

CHAPTER EIGHT

FINANCIAL COST AND BENEFIT OF LABOR MIGRATION

Introduction

In the literature on international migration, income-maximization hypothesis of neoclassical economic theory is often substantiated through the economic cost-benefit analysis. It views labor migration as a sum of individual cost-benefit decisions undertaken to maximize actual or expected income through international movements. From Chapter Four and Chapter Seven we have already understood that labor migration might not be economically advantageous to the bulk of the migrants and their families. This chapter provides a systematic analysis of economic cost and benefit of labor migration from migrants' point of view. This chapter will precisely demonstrate whether economic cost of migration outweighs economic benefit for the migrants and their families. This microanalysis is based on the data¹ collected from the migrant workers' surveys in Singapore and returnees' surveys in two villages, Gurail and Hoglekandi, in Bangladesh.

Migration scholars have identified several types of costs and benefits of migration. Costs of migration can include direct transportation costs, information costs,

¹ For details about data collection method, See Chapter One under 'Research Methodology'

psychic costs, and opportunity costs in forgone earnings while moving and looking for a new job, and financing costs (costs because of arranging transportation). Benefits of migration include financial benefits in the form of remittances, improved amenities, and improved human capital. Recently, some of the scholars have talked about multiplier effects of remittances to show the (indirect) positive effects of labor migration (Papademetriou and Martin, 1991). While not ignoring the importance of different types of costs and benefits, I particularly examine the financial cost and benefit of labor migration. By the ‘financial cost of migration’, I mean the out-of-pocket expenses or direct financial cost and by the ‘financial benefit of migration’, I mean the financial benefit in the form of remittances and foreign goods². Along with this direct cost of migration, I also present data on the hidden cost³ of migration to show the extent of losses that a migrant family may encounter in the migration process.

Migrant Workers’ Surveys in Singapore: Residence Survey

There are usually two types of migrant workers in Singapore: migrants of first contract period (or new migrants) and migrants of second contract period⁴. After the end

² Migrants spend a huge amount of their earnings on consumer goods and send them to Bangladesh. I inquired not only about the total amount of remittances, but also about the total amount of earnings spent on consumer goods so that I can draw a reliable figure of financial benefit of migration. See Appendix-8-1,2,3,4 for questionnaires

³ By ‘hidden cost’, I mean the cost that is indirectly linked to the actual financial cost of migration. For example, if a prospective migrant arranges the financial cost of migration by selling land and small business, he is going to lose the earnings from land and small business. I use the term ‘hidden cost’ to indicate this type of cost that is indirectly linked to the migration occurrence. I hold the view that hidden cost bears enormous meaning to understand the actual financial cost of migration for Bangladeshis.

⁴ However, some migrants may be under more than second contracts especially who are foreman, supervisor, or crane driver.

of first contract period, some migrant workers may get a chance to renew the contract depending on the availability of work⁵ for another contract (usually for one or two years). The migrants, who do not get renewal of contract, are bound to leave the country immediately. If they want to come again to Singapore, they will come through formal procedures explained in Chapter Five. As the financial benefits of migration may differ based on the number of contract periods (first contract or consecutive second contract), I interviewed migrants of both contract periods separately.

At first, I present the data derived from the migrants of first contract period. We have seen in Chapter Six that a large number of migrants were unskilled (unskilled 51.58 per cent, 2000). However the scenario has changed dramatically within a few years. Interviews of migrants of first contract period reveal that 94 per cent of migrants were skilled (see Table 8.1). The data on the nature of skill composition confirms that migrants took the benefits of skill promotion test conducted by Singapore authority⁶. Although migrants were under first contract, they were working in Singapore for considerable period⁷. The majority of the migrants interviewed were working for the period of 16 to 19 months (see Table 8.1). Data on the monthly income is fascinating. While some migrants earned even less than SG \$ 300 per month, others earned even more than SG \$ 800 per month.

⁵ Renewal of contract depends on the employer's project capacity. If employer has the project and permission for using foreign workers, he can apply for the renewal of contract for migrant workers. Usually, an employer gets permission for specific project and duration. As a result, he cannot employ the foreign workers according to his will.

⁶ Detailed about 'Skill promotion test', see Chapter Three.

⁷ Minimum months of stay were 8 months for two year contract period. Interviews were conducted among the migrant workers who were at least for 8 months in Singapore so that a reliable conclusion can draw from the data.

