

Impact of Foreign remittance in Bangladesh: A Study on Mutual Trust Bank Limited

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Abstract: Bangladesh is the 7th most remittance-earning country in world: According to World Bank (WB), Bangladesh has retained its seventh position among top most 10 remittance-earning countries in the world. As per WB's Migration and Development Brief 2013 released on October 2, the top recipients of officially recorded remittances for 2013 are India (with an estimated USD71 billion), China (USD60 billion), the Philippines (USD26 billion), Mexico(USD22 billion), Nigeria (USD21 billion), and Egypt (USD20 billion). Other large recipients are Bangladesh, Pakistan, Vietnam and Ukraine. Remittances to the developing world are expected to grow by 6.3 percent this year to USD414 billion and are projected to cross the half-trillion mark by 2016, according to revised estimates and forecasts issued by the World Bank. India and China alone will represent nearly a third of total remittances to the developing world 2013. Remittance volumes to developing countries, as a whole, are projected to continue growing strongly over the medium term, averaging an annual growth rate of 9 percent to reach USD540 billion in 2016. Global remittances, including those to high-income countries, are estimated to touch USD550 billion this year, and reach a record USD707 billion by 2016, says the Bank's Migration and Development Brief. The estimates reflect recent changes to The World Bank Group's country classifications, with several large remittance recipient countries, such as Russia, Latvia, Lithuania and Uruguay no longer considered developing countries. In addition, the data on remittances also reflects the International Monetary Fund's changes to the definition of remittances that now exclude some capital transfers, affecting numbers for a few large developing countries like Brazil. For Bangladesh remittances provide vital protection against poverty. In terms of volume, India, with USD71 billion of remittances, tops the global chart. To put this in perspective, this is just short of three times the FDI it received in 2012. The research will help us to predict the average economic effects of remittances in Bangladesh, the impact of migrants in different regions and gradually the study has investigated the overall impacts of exchange rate movements and socio-economic variable specially the impact of festivals time on inward remittance of Bangladesh. This paper is intended to examine the dual phenomena of workers' migration and effects of economic factors on remittances in Bangladesh.

Keywords: Inflow of Remittance, Migrants, Country of Residence, Socio Economic Factors, Festivals, Timings of the Year.

INTRODUCTION

Remittances act as a major counter-balance when capital flows weaken as happened in the wake of the US Fed announcing its intention to reign in its liquidity injection program. Also, when a nation's currency weakens, inward remittances rise and, as such, they act as an automatic stabilizer". As a percentage of GDP, the top recipients of remittances, in 2012, were Tajikistan (48 percent), Kyrgyz Republic (31 percent), Lesotho and Nepal (25 percent each), and Moldova (24 percent). Growth of remittances has been robust in all regions of the world, except for Latin America and the Caribbean, where growth decelerated due to economic weakness in the United States. "Remittances are the most tangible and least controversial link between migration and development," said Dilip Ratha, Manager

of the Migration and Remittances Team at the Bank's Development Prospects Group. "Policymakers can do much more to maximize the positive impact of remittances by making them less costly and more productive for both the individual and the recipient country." The high cost of sending money through official channels continues to be an obstacle to the utilization of remittances for development purposes, as people seek out informal channels as their preferred means for sending money home. The global average cost for sending remittances is 9 percent, broadly unchanged from 2012. The Brief points out that while remittance costs seem to have stabilized, banks in many countries have begun imposing additional 'lifting' fees on incoming remittances. Such fees can be as high as 5 percent of the transaction value. Some international

banks are also closing down the accounts of money transfer operators because of money laundering and terrorism financing concerns. These developments mark an unwelcome reversal of recent gains in the facilitation of cross-border remittances by migrants [1].

