theories: the Pure Altruism motive, the Self Interest motive and the Informal Family Loan Agreement.

Determinants of Migrants' Remittances

Migrants' Income and Savings Targets

Migrants' incomes are the most influential factor in the inflow of remittances. The bargaining for remittances between the migrant and the migrant's family could affect the size of the remitted amount. Migrants want to retain a certain amount of savings money if he or she has a plan to return to their home country. Thus migrants arranged to reduce their expenditures in their host country in order to reach the targeted amount. Therefore, the volume of income, expenditure, intensity of work and saving targets are inter-related with the determinates of migrants' remittances. (International Migration Outlook, 2006)

The Pure Altruism Motive

The Pure Altruism motive is the first motivation for migrants to remit the money to their recipient families. In general, the altruism motive is expressed by the concern of migrants for their families who are left in Myanmar. Migrants release this concern after sending money to the family and are satisfied about the welfare of the family. It means there is a willingness on the part of a migrant worker who is concerned about his or her family's living requirements, to provide financial assistance to cover the family's need and hardship (Jacques Bouhga-Hagbe1, 2006; Jessica Hagen-Zanker, 2007). There are four hypotheses defining the application of the pure altruism model. First, if the migrant's income increases the remitting money should also increase. Second, if the domestic family's income increases, the money sent by the migrant will decrease. Third, remittances should decrease gradually due to the weakening of the migrant's attachment to the home country or family. Fourth, remittances should decrease as the whole family migrates to the host country (Lucas and Stark, 1985; International Migrants Remittances and Their Role in Development, 2006).

Self Interest Motive

The second motivation, the Self Interest motive is also a determinant for remittance payment motivation. Migrants who have sent the remitted amount have done so because they intend to invest it for their future purposes, real estate, financial assets and the long term use assets (phone, motorbike, etc.) of migrants. Migrants may want their families to take care of this asset in their home area (Hoddinott, 1994; Lucas and Stark, 1985). Migrants may want their families to start a business with the remitted amount while he or she is away. In addition, migrants may send money to parents for the purpose of education, health care costs, and other necessities for the migrants' children. Alternatively, if the migrant is single, he or she will remit a larger amount of money as the migrant will plan to return home, and will work to provide the most financial assistance before they return. (IMF working paper, 2006, Altruism and Workers Remittances).

Informal Family Loan Agreement

The third motivation to remit the money is as a loan repayment to the migrant's family.

Migrants or their family will borrow money to use for the migration cost, or other required costs of the family, which pushes the migrant to remit. Most of these loans are in dealing with interest charged by a lender. The debt of the family can enhance the concerns of a migrant, who is likely to remit a higher amount of remittances to repay the loan of the family without delay (Pratikshya Bohra-Mishra, 2010).

Literature Review

The author, Lucas (2004), summarized that the trend of remittances will increase over time, if they are sent by temporary migrants. However permanent settlement of migrants results in a decline in remittance payments. It is not because of the size of income but because of the diminishing attachment of the migrant to the family. Migrants who live for longer periods of time abroad, their bonds to their country and economy of origin decrease, and they thus lower remittances (Merkle and Zimmermann, 1992). It is individual motive that dominates the willingness of migrants to send money to their families, rather than the macroeconomic situation of their source country. Other findings point out that those remittances depend on the incomes of migrants in the host country and the per-capita income of their families. (Glytsos, 1988, 2002). Critically, those factors are interrelated with the determination of migrants remittances (along with length of stay, intensity of work, income and expenditure of migrants, as well as family left behind). However, other economic factors are also expected to affect the payment of remittances. In terms of the remittances for consumption and saving characteristics, these may relate to the macroeconomic factors of the host and origin countries, as do interest rates, exchange rates, inflation and relative rates of return on differential financial and real assets.