As 10 per cent of migrants had no work in the last month, they could not get monthly salary. However, there are some cases where employers paid for food and lodging when they could not provide work to them. Migrants often justified their salary differences from the fellowmen in terms of luck. It was frequently heard from the migrants who earn comparatively low amount of cash money per month, “I am skilled, and so are my friends. But friends get higher monthly salary, but I do not. They are lucky. They have met with good companies”. The financial cost of migration ranges between ‘below 150,000 Taka and ‘above 250,000 Taka’ (SG \$ 1= 30 Taka, 2000). 32 per cent of migrants spent between 180,000 and 220,000 Taka. 35 per cent paid below this figure while 33 per cent paid above this figure (Table 8.2).

Table 8.1 Residence Survey, Migrants of First Contract, N=100, 2003

Status of Workers	Percents	Incomes of Last Month (SG\$)	Percents
Skilled	94	No Work	10
Unskilled	6	Below 300	13
		301- 400	8
		401- 500	21
Months of Stay in Singapore		501 – 600	17
8 to 12	34	601 – 700	14
13 to 15	20	701 – 800	10
16 to 19	42	Above 801	7
20 to 24	4		

Table 8.2 Financial Costs and Benefits of Migration: Residence Survey
Migrants of First Contract Period, N= 100, 2003

Financial Cost of Migration	Percents	Investment Received?	Percents
Below 150,000	18	Yes	33
150,000 to 180,000	17	No	67
180,000 to 220,000	32		
220,000 to 250,000	29	Hope to get investment back?	
Above 250,000	4	Yes	64
(1 SG\$= 30 Taka)		No	33
		No comment	3
Sources of Collection of Financial Cost	Frequencies	Hope to remit by the end of contract?	
Family and Personal Sources	37	Less than Investment	35
Selling or Mortgaging of Land	21	Only Investment	20
Money Lenders	23	Investment plus half of investment	29
Relatives (Bangladesh)	43	Investment plus another investment	10
Relatives in abroad	42	Double plus another half investment	2
Miscellaneous Sources	18	Triple (total three investments)	3
		No Comment	1
Percentages of Contribution of Different Sources to Financial Cost	Percents	Do you want to renew contract?	
Family or personal savings	18.09	Yes	94
Selling or Mortgaging Land	9.33	No	0
Money Lenders	10.37	No Comment	6
Relatives (in Bangladesh)	20.19	Are you a remigrant?	
Relatives (in Abroad)	34.03	Yes	28
Miscellaneous sources	7.78	No	72

One main reason for the low cost of migration is that in case of remigration, financial cost of migration comes down as most of the cases these remigrants finalize their job contracts before leaving Singapore. Data reveal that 28 percent were remigrants, that is, they came to work in Singapore before. The incidence of repeat migration is also found in village studies presented in Chapter Four and Chapter Nine. The financial cost of migration is huge in the context of Bangladesh and it is, in the most of the cases, beyond the capacity of the subsistence-producing rural families. As a result, they had to arrange this big amount of cash money from different sources. Regarding the costs of

migration and sources of arrangement of financial cost of migration, we can see uniformity in the data presented in Chapter Six and Seven.

The major sources of arrangement of financial cost of migration based on the frequencies of uses are presented in descending order as follows: relatives (in Bangladesh), relatives in abroad (from remittances), family savings, money-lenders, and land property. The contribution of different sources to the total financial cost of a migrant has also been shown. On average, 34 and 20 per cents of financial cost for a migrant came from relatives in Bangladesh and abroad respectively. The role of money-lenders is also noteworthy. As a fourth contributor, on average a migrant received 10 per cent of financial cost of migration from money-lenders. It is clear from the data that on average only 35 per cent of financial cost of a migrant came directly from ‘tangible capital’⁸ of a family and the remaining 65 per cent came from ‘social capital of a family’. Thus, the data confirms that social capital of a family played the predominant role in the

⁸ By ‘tangible capital of family’, I mean the arrangement of financial capital from material resources, that is, from family’s savings, miscellaneous sources e.g. gold and livestock, and land property. And by ‘social capital of family’, I mean the arrangement of resources wielded by social and symbolic ties to reduce transaction costs, to improve cooperation, and to help people pursue their goals (see for details, Faist, 2000 and Lin, 1982). The main characteristic of social capital is its convertibility to other forms of capital for example economic capital. Here I indicate the uses of relatives and money-lenders as social capital. Borrowing money from money-lender is viewed as social capital because many of the families use a grantor (usually a rich relative) to borrow money from money-lenders

migration processes⁹ and most probably social capital has made international migration possible for even the poorer section of the society¹⁰.