Statement of the Problem:

Exchange rate may also become endogenous to remittances in Bangladesh. During depreciation or devaluation of home currency, the migrants become better-off as their income increases in the domestic currency. So, for portfolio motive, they will send more remittances to their home country during home currency depreciation. Therefore, in floating exchange rate regime, the exchange rate may be found as an important determinant of remittances in Bangladesh. We have taken the exchange rate of BDT*/USD as a determinant. Inflation is another macroeconomic determinant of remittances considered in our study. Higher inflation at home country means less purchasing power of remittance-receiving families. In that situation, migrant workers may send more remittances to the home country. We have taken GDP deflator of Bangladesh as a proxy for the inflation in Bangladesh as it is available for our study period (1976-2012).

Private remittances are becoming an increasingly important part of the financial landscape of many developing countries. Indeed, for some such countries, these flows are the single most important type of international capital inflow of public or private. The growing importance of remittances has stimulated a great deal of discussion among scholars and policymakers. Remittances have been playing a very significant role in Bangladesh economy. Bangladesh has been among the major remittance-receiving countries in the world and it has maintained this status for last several years. A remittance is a transfer of money by a foreign worker to his or her home country. These amounts are about 12 percent of GDP and more than half of total export earnings. It may be noted that if the money remitted through informal channels are taken into account, the magnitude will be much larger. This paper will show the Migrant in overseas and the information of changing behavior of transactions that are sending by overseas employment. This study will show the relationship with changing behavior of transactions that are sending by overseas along with the Movements of foreign exchange rate, Differences in interest rates between host and home country, migrants in different locations and lastly Socio-economic especially Festivals. This paper will use the primary data that will be collected from surveys from bank employees and from the beneficiaries as well as some secondary data that is available in Mutual Trust Bank Limited and data from different types of articles to analysis the number migrants from Bangladesh, the seasonal effects of the remittances that are coming in

Bangladesh. The problem statement for this study is, at what time remittances are coming mostly, basically the time series effects of remittance, which factors are affecting mostly the overall time to time changing behaviors of the transactions sent from overseas. The problem statement for this research is *“To investigate how timing of the year and country of residence of migrants affects remittance services at Mutual Trust Bank and how does it impact the profitability of the bank in a given time period.”*

Purpose of the Study

The major objectives of this research paper is of ‘which factors are affecting habitually the overall time to time changing behaviors of the transactions sent from overseas’.

- To identify the impacts of exchange rate movements and socio-economic variable specially the impact of festivals time on inward remittance.
- To understand the characteristics of exchange rate movements and socio economic variable specially the impact of festivals time on inward remittance.
- To determine the overall impacts of exchange rate movements and socio-economic variable especially the impact of festivals time on remittance.
- To identify the most influencing factor on inward remittance.
- To identify the trends and various other aspects of workers' migration and remittances in Bangladesh.

There have been only a few studies that use micro-level survey data to examine the economic effects of remittances in Bangladesh and hardly any work that systematically investigate the overall impacts of exchange rate movements and socio-economic variable specially the impact of festivals time on inward remittance of Bangladesh. However, studies for other countries have shown that these remittance flows could have significant macroeconomic consequences. This paper is intended to examine the dual phenomena of workers' migration and effects of economic factors on remittances in Bangladesh.