However, other scholars argue that microeconomic factors are more significant for the remittance decision in the long run, but the migrant's portfolio is considered for the short-term affects by shifting the remittances in the long-term trend. Moreover, economic crisis or economic downturn of the host country also plays a role in decreasing the sending of remittances. In 2008, the global economic downturn severely affected the world after the collapse of the housing market in the US. That economic recession also affected Thailand, as it is an export-oriented country. Consequently, the economic recession created a decline in migrants' incomes, savings, remittances and a rise in unemployment rates. In a case study of Mae Sot and Chiang Mai migrant remittances, it was found that 30.6% of survey respondents' wages had decreased. This resulted in the decline of migrants' savings and remittances (Aung, 2009).

Research Design and Data

Both qualitative and quantitative analyses were used in the research for this paper. In order to collect the information of migrants' characteristics and the flow of remittances this study used a snow balling method in conducting a structured questionnaire. Since the researcher did not go to the area of migrants' families in Myanmar, the analysis of this study is only focused on the migrant workers, migrant brokers and hundi dealers from Samut Sakhon Province. Focus group discussions were used to gather information about the flow of remittances to migrants' families. The structured questionnaire was conducted in the residential areas of migrants in Samut Sakhon during hours migrants most likely would not be at work. As a result 100 migrant workers participated in the questionnaire. The respondents included Mon, Burman, Karan and Rakhine ethnic groups from Myanmar. During this process a local male resident was used as a guide in order to meet and gain access to respondents. During the

research, the questionnaire was explained to each participant and example interviews were conducted with at least 2 or 3 workers before distributing the set of questionnaires to other migrants, so that the respondents would be able to answer the questions clearly and accurately.

Table (1.1) :Occupation of Burmese Migrant

Occupation	Number of workers
Construction	4
Fisherman	3
Fish Canning Factory	3
Furniture	4
Garment	1
Housemaid	2
Seafood Factory	73
Meat Factory	1
Snack-food Factory	1
Selling/Buying goods	3
Teacher	1
No Job	4

Source: Author's Survey Data

Characteristics of Migrants

The Samut Sakhon area has many factories, especially seafood factories, the majority of which process lobsters, which are an important export product from Thailand. In Table (1.1) one can see that 78 out of 100 workers work in seafood factories. During the period of August to December, these migrants can earn good incomes by working overtime at their job. During that time, the amount of lobster caught from the sea is at its peak, compared with the months. In most cases the work hours are from 8 am to 5 pm but that depends on the factory workload. Migrants who want to work overtime at there are often paid an overtime fee of an additional 40 Baht per hour.

Due to the time constraint and availability of migrants, the opportunity to include sub limited at the research site. Additionally, the sample of female migrants were less than that of the male group, so that the survey consisted of 63% male respondents and 37% female respondents. Working in Thailand in these sectors as low skilled migrants, there is not much wage disparity between male and female migrants. The majority of migrant workers 63% have a secondary level education, while 34% of migrants have a primary school level education. A lesser number of migrants 2% have a college under graduate level of education, and fewer still have a graduated degree 1%. However, it appears that level of education a migrant has received does not have any significant impact on a migrant's ability to earn a good income, as the job situations are based on hard labor.

Table (1.2) Educational Level of Migrant Workers

Secondary Level	63
Primary Level	34
Undergraduate Level	2
Graduate Level	1

Source: Author's Survey Data

Table (1.3) Migration Cost to Travel to Thailand

1000 B – 3000 B	14
3333 B – 16667 B	73
18000 B – 33333 B	10
45000 B	3

Source: Author's Survey Data

The majority of migrants come from Mon State in Myanmar, to the Thai border by walking through the forest. As in this case, where Mon State is close to the Thai border, the cost of migration will be less if the area from which a migrant comes is nearer to Thailand. Thus, the cost of migration from Rakhine State is higher by more than 35,000 Baht. Migrants, who choose to migrate but cannot cover their transportation costs when coming to Thailand, are often sold by a broker into indentured-labor on fishing boats until their debt is paid. After working one or two years without getting a salary from the Thai owner, they can go free and can work in a factory. In this way, migrants to Thailand who come with a broker but cannot pay will have to work first as indentured laborers on a fishing boat.