Now I turn to assess the financial benefits of migration. 67 per cent of migrants did not get their investment or financial cost of migration back when they were interviewed while 33 per cent received it (Table 8.2). However, 64 per cent hope to get their financial cost of migration by the end of the contract period. 20 and 29 per cent of migrants expected to remit only investment and investment plus half of investment respectively during their contract period while 35 per cent did not hope to remit their full investment cost of migration. Thus, the data informs that 55 per cent of migrants expected to remit only equal to the financial cost of migration or less than that. The gain of investment cost does not mean that they will be able to compensate for their financial losses as it includes many hidden costs, for example payment of interest-bound loan, the loss of land property, livestock, and small businesses (miscellaneous resources). Although there is a possibility of renewal of contract, it is conditional (depending on the availability of work, see Chapter Three) and it is not free of charge as well¹¹.

⁹ This is also argued in Chapter Five. This empirical data further proves the predominant role of social capital in the Bangladesh migration process.

¹⁰ Through the ties of obligations, reciprocity, and solidarity, see Chapter Five for details. By poorer section of the society, I mean those who are even landless.

¹¹ Most of the cases, migrants need to pay a big amount of cash money for the renewals. It is discussed in the next sections.

Table 8.3 Residence Survey, Migrants of Second Contract, N=50, 2003

Status of Workers	Percents	Incomes of Last month	Percents
Skilled:	100	No Work	2
Unskilled:	0	Below SG\$ 300	2
Months of Stay in Singapore?		301 to 400	8
25 to 30	20	401 to 500	18
31 to 35	24	501 to 600	16
36 to 40	26	601 to 700	30
41 to 45	20	701 to 800	8
46 to 48	10	801 above	16

Table 8.4 Financial Costs and Benefits of Migration: Residence Survey Migrants of Second Contract Period, N= 50, 2003

Fees for the Renewal of Contract	Percents	Amount Remitted Already	Percents
Free	12	Less than Investment	6
Below SG\$ 1000	26	Only Investment	10
1000 to 1500	32	Investment plus half of Investment	40
1501 to 2000	6	Double Investments	14
2001 to 2500	12	Double plus half Investment	8
2501 to 3000	6	Triple Investments	6
3001 to 3500	6	More than Triple Investments	16
Investment Received?		Amount Hope to Remit	
Yes	94	By the End of Contract	
No	6	Only Investment	0
		Investment plus half of investment	10
Do you want to renew contract?		Double of Investments	16
Yes	94	Double plus Half Investment	28
No	2	Triple Investments	10
No Comment	4	Triple plus half Investments	14
Are you a remigrant?		Fourth times of Investment	8
Yes	54	More than Fourth Times	14
No	46		

94 per cent of migrants wanted to renew their contracts. The remaining 6 per cent did not say 'no'; they just did not make any comment because of the uncertainty related to the arrangement of huge cost of remigration especially for those who could not even remit equal to their financial cost of migration. This tendency to extend stay in Singapore complies with the finding of Ishida and Hassan (2000). They examined in the context of Malaysia why Bangladeshi migrants intend to extend their stay. The field work was

conducted on the migrants who were working in manufacturing section in Malaysia. Findings reveal that the lower real remittances fall below the expected amounts, and the lower real wages are, compared with passage and mediation fees, the more will Bangladeshi workers wish to extend their stay.

Interviews of migrants of second contract period reveal that 100 per cent of them were skilled. 56 per cent of them were working in Singapore for more than 36 months while the remaining 44 percent of them were working between 25 and 35 months (see Table 8.3). Income ranges among the migrants were wide. This was mainly due to the job position (e.g. foreman, supervisor) and working hour. As some employers could not offer overtime working opportunities, some migrants could not earn much¹². However, 64 per cent of migrants earned between SG \$ 401 and \$ 700. Interestingly, 16 per cent earned more than SG \$ 801 per month. On the whole, monthly income data shows that migrants of second contract get higher salary than those of first contract. The renewal of contract was not free of charge. Only 12 per cent of them did not need to pay fees for renewal. 50 per cent of migrants paid between SG \$ 1,000 and 2,500 (see Table 8.4). The cash money for the renewal of contract came from savings in Singapore. However, some migrants also borrowed from relatives / friends in Singapore to pay the renewal fees.

In terms of financial benefit, migrants of second contract were largely successful in remitting their investment cost of migration back home. 94 per cent of migrants remitted their investment cost when they were interviewed (see Table 8.4). 16 per cent of migrants remitted more than triple of investment cost of migration. During the second contract period, all the migrants had the hope to remit their investment cost of migration

¹² This has been argued in Chapter Six.

while we have seen during the first contract period, 35 per cent had no hope of remitting their investment cost. 64 per cent of migrants were expecting to remit up to the triple of their investment cost of migration¹³ during the second contract. Surprisingly, 94 per cent of migrants wanted to renew their contract if possible while 4 percent did not comment on it. This figure matches with migrants of first contract. Therefore, it can be argued that migrants had the tendency to work in Singapore as long as they could.