Conceptual Framework

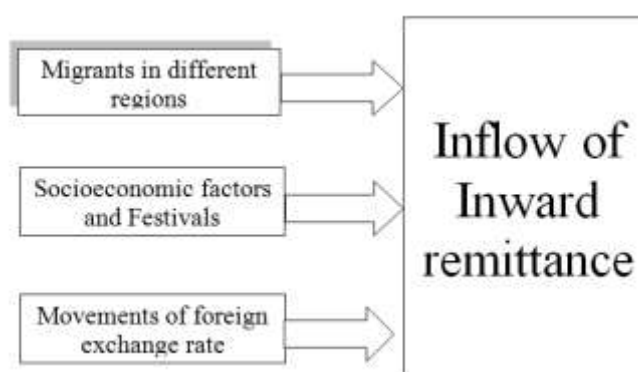


Fig-1: Conceptual Framework

LITERATURE REVIEW

Inflow of Inward Remittance

When migrants send home part of their earnings in the form of either cash or goods to support their families, these transfers are known as workers' or migrant remittances [2]. Remittances have been growing rapidly in the past few years and now represent the largest source of foreign income for many developing countries. The official data on the inflow of remittances into Bangladesh refers to the transfer of funds made by migrant workers through the banking channel (and through post offices) [16]. The records of such transfers can be easily separated from other foreign exchange transactions since these take place under what is known as the Wage Earners' Scheme (WES). According to Ratha [36], it is hard to estimate the exact size of remittance flows because many transfers take place through unofficial channels. Worldwide, officially recorded international migrant remittances are projected to exceed \$232 billion in 2005, with \$167 billion flowing to developing countries. These flows are recorded in the balance of payments; an international technical group is reviewing exactly how to record them.

Unrecorded flows through informal channels are believed to be at least 50 percent larger than recorded flows. Not only are remittances large but they are also more evenly distributed among developing countries than capital flows, including foreign direct investment, most of which goes to a few big emerging markets. In fact, remittances are especially important for low-income countries. Remittances are typically transfers from a well-meaning individual or family member to another individual or household. They are targeted to meet specific needs of the recipients and thus, tend to reduce poverty. In fact, World Bank studies, based on household surveys conducted in the 1990s, suggest that international remittance receipts helped lower poverty (measured by the proportion of the population below the poverty line) by nearly 11 percentage points in Uganda, 6 percentage points in Bangladesh, and 5 percentage points in Ghana. In

poorer households, remittance may finance the purchase of basic consumption goods, housing, and children's education and health care. In richer households, they may provide capital for small businesses and entrepreneurial activities. They also help pay for imports and external debt service, and in some countries, banks have been able to rise overseas financing using future remittances as collateral.

Remittance flows tend to be more stable than capital flows, and they also tend to be counter-cyclical—increasing during economic downturns or after a natural disaster in the migrants' home countries, when private capital flows tend to decrease. In countries affected by political conflict, they often provide an economic lifeline to the poor. The World Bank estimates that in Haiti they represented about 17 percent of GDP in 2001, while in some areas of Somalia, they accounted for up to 40 percent of GDP in the late 1990s. There are a number of potential costs associated with remittances. Countries receiving migrants' remittances incur costs if the emigrating workers are highly skilled, or if their departure creates labor shortages. In addition, if remittances are large, the recipient country could face an appreciation of the real exchange rate that may make its economy less competitive internationally. Some argue that remittances can also create dependency, undercutting recipients' incentives to work, and thus slowing economic growth. But others argue that the negative relationship between remittances and growth observed in some empirical studies may simply reflect the counter-cyclical nature of remittances—that is, the influence of growth on remittances rather than vice-versa. Remittances may also have human costs. Migrants sometimes make significant sacrifices—often including separation from family—and incur risks to find work in another country. And they may have to work extremely hard to save enough to send remittances. According to [3,5, 22], substantial proportion of remittances is utilized by the migrants on the consumer durable items. To sum up, we can say that migrants' families enjoy a higher standard of living and status than what it was before migration [4,6,7,9].

Movements of foreign exchange rate

Movements of foreign exchange rate have been very important variable for inward remittance. There have been only a few studies that explore the determinants of remittance transfers to Bangladesh. These studies seem to focus on macroeconomic determinants. For example, Barua, Mahumber, and Akhtau/zaman show that income differentials between host and home country and devaluation [11,12,13,14] of home country currency positively and high inflation rate in home country negatively affect workers' remittance decision. Using a simple regression analysis,