Work Permit and Temporary Passport

For migrants the most crucial documents needed for security are a work permit and a passport. Work permits are useful in applying for a job at factories as well as to protect them against arrest by police. Because of this risk, migrants are required to carry this document wherever they go to the outside their home or work place. However, work permits only allow migrants to travel in Samut Sakhon. Migrants who have a temporary Thai passport are allowed to travel to other districts in Thailand and after paying an additional 1900 Baht fee, can receive free or low cost health services from government hospitals which they are entitled to by Thai law (IOM Thailand, 2011).

Temporary passports are issued to migrant workers who are registered in the national verification process. This legal temporary passport (valid for 2 years) officially costs 100 Baht for a registration fee in Thailand, an additional 100 Baht equivalent cost to the Myanmar Embassy, and 500 Baht to the Thai Immigration Office. Thus officially payments for this document are feasible for most migrant workers. However, most frequently an agent arranges the passport application process instead of the migrant applying in person. As a result total cost increases to – on average – 5500 Baht. A migrant can apply by his or her self, and pay official fees, but must also cover the costs of transportation, food and accommodation, just to arrive at the Thai border crossing of Ranong, in order to apply for the temporary passport. However, more importantly, the process is likely to take multiple days, and few migrants can leave their jobs to apply in person. Additionally, many migrants will not take the risk of

traveling so far to fill out applications in person, often with little or no ability to speak Thai. (Source: Myanmar Time News, www.mmmtimes.com). Thus the majority of migrants employ a broker to organize the temporary passport application despite the high cost.

Table (1.4) Number of Official Documents Myanmar Workers Posses

Possess Myanmar National Identity Card	17
Does not Posses Myanmar National Identity Card	15
Work Permit/ Passport	27
Thai Bank Account	32
No Bank Account	25

Source: Author's Survey Data

Table (1.5) Income level of migrants per month in Baht.

3000-5000	4
5001-7000	74
7001-9000	17
9001-12000	3

Source: Author's Survey Data

Most incomes of migrants are centered in one range with only a little variation towards higher and lower salaries. If we see in the table (1.5), 4% of migrants earn wages between 3000-5000 Baht per month, while 74% earn wages ranging between 5001-7000 Baht per month. 17% of the migrants earned an income between 7001-9000 Baht a month, and the last 3% of migrants earned an income of between 9001-12000 Baht a month. This range changed a little, according to the survey experiences and focus group discussions. This survey also indicates being able to speak Thai has a positive effect on Migrants finding higher paying jobs, rather than working as hard laborers.

Table (1.6) Monthly Expenditure

1000-4000	52
4001-8000	42
8001-12000	4
Not available	2

Source: Author's Survey Data

The highest expenditure among a migrant worker's costs is on monthly rent. The average amount of rent is 2,500 to 3,000 Baht per month. In the calculation of migrants' expenses, costs included electricity consumption, rent charges, phone calls, food and other miscellaneous things. Every rented room has electrical appliances such as a TV, an iron and other electrical appliances in the kitchen and living room, due to the overall lower price in comparison to the cost of the same products in Myanmar. However, this researcher did not record the specific division of those costs as often several migrants were living together in one room and would shared the cost of those appliances.

Savings

Most migrant workers do not save money in formal banks or in their own homes due to mistrust in the system, or because of security concerns. Employers transfer a migrant's wages every two weeks to his or her bank account. Though automatic teller machines in Mahachai have Burmese language as an option for their use, the majority of migrants don't save money in the bank even if have a bank account at a private bank, as they don't trust the Thai (foreign) banking system. Migrants also encounter misunderstandings or confusion dealing with the Thai banking system. Migrants who do not speak Thai encounter a language barrier when dealing directly with bank staff, which also dissuades them from keeping money in the bank. As a result as soon as salaries are deposited most migrants withdraw their payment. However, migrants also do not hold cash for a long period of as they often stay in shared rooms without security or privacy. Instead, migrants will send their money home when they reach a set target amount for remitting, unless the migrant has permanently resettled his or her family in Thailand.