Thus, we have seen that the majority of the migrants of first contract (55 per cent) had the chances of encountering heavy financial loss from migration. The hidden cost of migration e.g. borrowing from money-lenders and selling of families' valuable property like arable land, or livestock entailed heavy pressure on the economic condition of the migrant families, which was hard to regain through scant remittances. However, the 'lucky' ones who managed to renew their contract for second time got the chances of gaining from migration, most probably, more than their investment cost of migration. Thus, in terms of net financial benefits, we can see that migrants of second contract might get benefited from migration. This was simply an assumption as interviews were taken long before the end of contract. Considering this drawback in data, I interviewed migrants at airport who were leaving for home after the completion of contract.

Migrant Workers' Surveys in Singapore: Airport Survey

Airport survey was also conducted among the migrants of first contract and of second contract separately. Airport survey reveals that migrants of first contract were largely skilled workers (83.58 per cent). In terms of financial cost of migration, the data

¹³ Investment cost plus two investment costs of migration.

is more or less similar to the previous findings¹⁴. 37 per cent of migrants had to pay less than 150,000 Taka while 43 per cent had to pay between 180,000 and 250,000 Taka (Table 8.5). The percentage of remigrants was 34. I have argued before that in the case of remigration, the financial cost of migration comes down. 46 percents of the migrants did not get their investment back when they were finally leaving Singapore (Table 8.5). Among the remaining 54 per cent of migrants, 27 per cent only remitted the cash money equal to their investment cost.

We have seen in the residence survey that 55 per cent of migrants of first contract period were expected to remit only investment cost of migration or less than that (see Table 8.2). However, data on airport survey reveal that 73 per cent of migrants could not remit sufficient amount of cash money to claim financial success from migration. Thus, it can be concluded that on the whole, migrants of first contract period had a little chance to get benefited from overseas migration. With regard to the future migration plan, 85 per cent of migrants showed the interest for remigration while 12 per cent did not make any comment on it¹⁵.

¹⁴ It matches with the findings in Chapter Six. Information derived from migrant workers' surveys at residence also complies with this finding.

¹⁵ Migrants did not say that they would not come again, they just did not comment on their intension for remigration. Most probably, the reason behind this silence is that they do not know how their family will again arrange the financial cost of migration which is largely beyond their means.

Table 8.5 **Financial Costs and Benefits of Migration, Airport Survey, Migrants of the First Contract, N=67, 2003**

Nature of Skill	Percents	Amount remitted / taking with?	Percents
Skilled	83.58	No Investment	46.26
Unskilled	16.41	Only Investment	26.86
		Investment plus half of Investment	10.44
		Double Chalan	5.97
		Double Plus another half	0
		Triple	4.47
		More than Triples	5.96
		Do you want migrate again to Singapore?	
		Yes	85.07
		No	2.98
		No Comment	11.94
		Are you a remigrant?	
		Yes	34.32
		No	56.71
		Missing Data	8.95

Table 8.6 **Financial Costs and Benefits of Migration, Airport Survey, Migrants of the Second Contract, N=42, 2003**

Status of Workers	Percents	Amount remitted / taking with?	Percents
Skilled	92.85	Less than Investment	2.38
Unskilled	7.14	Only Investment	4.76
		Investment plus half of Investment	2.38
		Double of Investment	23.80
		Double Plus half	14.28
		Triple of Investment	14.28
		Triple plus half	16.66
		Fourth Times of Investment	7.14
		More than Fourth Times	14.28
		Do you want to migrate again to Singapore?	
		Yes	76.19
		No	14.28
		No Comment	9.52
		Are you a Remigrant?	
		Yes	35.71
		No	64.29

93 per cent of migrants of second contract were skilled workers. 60 per cent of them paid between 180,000 and 220,000 Taka (Table 8.6). 36 per cent of migrants were remigrants and 26 percent paid below 180,000 Taka for their migration. 98 per cent of migrants remitted their investment cost of migration. 60 per cent of migrants of second

contract remitted up to triple of their investment cost of migration¹⁶. However, we have seen in the residence survey that 64 per cent of migrants of second contract expected to remit up to triple of their investment costs of migration. On the whole, migrants of second contract period had higher possibility of gaining from overseas migration. With regard to the future migration plan, 76 per cent of migrants showed interest for remigration.