we find that number of workers finding employment abroad every year, [8,10,15] oil price, exchange rate, and GDP growth are the key determinants of changes in the level of remittance inflow into Bangladesh. According to their results, each additional migrant worker increase remittances by USD 816 annually. Furthermore, a one dollar increase in oil price increases annual remittance transfers to Bangladesh (mainly from Middle East) by nearly USD 15 million. They also find that depreciation of exchange rate by one Bangladeshi taka increases annual remittance by USD 18 million and that remittance are higher during periods of low economic growth in Bangladesh. The last result is consistent with the finding which shows that migrants from Bangladesh increase their remittance transfers during times of economic hardship in their home country [23,17,19,20]. Appreciation of real exchange rate of home country may influence the rate of inward remittance negatively by decreasing the amount sent to domestic country or may also affect negatively in the long term by affecting the labor supply chain or on export. A number of studies show that this effect have raised the possible “Dutch Disease” effect of remittances, whereby an appreciation of the real exchange rate of the domestic currency due to inflow of a large sum of remittances could lead to a rise of price of exportable commodities [41,42,43,44,45,48]. This may erode the competitiveness of the domestic products in the international markets, and thus jeopardizes the development of tradable goods sector. Empirical studies of use cross-country data to document the real exchange appreciation following flows of remittance [31,32,33,35,38].

Migrants in different regions

Increased economic activities due to economic globalization in the 1980s and 1990s led to a rapid international rise in demand for skilled and unskilled manpower. That paved the way for many people, including those of the developing countries, to move to the outside destinations [34,36,37]. For a large number of Bangladeshi workers, mostly semiskilled and unskilled, this external demand opened up opportunities for earning their livelihood abroad. Many others have also left the country for different pull and push factors. This migration was, however, a welcome relief for Bangladesh as its development strategies since independence could not cope with and accommodate the growing demand for employment from a fast growing population. The consequence of the multidirectional relocation of people, both temporary and permanent, was the quick rise in remittances in the economy of Bangladesh. With the passage of time, however, a compositional shift seems to have taken place in migration from Bangladesh, particularly between pre- and post-independence phases, as temporary migration of workers now forms the

overwhelming part of its total migration. This short-term migration has, again, remained mostly Asia-centric due to the fast expansion of demand for manpower in many economies within the region. There have been year-to-year variations in total and country-wise compositions of international migration from Bangladesh. For example, there was a drop in migration to Middle East during the gulf war in the early 1990s. After the war was over, there was a greater demand for migrant workers to work in the post-war reconstruction efforts. Similarly, there was a decrease in demand for Bangladeshi workers in the Southeast Asian countries immediately after the financial crisis of 1997. Again as we know, massive investments in infrastructures in the Middle Eastern countries induced by petro-dollars necessitated some of the Arab countries to look for external workforce since the mid-1970s. However, a rapid economic development of the newly industrialized economies (NIEs) in the 1980s and 1990s coupled with the Japanese need created a high demand for cheap foreign labor in the East and South East Asian region [18,24]. As recently as 2006 through 2008, there was a substantial increase in demand for migrant workers in the UAE, presumably triggered by the economic boom caused mainly by manifold increases in oil revenue. During 2007, the demand for Bangladeshi workers increased significantly in Malayasia as well. The significant drop in the number of Bangladeshi workers in 2009 is the direct fallout of the economic slowdown caused by the recent global financial crisis. Despite the tremendous growth in overseas employment of Bangladeshi migrant workers, the last few years have also witnessed increased competition from new migrant labor sending countries like Nepal, Cambodia, and Viet Nam [46,47,25]. In terms of skill composition of the short-term migrant workers from Bangladesh, professional workers like doctors, engineers, teachers, and nurses constituted less than 5 percent in 2004 and this ratio has drastically dropped to almost 0 in 2008. Skilled workers such as manufacturing or garment workers, drivers, computer operators, and electricians accounted for about 32 percent, and semi-skilled workers like tailors and masons accounted for another 16 percent of the total migrants in 2008. Unskilled workers accounted for the rest (about 52 percent). Most of the short-term migrants are male and the female migrant workers accounted for less than 2 percent in 2008. This ratio was about 5 percent during 2005-06. There are government restrictions on migration of female workers. Further, according to a survey conducted by Sharma and Zaman [26,21,39,40], the average duration of employment for the migrant workers is 6 years.

These economic events created scope for short-term employment opportunities for workers of many labor-surplus countries including Bangladesh.