Characteristics of Remittances

Remittances Channels

The most commonly used informal remittance channel for overseas workers is called the hundi system. At its most basic, hundi has two dealers in two countries who work together to coordinate a transaction. The transaction occurs remotely, as a dealer from Thailand sends a message or phone call to the dealer from Myanmar in order to relay the remitted amount. Since most of hundi dealers are also running a personal business such as trade, or a shop, most dealers from Myanmar accept goods from the border area instead of receiving actual money. The mechanism of the hundi system creates an easy way for a remitter who has no desire to use the formal banking system (In Myanmar, the only option is the Foreign Exchange Bank in Myanmar). It is also convenient for migrants, as family compare-withdraw money from a dealer even if the migrant has not yet sent the money to that destination country. Remittance brokers allow this, as they want to provide an advance services in order to compete with the other brokers, and cultivate trust with their regular customers (i.e., a migrant worker).

Alternatively, a migrants' family would need to go to the private bank where a dealer would have to send the remitted amount. If there is no private bank near a family's home, a dealer can directly remit the money to a family's home or at the dealer's office. Although informal channels for making remittance payments are used abroad, domestic transfers of remittances use a formal system, sending money through private commercial banks.

Money Gram and Western Union are legal channels to remit money for migrant workers, but are not currently accessible in Myanmar. The cost of remitting by a formal method is more expensive than informal methods, but also less risky for the money to reach the recipient's home. Formal remittance channels require a migrant to have legal documents such as passports, a long term visa or work permits, a letter of recommendation from an employer, and the migrant be an active customer of an existing foreign bank (Sean Turnell, 2008).

The Amount Remitted

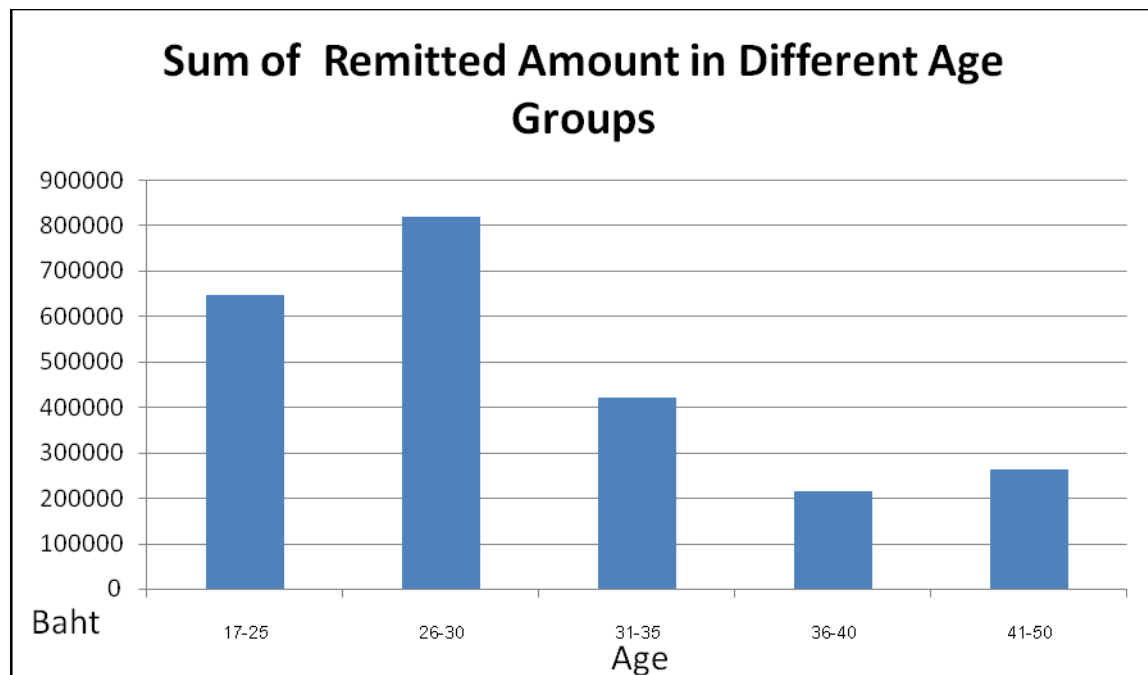
The median amount the 100 migrant workers sent to Myanmar was 33,333 Baht for 2010. The maximum amount remitted was 100,000 Baht and the lowest amount was 5,000 Baht. All the data of the remitted amount was made as payments in the previous year, 2010, from January to December.