Returnees' Survey in Two Villages in Bangladesh

At first, I will present data from Gurail. We have seen in Chapter Six, Chapter Seven and Residence Survey that the financial cost of migration largely falls in approximately 200,000 Taka. For the convenience of calculation, the total cost of migration averaged is 200,000 Taka¹⁷. Since families play crucial role in migration decision, they use various sources to collect the financial cost of migration. As the Gurailians were mostly subsistence-producing families¹⁸, they had to depend on the both: economic / tangible and social capital to arrange the huge financial cost of migration. Firstly, families arranged the financial cost from their own savings and /or families' land and other valuable assets, which were mostly inadequate to meet the whole financial cost of a prospective migrant. Secondly, they relied on relatives and moneylenders. While relatives loan the prospective migrants with some hidden interests (e.g. helping in the

¹⁶ Triple of their investment cost of migration means investment cost plus double of investment cost.

¹⁷ As we have seen in the residence survey, Chapter Six, Seven that financial cost of migration is almost same for all the migrants irrespective of even skill composition. For the convenience of calculation, I use the round figure, 200,000 here.

future migration of their members), the motive of moneylenders is very clear, that is, to lend money for profit-making.

Since there is no loan scheme from formal or institutional source for migrating abroad in Bangladesh, prospective migrants were bound to resort to traditional moneylenders. Data from Gurail shows that 76 percent of returnees' families borrowed money from the traditional moneylenders for financing the cost of migration (Table 8.7)¹⁹. The interest rates of this borrowed money were very high, which usually ranged between 5 and 10 percent per month (60 to 120 per cent per year). While the borrowed money is used for migration purpose, moneylenders charge interest rates on the monthly basis. For example if a worker borrows 1,000 Taka / Dollar with 10 percent interest rate, he will have to pay 1,100 Taka / Dollar in total for one month and thus for one year he will have to pay 2,200 Taka / Dollar in total. 74 per cent of families arranged the financial cost of migration from selling or mortgaging land. This land was mainly arable land. The selling or mortgaging of land deprives families from annual subsistence earnings leading to further impoverishment.

¹⁸ See Chapter Four for details.

¹⁹ Detailed data has been presented in Chapter Four. Here I have presented only the most relevant data. For details, see Chapter Four.

Table 8.7

**Financial Loss and Gain from Migration, Returnee Survey
Gurail, N=50, 2001**

Sources of Arrangement of Financial Cost of Migration			
	Frequencies	Financial Benefits Received	Percents
Personal Savings	92	No Investment	80
Land-Selling or Mortgaging	74	Only Investment	4
Money-Lending	76	Investment plus half	8
Relatives (in Bangladesh)	62	Double of Investments	2
Relatives (in Abroad)	8	Double plus half	2
Miscellaneous Sources	18	Triple	2
		Missing data	2
Investment Received?			
	Percents	Gainer or Loser from migration?	
Yes	18	Loser	80
No	80	Gainer	14
Missing Cases	2	Same	4
		Missing Data	2
Did you pay all interest-bound loans?			
Yes	28	No	30
Missing cases	18	Not Applicable	24

Social and symbolic ties are valuable assets for the people in Bangladesh. Lineage members come to help in the time of migration. Since it is the matter of obligation, reciprocity and solidarity for the whole lineage, lineage members are generous to pay interest-free loan to the nearest relatives²⁰. Data reveals that 62 per cent of migrant families borrowed money from relatives in Bangladesh (see Table 8.7). Prospective migrants have also been benefited from international remittances. Family members or near lineage members who were working in Singapore or other foreign destinations helped financially to the migration of close relatives back home. 8 per cent of returnee families received financial help from relatives in abroad. Although the figure for obtaining financial cost from the sources of land and social and symbolic ties are almost equal; it is most probably for the pervasiveness of migration occurrences at the

²⁰ See Chapter Five for details.

Bari level, when almost every family is sending members to Singapore, many close relatives or friends might not be in position to help financially. 18 percent of families obtained their sunk cost from selling gold ornaments, livestock, and other valuable objects. Although selling of these assorted stuffs did not contribute much to the total expenses of migration, it definitely reflects the case of desperation for migration.