Presently, as estimated by the Migration and Remittances Fact book (MRF) 2011 of the World Bank, Bangladesh has a total stock of 5.38 million migrants, equivalent to 3.3% of the its total population [47,48]. Of them, a significant portion is now based in Asia, particularly in the Middle East and the East and South East Asia. However, the direction of permanent migration from Bangladesh remains mostly to the West and other developed countries in the world, although a gradual shift is taking place as more migrants are heading toward developing economies for their long-term relocation. As a parallel development to this growth in outward movements of workforce, the volume of inward remittances has accelerated to become a regular and substantial source of resource transfer in the Bangladesh economy, although this was not the case until 2000 when remittances were seen as trivial in size and had little developmental relevance. In fact, remittances now stand many folds to its foreign direct investment (FDI) and official development assistance (ODA) combined. According to the MRF 2011, official remittances to Bangladesh exceeded US\$11 billion in 2010, making it the eighth largest remittances recipient country in the world[27,28,40]. Certainly, this was a significant flow of fund for Bangladesh.

Occasions

It has been a general conclusion of most micro-level studies that the remittance-receiving households use the largest fraction of remittances for consumption. However, purchase of land, construction and repair of houses and repayment of loans have been some of the other important uses of remittances. Various survey-based studies indicate that family transfers account for up to 70 percent of the total household income. Some studies [29,30] suggest that overtime households with overseas labor migrants become increasingly dependent on remittances. Most surveys also indicate that remittances are mainly used for consumption [1,48]. Depending on how consumption is defined, as much as 80 to 90 percent of remittances are used for this purpose. In an interesting study, [20,39] we find that the remittance receiving households in Bangladesh had higher per-capital consumption than others after the devastating floods of 1998. Based on household survey data, this study emphasizes the role of remittance transfers as a consumption smoothing mechanism in the face of natural disaster. There are instances of some non-resident Bangladeshis (NRB) making individual contributions every year to mosques, orphanages, or madrassas. Also, there are Bangladeshi immigrants — mainly in the USA and the UK — who come from the same region/area and organize to pool money and transfer to the respective areas of their origin for charity or community development. The money is given for

health care, religious projects, educational projects, construction and repair of roads and culverts, and the provisions of scholarships to students in the villages where the expatriates come from. However, the total transfer is very small and not well known to government institutions in Bangladesh. In this manner occasions may play as a crucial determinate as most remittance receiver is household and remittances are basically used for consumption in Bangladesh so occasions may influence the inflow of inward remittances to a high extent. There is a high possibility that during occasions the rate of inward remittance will also increase tremendously.

Research Question

1. Is there any relationship between the Movements of foreign exchange and remittance coming in Bangladesh?
2. Is there any regional effects from which remittance are mostly coming in Bangladesh?
3. Is there any relationship between inward remittance inflow in Bangladesh and socioeconomic factors specially festivals?

Hypotheses

Based on the conceptual framework and Literature review three hypotheses can be formed for this study. The first hypothesis is developed to test the relationship the Movements of foreign exchange and remittance coming in Bangladesh.

Ho1. There is a relationship between the Movements of foreign exchange and remittance coming in Bangladesh.

Ha1. There is no relationship between the Movements of foreign exchange and remittance coming in Bangladesh

Second hypothesis is developed to test regional effects and remittance coming in Bangladesh.

Ho2. There is a significant difference among or specific region from which remittance are mostly coming in Bangladesh.

Ha2. There is no significant difference among or specific region from which remittance are mostly coming in Bangladesh.

Third hypothesis is developed to test the relationship between inward remittance inflows in Bangladesh and socio-economic factors specially festivals.

Ho3. There is a relationship between inward remittance inflows in Bangladesh and socioeconomic factors specially festivals.

Ha3. There is no relationship between inward remittance inflows in Bangladesh and socioeconomic factors specially festivals.