Table (2.1) Remitted Amounts sent in 2010

Summarize Measurement	Result Value
Sum	2,368,673 Baht
Mean	23,686.73 Baht
Median	33,333 Baht
Mode	36,666.5 Baht

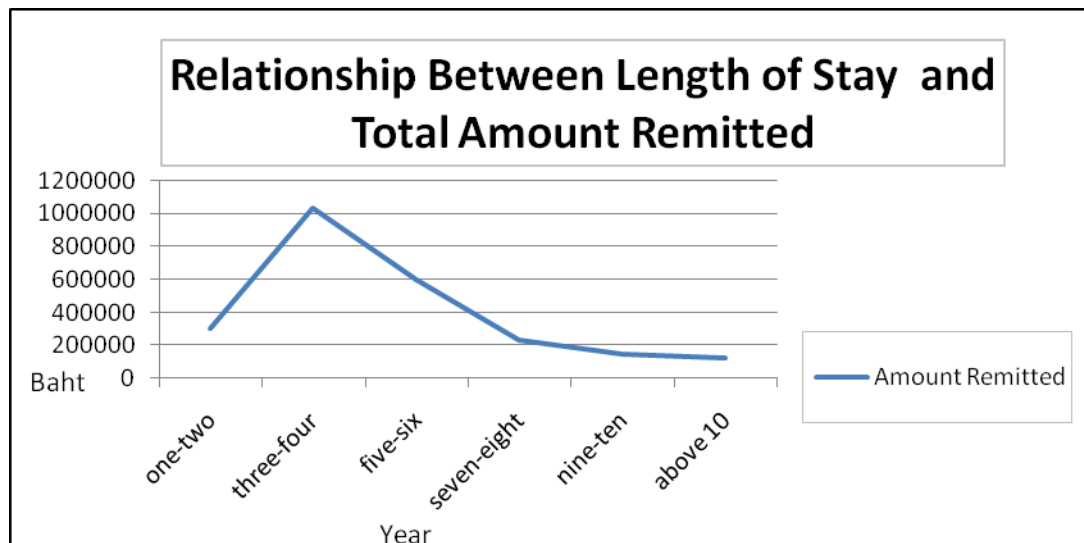
Source: Author's Survey Data

Table (2.2) Sum of Remitted Amounts by Different Age Groups



Source: Author's Survey Data

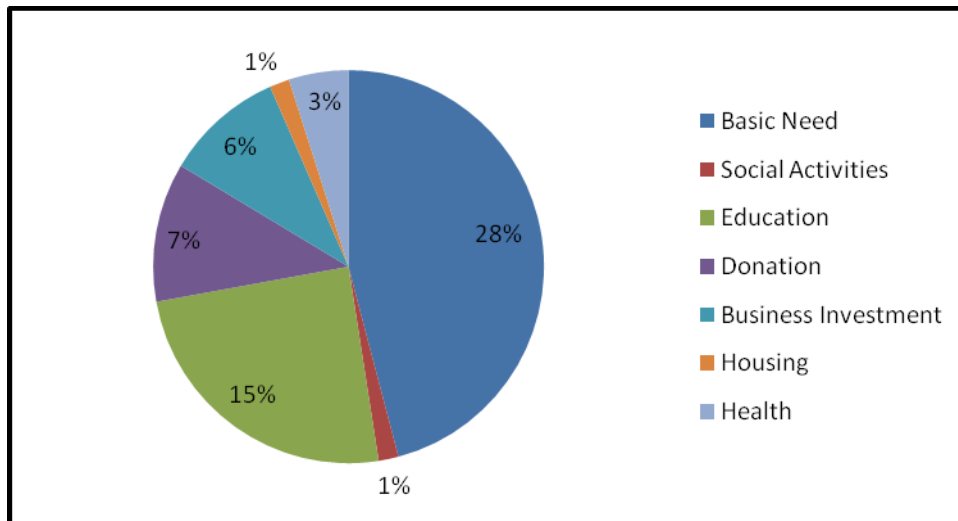
According to the result of the above figures, the likelihood of remitting is highest at between the ages of 26 and 30. The higher age levels are negatively correlated to the lower remittance payments. The selected number of older migrants pay less in remittances than the younger age group, according to the table (2.3). However, the number of younger migrants is higher than older migrants due to the demands of owners to work at a factory site, often under hard working conditions.