The experience of migrants of Hoglekandi is not different from Gurail. On average, 80 percent of returnees paid between Taka 180,000 to 220,000 for their migration²¹ (Table 8.8). The returnees who paid below Taka 180,000 were mainly early migrants. The expenses involved are indeed very high and are definitely beyond the immediate means of all families. Thus, the major means was to borrow. Amongst the returnees of Hoglekandi, 72 percent borrowed money from traditional moneylenders while 28 percent did not. With regards to the extent of borrowing and other alternatives used to raise the necessary funds, on average, 51 percent of the total cost of migration came from traditional moneylenders, 19 percent from land selling or mortgaging, and the remaining 29 percent from returnees' personal savings, family savings, loan from relatives and in some cases, selling livestock or gold ornaments. In the case of rate of interest of borrowed money, the study found that 91 percent of workers paid Taka 6 to 11 per cent per month²².

²¹ Detailed discussion is presented in Chapter Nine.

²² Detailed data has been presented in Chapter Nine. See for details, Chapter Nine.

Table 8.8 **Financial Costs and Benefits of Migration, 1999
Returnee Survey, Hoglekandi, N=50**

Economic Cost of Migration	Percents	Financial Benefits Received	Percents
120,000 to 180,000	18	Below 180,000	36
180,000 to 200,000	22	180,000 to 220,000	16
200,000 to 220,000	58	220,000 to 250,000	8
220,000 to 250,000	2	250,000 to 350,000	20
		350,000 to 450,000	8
		Above 450,000	12

Concerning the financial benefits of migrants' families in Gurail, data divulge a sad picture. For example, 80 per cent of returnee families did not get their investment back (Table 8.7). Only 14 per cent of returnees managed to earn more than their investment. They have new houses, land and little savings also. In the case of Hoglekandi, the study found that 52 percent of returnees remitted less than Taka 220,000 while the rest 48 percent remitted more than it (Table 8.8). This experience raises a question whether returnees were affected by the 1997's Asian financial crisis²³. Returnees' years of migration ranged from 1991 to 1998 and many of them worked less than two years which was a breach of contract. I have found that 40 percent of returnees migrated to Singapore at the outset or mid of financial crisis, that is, between 1997 and 1998. However, 38 percent were affected directly by the financial crisis in the way that their work permits were cancelled prematurely and they were sent back home²⁴.

²³ See Chapter Seven for details about Asian financial crisis.

Socio-cultural Aspects of the Spending of Foreign Earnings

In Chapter Six, I have mentioned that migrants had shown considerable interest in spending a good amount of cash money for shopping purposes before their departure. Airport Survey also confirms the same trend. Although 73 per cent of migrants of first contract earned only investment cost of migration or less than that, 55 percent of them spent more than SG \$ 500 (up to one third of the economic cost of migration) for their shopping purposes (see Table 8.9). Only 11 per cent of migrants could not spend on shopping due mainly to the lack of cash / money. Because of privacy factor, I could not collect information on the detailed shopping items. However, as some goods were visible from outside, for example, television and music system, I collected information on them. 30 per cent of the migrants of first contract period bought television and 19 per cent bought music system. Some other goods that migrants usually buy are gold and cosmetics. All the migrants who had the ability to buy gold, bought some gold ornaments as up to 200 gm of gold can be taken to Bangladeshi with duty-free.

²⁴ For details, see Chapter Nine

Table 8.9 **Socio-Cultural Aspects of Spending of Incomes**
Airport Survey, N= 109, 2003

Migrants of First Contract		Migrants of Second Contract	
Amount of Total Shopping	Percents	Amount of Total Shopping	Percents
No Shopping	10.44	No Shopping	0
Below SG\$ 500	34.32	Below 500	4.76
500 to 1,000	29.85	500 to 1000	14.28
1,000 to 1,500	20.89	1000 to 1500	21.42
Above 1,500	4.47	1500 to 2000	21.42
		2000 to 2500	11.90
		2500 to 3000	11.90
Purchase of Television		Above 3,000	14.28
Yes	29.86	Purchase of Television	
No	70.14	Yes	45.23
		No	54.76
Purchase Music System		Purchase of Music System	
Yes	19.20	Yes	21.42
No	80.59	No	78.57

Shopping behavior of migrants of second contract period was distinctively different from the migrants of first contract as they had enough savings (see Table 8.9). 95 per cent of migrants spent SG \$ 500 or more than that for shopping purpose (98 per cent received investment cost of migration, see Table 8.6). Among this 95 per cent of migrants, 38 per cent of migrants spent more than SG \$ 2,000 (60,000 Taka) which is almost one-third of the financial cost of migration of many of them. Among the major consumer goods, 45 per cent of migrants bought television and 21 per cent bought music system. Informal discussions reveal that among the migrants of second contract period, the purchase of gold ornaments was the main object of choices²⁵. Most of the migrants of second contract period spent a considerable amount of cash money for purchasing gold. Many of them were unmarried and they made plans to marry upon return home. As I

²⁵ Golden rings and chains were visible from outside. Besides, during informal interviews, some migrants frankly acknowledged that they bought some golden ornaments.

have argued before, marriage entails offer of gold ornaments to bride especially when bridegroom is from Singapore.