The Research Design – Methods and Procedures

The degree to which the research question has been crystallized is based on formal study. The proper study begins where the investigation leaves off- it

begins with a hypothesis or research question and involves specific procedures and data source specifications. In this paper the goal of the formal research is to test the hypotheses or answer the research question posed. In the ex-post facto research, researcher cannot control and/or manipulate the variables. This research paper is also an ex-post facto research as it cannot control or manipulate its independent variables Socio-economic factors and Festivals, Movements of foreign exchange rate and lastly Migrants in different regions. The purpose of the study is causal-explanatory. In a causal-explanatory study we try to explain relationships among variables. This paper will explain the relationship between the independent variables which are Socio-economic factors and Festivals, Movements of foreign exchange rate and lastly Migrants in different regions and the dependent variable which is inflow of inward remittance.

Sampling

The study demands Random sampling technique. In Random sampling, Random sampling is a process whereby every sampling unit in a fixed population has an equal chance of being selected or not selected for participation in a research study, thus the biasness of this type of sampling minimizes among sampling techniques. Important in random sampling is that the chance of being included can be clearly calculated. Random sampling is statistically sounder than other types of sampling and is widely used. Random sampling is analogous to putting everyone's name into a hat and drawing out several names. Each element in the population has an equal chance of occurring. The results of purposeful sampling are usually expected to be more accurate than those achieved with an alternative form of sampling which could assure this to achieve its desired result. The sample of this study is 100, which will be selected randomly.

Data Collection

The study for this paper is about the which factors that are affecting mostly the overall time to time changing behaviors of the transactions sent from overseas and to achieve the purpose of the study the data will be gathered mostly from secondary sources and a little from primary sources.

Primary sources

- Surveying the customers
- Surveying Bank employees.

Secondary Sources

- Different types of journals and articles on Inflow of inward remittance and migration.

Instruments Design

Questionnaires are used to gather information that cannot be found elsewhere from any secondary information such as books, newspapers and internet resources. So the questionnaire survey is the most successful method for this study to collect the data. We used a structured questionnaire. In a structured questionnaire, quantitative data is required. Because of this reason, the researcher use questionnaire. There are four factors in my research model. They are Inflow of inward remittance, Migrants in different regions, Movements of foreign exchange rate and Occasions. Each variable have some questionnaires.

DATA ANALYSIS:

Descriptive Analysis

Descriptive analysis was done to explain the samples of the research. After the collection of data through a survey conducted on participant, the response was inputted in SPSS to perform Descriptive Analysis and various other tests.

Table-1: Frequencies:

Gender					
		Frequenc y	Percent	Valid Percent	Cumulative Percent
Valid	Male	60	75.0	75.0	75.0
	female	20	25.0	25.0	100.0
	Total	80	100.0	100.0	
Age					
		Frequenc y	Percent	Valid Percent	Cumulative Percent
Valid	15-25	13	16.3	16.3	16.3
	26-35	33	41.3	41.3	57.5
	36-45	33	41.3	41.3	98.8
	46-above	1	1.3	1.3	100.0
	Total	80	100.0	100.0	

Cross tabulation: Gender –Age:

Gender * Age Cross tabulation						
Count						
		Age				Total
		15-25	26-35	36-45	46-above	
Gender	male	13	30	16	1	60
	female	0	3	17	0	20
Total		13	33	33	1	80

In Table No.1 out of 80 participants, from the age group 15-25 years 13 were male and 0 female. From the age group 26-35 years 30 were male and 3 were female. From the age group 36-45 years 16 were male and 17 were female. From the age group 46-above years 1 were male and 0 were female.

Reliability Analysis

The Reliability testing is done through the Cronbach's Alpha; greater value of Cronbach's Alpha indicates more reliability on the items that used in a range of 0 to 1. For this research SPSS version 17 was being used as the statistical data analysis tool as it offers greater flexibility in data analysis and visualization. Nunnally [50] suggested that there are at least four methods of estimating reliability coefficient. One of them is internal consistency. The assumption of internal consistency is that a good scale is comprised of items that are homogenous. Hence, methods concerning internal consistency measure inter-item correlation. A scale is considered to have high internal consistency when its items are highly inter correlated for this suggests that the items are all measuring the same thing [51]. The most highly recommended measure of internal consistency provided by coefficient alpha (α) or Cronbach's alpha [52] as it provides a good reliability estimate in most situations. The value of α ranges from 0 to 1. The higher the proximity of the value of α to 1, the better the reliability. If the value is low, either there are too few items or there is very little commonality among the items [53]. For the early stages of any research, Nunnally [50] suggested that the reliability of 0.50-0.60 is sufficient, although a coefficient of 0.70 or above is desirable. Calculated Cronbach's Alpha are given below for all the variables with the help of SPSS-17:

In this study, the coefficient alphas for the different constructs were computed using the reliability procedure in SPSS. The Cronbach's Alpha of a variable determines the internal consistency among the items used to measure the variables.

Table-2: Migrants in different regions

Cronbach's Alpha	N of Items
.521	3

In Table no.2 Migrants in different regions variable under questions (1, 2 & 3) provides an Alpha value which is 0.521 showing that it is a reliable variable.

Table-3: Socioeconomic factors and Festivals:

Reliability Statistics	
Cronbach's Alpha	N of Items
.542	4

In Table no.3 Socioeconomic factors and Festivals variable under questions (4, 5, 6 & 7) provides an Alpha value which is 0.542 showing that it is a reliable variable.

Table-4: Movements of foreign exchange rate:

Cronbach's Alpha	N of Items
.832	4

In Table no.4 Movements of foreign exchange rate variable under questions (8, 9, 10 & 11) provides an Alpha value which is 0.832 showing that it is a reliable variable.

Table-5: Inflow of Inward remittance:

Cronbach's Alpha	N of Items
.916	4

In Table no.5 Inflow of Inward remittance variable under questions (12, 13, 14 & 15) provides an Alpha value which is 0.916 showing that it is a reliable variable.

Hypothesis Testing

Spearman's Correlation:

If, $P=1.000$ and $\alpha=0.00 < 0.05$

It is clear that, the value of rho is not equal to zero and the value of alpha is less than 0.05. In this

condition, alternative hypothesis (H_a) should be accepted. This means, there is a relationship between

two variables. Two stars (**) specifies that the relationship between the variables is 99% true.

Table-6

Correlations:				
			Migrants in different regions	Inflow of Inward remittance
Spearman's rho	Migrants in different regions	Correlation Coefficient	1.000	.575**
		Sig. (2-tailed)	.	.000
		N	79	79
	Inflow of Inward remittance	Correlation Coefficient	.575**	1.000
		Sig. (2-tailed)	.000	.
		N	79	80

**, Correlation is significant at the 0.01 level (2-tailed).

P=0.575 and $\alpha=0.01<0.05$

In table no.6, It is clear from the table that, the value of rho is not equal to zero and the value of alpha is less than 0.05. In this condition, alternative hypothesis (H_a) should be accepted. This means, there

is a relationship between Migrants in different regions and Inflow of Inward remittance. Two stars (**) specifies that the relationship between the variables is 99% true.

Table-7

Correlations				
			Socioeconomic factors and Festivals	Inflow of Inward remittance
Spearman's rho	Socioeconomic factors and Festivals	Correlation Coefficient	1.000	.602**
		Sig. (2-tailed)	.	.000
		N	80	80
	Inflow of Inward remittance	Correlation Coefficient	.602**	1.000
		Sig. (2-tailed)	.000	.
		N	80	80

**, Correlation is significant at the 0.01 level (2-tailed).

P=0.602 and $\alpha=0.01<0.05$

It is clear from the table that, the value of rho is not equal to zero and the value of alpha is less than 0.05. In this condition, alternative hypothesis (H_a) should be accepted. This means, there is a relationship

between socioeconomic factors and Festivals and Inflow of Inward remittance. Two stars (**) specifies that the relationship between the variables is 99% true.