Table (2.3) Relationship between Length of Stay and Total Amount Remitted

Source: Author's Survey Data

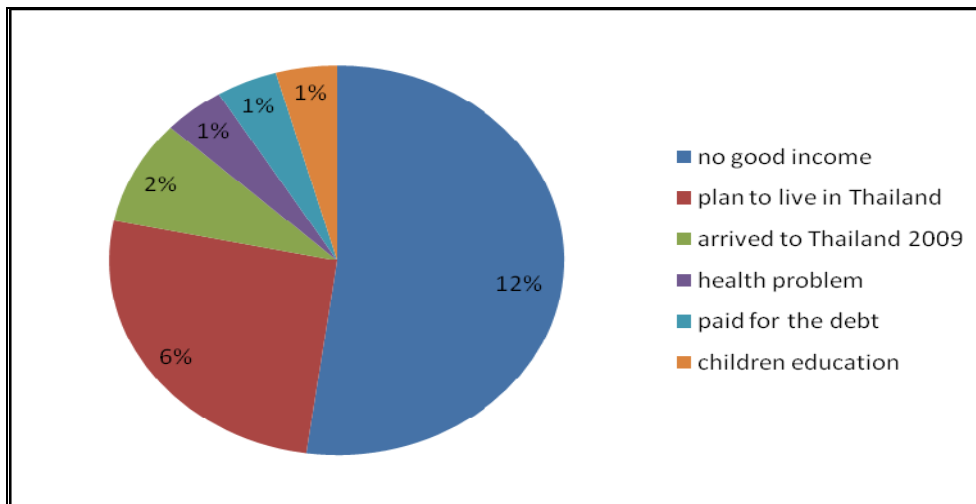
According to the relations between length of stay and total amount remitted, the longer a migrant resides in a host country, the lower the remittance payment is. Figure 2.4, shows that a diminishment of remittance payments occur with those who have spent longer abroad, particularly those with seven years or above. It is likely to be assumed that some migrants have brought their whole families to Thailand and are no longer sending money back to Myanmar. Thus the trend of diminishing remittances indicates migrants are attempting to resettle their whole families abroad. Least experienced migrants also make lower remittance payments as they have to use the money to start their lives in the new country. This data also indicates that when migrants have three to four years of experience working abroad, the remittance payment amounts reach the highest point where the total amount of remittances are greater than 10,000 Baht. This research finding is also supported by the author, Barcaglioni, (2008) who stated that the longer lengths of stay of Mexican migrants in South Carolina, result in them being 0.91 times less likely to remit than those with shorter lengths of stay, although there is no relationship with the remitted amount (Barcaglioni, 2008).

In conclusion, temporary migrants make larger remittance payments rather than the permanently resettled migrant workers. Additionally, it would seem that a migrants attachments diminish over time, which also parallels the decrease in remittances after a longer stay in the host country.

Table (2.4) Division of Remitted Amounts by Household in Myanmar

Source: Author's Survey Data

According to table (2.4) of the survey results, remittances sent from Thailand assist migrants' families basic survival. A 28% share of the remittances are prioritized for the major needs of the families. Second largest, 15%, are used for the remitted amount is for education. 7% of the amount is donated, 6% is used for business investments, 1% for housing costs, 1% for social activities, and 3% for healthcare costs. It can be concluded that families from Myanmar overwhelmingly use their remittances for food, shelter, clothing and other basic needs.

Table (2.5) Causes of Non-Remittance in 2010

Source: Author's Survey Data

In the above table (2.5), a total of 23% of migrant workers did not remit in the year 2010. If we separate the total number of remitting migrants, several causes were affecting the ability of those migrants to send their money. Among this 23%, 6% of the interviewees were cases where all the family members are already living in Thailand. There was no reason to remit money because they had intended to settle in Thailand as long as they could, to earn enough money for the family to have a better life. Next, 12% of the interviewees had not remitted their incomes as they had not saved enough to reach their target for remitting due to their

expenditures being higher than their income. 2 % of the non-remitters did not pay because their length of stay had only been one year in Thailand, and instead had to spend money for their living costs, rent for their room and other important expenditures. One interviewee did not have a job and another one had to use the money for a health related problem. Another had only recently returned from Myanmar and had just started to work, and the last had to use his money to instead pay off a debt.