Studies of international migration conducted in a variety of countries and at different periods of time have shown that migrants frequently work very hard and live frugally in the host country in order to save and remit as much as possible, only to spend their money on lavish hospitality, conspicuous consumption and building of large, showy houses on their return (for example, Gregory and Perez, 1985; Gitmez, 1991; Habib, 1985; Islam, 1991; Stahl and Habib, 1991; Straubhaar, 1988, Adepoju, 1991; Thahane, 1991; Papademetriou and Emke-Poulopoulos, 1991; Burki, 1991; Pessar, 1991; Papademetriou, 1991; Amjad, 1989). These expenditure patterns of the migrants, which are perceived to be manifestly 'unproductive' in classical economic terms, are the despair of the policy makers in the countries concerned.

Although the unproductive spending habits of migrants are often blamed on the culture of the particular emigrant community in question, in fact that this tendency is more or less universal indicates that large social factors are at work. There is evidently something about the manner in which the migrant situation and the money earned through it are conceptualized, that differentiates the ensuing economic behavior from other types of consumption patterns. The literature on international return migration referred to above, as well as my own observations of the behavior of the Singapore migrants and the expectations of their community members seems to indicate that money earned as a result of working abroad is seen as being of a different kind from money that is earned locally. Thus, I noticed that the economic behavior and consumption patterns of

non-migrants, especially in villages where there was little or no migration, were invariably different from those of the migrants that I studied.

Probably the most important factor is that the money earned abroad is generally several times the amount that would have been earned in a comparable local job. Villagers often perceive the foreign job as being less physically arduous. Thus, it is seen to be unexpected and ‘easy money’, which is not fully earned. As such, there is an expectation that the money should also be disbursed more freely²⁶. Economic psychologists have pointed out that such income is treated very differently from identical sums obtained through other means (Zelizer, 1989:350). Typically, earning money easily and spending it freely are characteristic of the life-style of the upper class who, because of their affluence, are obliged to act as patrons for the poorer and less fortunate villagers. This in turn secures them status and a following. Status is a value that takes on the greatest significance in the context of a more or less cohesive community. It has to be claimed and accorded and this is most successful in a personalistic, closely interactive situation. In the context of a community, gift may also be distributed to counteract the possibly harmful consequences of envy by neighbors and relatives.

Thus, I suggest that returned migrants within such communities spend their money conspicuously to indicate that it has been earned easily (which is prestigious) and are lavish in their generosity to fellow-villagers as well as to village causes in order to

²⁶ I must stress that money earned as a result of short-term international migration is only one type of income that is seen to be serendipitous or unearned. Such patterns of consumption behavior are manifested in other cases as well, for example in the case of money obtained through a lottery, or through illegal means. In addition Bangladeshis use a term ‘kacha poisha’ (easily earned money) to imply this earnings. They frequently say, “kacha poisha thaka na” that is “this type of easily earned money does not stay long with the earners”.

secure community goodwill and a higher social standing. Both conspicuous consumption and conspicuous generosity involve pronounced changes in the life-styles of the migrants. The building of a large and showy house is also of high priority since it is the most visible indicator of the change in status of the family and will stand as a permanent emblem of their success. Consumer durables that are common in the host country are brought back and proudly displayed for the same reason. Since material affluence has come to have virtually universal appeal, it is not surprising that these patterns are manifested by Bangladeshi migrants only.

The Emergence of ‘New Migrant Poverty Class’

By migrant poverty class I mean the people who became poorer in relation to land, savings and sustainable earnings of family because of international migration. From the developing country perspective, it may sound unrealistic to argue that migration leads to the emergence of migrant poverty class especially when some scholars have already concluded that migration and development relationship is unsettled relationship (Papademetriou and Martin, 1991). We can see in the aggregate data from residence, airport and returnee survey that a large number of migrants were losing their investment cost of migration. Their unsuccessful migration led not only to the loss of direct migration cost but also to the loss of other hidden costs e.g. land property, savings, or miscellaneous valuable objects of the family. Thus, international migration became a cause of economic disaster for these families. One example can be cited in terms of landlessness after migration. In rural Bangladesh, on average, 7 percent of rural families

are landless and 50 percent have less than 99 decimal lands (Statistical pocket book of Bangladesh, 1999).