Table (2.6) Behavior of Remitter and Non-Remitter

Non-Remitter	
Age	26.82
Educational level	1.89
Length of Stay	4.2
Wage	5358฿
Legal documents	87%

Source: Author's Survey Data

Remitter	
Age	30.04
Educational level	1.6
Length of Stay	5.68
Wage	3818฿
Legal documents	68%

Source: Author's Survey Data

The differences between the 23 non-remitters and 77 remitters can be seen that the age of non-remitters is lower than those of the remitters. These numbers shows that older migrants around the age of 30 were more likely to make remittance payments. In terms of education level, the migrant group with lower levels of education were less likely to remit compared to migrants with the slightly higher level of education. The active remitters have stayed 1.48 years longer than the non-remitter. This means that migrants who live over five years have a favorable situation in a good job and a stable income. In terms of the legal document holding status, documented migrants were more likely to be non-remitters compared with non-documented migrants. The higher wage earning migrants were more likely to be non-remitters than lower wage migrants.

Highlighted Individual Experiences of Migrants in Samut Sakhon

Work Overtime to Cover Costs

According to the interview with an Arakanese man, age 30, from Myauk Oo city, he works from 8 AM to 10 PM at a seafood snack factory. However, regular working hours are from 8 AM to 5 PM so it counts as over time after 5 PM. The amount of overtime payment he makes is 40 Baht per hour. He describes his hours, saying, "I was working from 8 AM to 5 PM. After taking the brake, [I would] then continue to over time from 6PM to 10PM, sometimes, it was up to 11 PM. It is not good for our health since we were working in the freezing room for long hours which will cause bad health." This man and others have been

working overtime because they are concerned for their families needs. “In some months, approximately 3 or 4 months, we don’t get a regular income. Thus we have to seek out temporary jobs, such as in the construction sector, in restaurants and so on.”

No Trust in Banks

In Samut Sakhon, Kasikhon Bank provides the opportunity for a Burmese language transaction at the ATM machine in order to help overcome the language barrier for Burmese migrants. However, all migrants at the focus group discussions do not save their money in the bank account except to withdraw the money for their wages. In this interview with a Karen man, age 40, he would instead save money in his room as he lives alone. He describes his reasons for not using the bank as, “We don’t trust to save our money at the Thai banks. Thus, we only save in our rooms, to remit the money for our families. We can’t speak Thai and cannot understand the formal banking system very well. Moreover, since the bank crisis that occurred in Myanmar in 2003, I never trust any of official banks. Besides, I can’t save that much money since I send the money very often to Myanmar.”

Deep Fear and Anxiety over Thai Police and Muggers

The frequent checks for work permits by police and attacks by muggers on Myanmar migrants, is a daily threat. In the case of muggings, most migrants have been injured at one time or another, and will alert others to the threat of the robber, or they will face random investigations by police to extort money from the migrant. In one focus group interview, an Arakanese man, age 30, said, “We have always heard of instances of others being robbed by a mugger. But we could not identify who they [the muggers] are. Very recently, one migrant was killed and left near by the football ground. No one noticed that crime. One day, one of the football players went to pick up a stray ball, and a bad smell came out from the dead body. Later on, the news confirmed that the dead body was of a young guy, age 24. He went to the bank to withdraw his money and was killed on the way back. The mugger took all of his money. All of the Burmese migrants have been shocked by that news.” continuing, he said, “We are not secure to go outside at night or to less crowded areas. I dare not go outside alone at night. It is very dangerous for us. Besides, we are always worried about police arrests. Police use to come to our room unexpectedly, searched all of our documents and accused a migrant of committing some crime. Then they would detain [the migrant] and ask for money. The migrant worker would have to pay a large fine to get released by the police. In addition, we are always aware of [the police] checking for work permits whenever we go outside. Although we have the temporary passports, the Thai police don’t recognize it as a legal document. They need to have the temporary passport and the work permit. Otherwise, we will be arrested and have to pay a fine for our release.”

Sending Money Helps with Household Costs

According to a focus group interview with a group of 14 migrants about the main reason for remitting money to their family, participants said that they had sent the money because of emergency health problems, a wedding, education for children, and other basic necessities. One interviewee originally from Rangoon replied that, “I use to send about 4000 Baht per month for the basic needs of the family. Because, I have 2 children and my mother [to care for]. Since my wife passed away a couple of months ago, I am the only one who has the responsibility to take care of the family. During that time of my wife had a health emergency, and I borrowed a loan with high interest from a local money lender. I still have

that loan balance [to pay off] because the accumulated interest has made me very indebted. Basically, the local moneylender charges interest of 10% to 20% for the loan.”

Brokers and Remittances

One ethnic Mon interviewee, age 40, said that he has had experience working as a broker in the past. He has been in Thailand since he was 20. He can speak Thai very well which helps him to connect with employers. Migrants contact him if they want to work in Mahachai. Often he takes them to work at the fishing boat because they have no money. He said that majority of migrants have to end up working in the fishing boats because it is the easiest job to get. There are several factors to push them to work in the fishing boat. For instance, if a migrant lacks legal documents living on the boat is safe from arrest by the police. In addition, it is very easy to arrange a job position in a fishing boat as the boat owners are always looking for employees to work in their boat. However working in a boat is extremely hard on migrant workers. There are no off days and no specific working hours. Migrants have to work all day long. If a long haul boat is heading to a distant port, it can take one or two years at sea. However, because of this workers can save money as the boat seldom stops near land, and so do not use their money. However working on the boat is more difficult and demanding than working in a factory.

Conclusion

Migrant remittance payment decisions significantly depend on their income level, the Pure Altruistic motive of a migrant, the migrant’s Self Interest motive, and Informal Family Loan Agreement with the family that is left behind. Migrants will remit their money due to concerns about their families’ welfare and as a result it can, to some extent, reduce the poverty of recipients. Division of remittance spending depends on the hierarchy of needs of each family. Findings show that little of the remitted amounts – only 6 percent – are used for productive investment. The highest amount – 28 percent – is used for basic daily needs. Thus the informal remittance channel is working well as it can deliver money without a delay for families. However, this system depends on the migrants’ locations, and if they have access to good transportation and an area with banking access. Otherwise, it would take multiple days for a family to receive money. Migrants, who are working within these labor intensive environments in the host country face poor conditions characterized as dangerous, dirty and frequently dehumanizing. This system often requires them to face exploitation and forced labor by owners. This indicates that the government of the host country has failed to protect the migrants’ rights, as well as an underlying failure on the part of the source country government to monitor migrants and follow up on enforcing migrant protection rights.

Yet the process of applying for legalizing documents increases a migrant’s transaction cost due to the inconvenient services provided by government sector, and alternatively, high costs from brokers. Other factors decreasing migrant’s income include street muggers, law enforcement visits, and the seasonal changes in income of workers in the fisheries sector. Thus, migrant needs to have a loan from local money lender in order to spend for daily basic requirement for themselves or remittance amount for the family. High interest loans create a situation in which migrants often become more heavily in debt.

In order to counter this indebtedness, the following are several possible methods to secure a migrant’s income. Possible options could include the provision of small scale lending with low interest rates from a micro credit institution/NGO, or commercial banks should consider

providing that access to migrants in debt. Also, higher transfer fees to remit the money and an unstable macroeconomic situation in the source country, reduce the inflow of remittances and undermine the welfare of family left behind, as well as the development of the country of origin. Thus, secure formal remittance channels need to be implemented between the host country and origin country. One possible method available in the study area, is to use is Kasikorn savings bank accounts owned by the majority of documented migrants. These accounts could be used to set up an official money transfer scheme with reasonable transfer fees to the country of origin, through co-operation with the official banks from the migrants' home country.

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