In my sample in Gurail, before migration, 14 percent of migrant families were landless and 44 percent had less than 100 decimal lands (Table 8.10). After migration, 42 percent of families have become landless and 36 percent have now less than 100 decimal lands in total. In Hoglekandi, 24 percent of returnee families were landless and 76 percent had less than 99 decimal lands before migration (Table 8.11). After migration, 42 percent of families have become landless and 58 percent have now less than 99 decimal lands in total. Families lost their land completely or partially not only at the time of arrangement of economic cost of migration, but also at the time of repaying the debt after having an unsuccessful migration. The data suggests the following trends. Firstly, landless and near landless peasants are the migrant workers. Secondly, labor migration, ironically, contributes to the dispossession of land and the emergence of 'new migrant poverty class' in rural Bangladesh. This is shown only from the findings of village studies.

Table 8.10 **Effects on Patterns of Land-holdings of Families, 2001
Returnee Survey, Gurail, N=50**

Amount of Land-holding Before Migration (Decimal)	Percents	Amount of Landholding After Migration (Decimal)	Percents
No Land	14	No Land	42
Below 50 Decimal	24	Below 50 Decimal	12
51 to 100	22	51 to 100	24
101 to 150	18	101 to 150	16
151 to 200	16	151 to 200	2
201 to 250	4	201 to 250	0
251 to 300	0	251 to 300	0
301 to 350	0	301 to 350 Decimal	2
Above 351 Decimal	2	Missing Data	2

If we look at the findings of migrant workers' survey especially at the migrants of first contract period, we will also get the same impression. Airport survey reveals that 73 per cent of the migrants of first contract earned only their investment cost of migration or less. If we consider the hidden cost of migration, I think, it will not be unreasonable to argue that 73 percent of first migrant population ended up in a migrant poverty class. If we link up the findings at all these three stages: residence survey, airport survey and village survey, we will find a consistency in the findings, that is, all these three stages, we have seen that there is a trend of not gaining the investment cost (direct cost) of migration. If we consider both costs of migration –direct and hidden costs, we can undoubtedly conclude that migration leads to the emergence of a migrant poverty class among the large section of migrant families. In the village studies, we have seen that a small portion of the migrants (approximately 15 percents) earned considerably good amount of cash and most probably was able to outweigh the hidden cost of migration as well. Indeed, they were mainly the migrants of second contract.

Table 8.11 **Effects on Patterns of Land-holdings of Migrant Families, 1999**
Returnee Survey, Hoglekandi, N= 50

Average Land-holding of Families		
Before Migration	After Migration	Percents
57.69 Decimal	Nil	18
42.55 Decimal	33.80 Decimal	50
37.5 Decimal	88.5 Decimal	8
Nil	Nil	24

If we look at the data on the migrants of second contract at residence and airport surveys, we will see that a portion of the migrants was unable to make a considerable benefit. 56 per cent of migrants of residence survey remitted investment plus half of investment or less than that during the whole contract period (2 years plus). However, 10 per cent of migrants were expecting to remit only this figure (investment plus half of investment) in the end of contract (see Table 8.4). Surprisingly, airport survey also informs the same trend. 10 per cent of migrants of second contract remitted less than that figure (investment and half of investment). Thus, even renewal of contract does not guarantee a considerable benefit for all the migrants. A section of migrants fails to draw their investment cost (direct and hidden costs). I could not produce data on the percentages of migrants, who were 'lucky' enough to renew their contracts. Usually, a very small portion of the first migrants got chances to renew their contract when they are in Singapore. We have seen that almost quarter of the migrants in sample was remigrants, that is, they left Singapore after the completion of contract and came back with new contract. Indeed, this is the usual case.

Summary

From the above analysis, it is clear that migration to Singapore is a costly venture. Prospective migrants pay a high investment cost (direct cost) for the migration procedures. The arrangement of investment cost (direct) involves some hidden costs as well. For example, prospective migrant families borrow cash money from moneylenders with higher interest rates, sell or mortgage land property, livestock, or even gold ornaments of women folk. The hidden costs often damage the economic base of families

leading to further deterioration of families' economic condition. Families wait for the overseas remittances hoping that it will improve families ' socio-economic condition. Their hope melts away when they see the poor flow of remittances. The data on financial cost and benefit of labor migration informs that Bangladeshi labor migration to Singapore is economically disadvantageous to the bulk of the migrants and their families. It impoverishes the migrant families. Despite the negative consequences of labor migration, individuals are desperate to migrate (on average 87 per cent wanted to migrate again, N=259).