Table-8

Correlations				
			Movements of foreign exchange rate	Inflow of Inward remittance
Spearman's rho	Movements of foreign exchange rate	Correlation Coefficient	1.000	.830**
		Sig. (2-tailed)	.	.000
		N	80	80
	Inflow of Inward remittance	Correlation Coefficient	.830**	1.000
		Sig. (2-tailed)	.000	.
		N	80	80

**, Correlation is significant at the 0.01 level (2-tailed).

P=0.830 and $\alpha=0.01<0.05$

It is clear from the table that, the value of rho is not equal to zero and the value of alpha is less than 0.05. In this condition, alternative hypothesis (H_a) should be accepted. This means, there is a relationship between Movements of foreign exchange rate and Inflow of Inward remittance. Two stars (**) specifies that the relationship between the variables is 99% true.

Pearson's Correlation

If $r=1.000$ and Probability, $P=.000<.05$

The value of P is less than 0.05. In this condition, null hypothesis (H_0) should be rejected. This means, there is a relationship between two variables. Two stars (**) specifies that the relationship between the variables is 99% true which indicates a very strong relationship.

Table-9

Correlations			
		Migrants in different regions	Inflow of Inward remittance
Migrants in different regions	Pearson Correlation	1	.673**
	Sig. (2-tailed)		.000
	N	79	79
Inflow of Inward remittance	Pearson Correlation	.673**	1
	Sig. (2-tailed)	.000	
	N	79	80

**. Correlation is significant at the 0.01 level (2-tailed).

$r=0.673$ and Probability, $P=.001<.05$

In table no.9, the value of P is less than 0.05. In this condition, null hypothesis (H_0) should be rejected. This means, there is a relationship between

Migrants in different regions and Inflow of Inward remittance. Two stars (**) specifies 99%strong relationship between the variables.

Table-10

Correlations			
		Socioeconomic factors and Festivals	Inflow of Inward remittance
Socioeconomic factors and Festivals	Pearson Correlation	1	.613**
	Sig. (2-tailed)		.000
	N	80	80
Inflow of Inward remittance	Pearson Correlation	.613**	1
	Sig. (2-tailed)	.000	
	N	80	80

**. Correlation is significant at the 0.01 level (2-tailed).

$r=0.613$ and Probability, $P=.001<.05$

In table no.10, the value of P is less than 0.05. In this condition, null hypothesis (H_0) should be rejected. This means, there is a relationship between

socioeconomic factors and Festivals and Inflow of Inward remittance. Two stars (**) specifies 99%strong relationship between the variables.

Table-11

Correlations			
		Movements of foreign exchange rate	Inflow of Inward remittance
Movements of foreign exchange rate	Pearson Correlation	1	.933**
	Sig. (2-tailed)		.000
	N	80	80
Inflow of Inward remittance	Pearson Correlation	.933**	1
	Sig. (2-tailed)	.000	
	N	80	80

**. Correlation is significant at the 0.01 level (2-tailed).

$r=0.933$ and Probability, $P=.001<.05$

In table no.11, the value of P is less than 0.05. In this condition, null hypothesis (H0) should be rejected. This means, there is a relationship between Movements of foreign exchange rate and Inflow of Inward remittance. Two stars (**) specifies 99%strong relationship between the variables.

Regression analysis

In table no.12, as R Square value =0.870 so it indicates that the dependent variable (Inflow of Inward remittance) can be explained 87% by independent variables (Migrants in different regions, Socioeconomic factors and Festivals and Movements of foreign exchange rate).

Table-12

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.933 ^a	.870	.865	.26571
a. Predictors: (Constant), Movements of foreign exchange rate, Socioeconomic factors and Festivals , Migrants in different regions				

Limitations

1. The study was just carried at only a preliminary stage.
2. The study just took into account only of the many banks in Bangladesh that receives great amount of remittances.
3. The study only focused on three variables and there are many other variables that needs to be taken into account to get a more clear glimpse of the inflow of remittance in Bangladesh.

CONCLUSION

Remittances sent home by migrant workers have played a significant role in reducing poverty in most countries including the least developed one like Bangladesh, said a senior official of the United Nations. In Bangladesh just 13 per cent of households that receive remittances from abroad are below the poverty line, compared to 34 per cent of non-remittance-receiving households, according to an updated data of the UN. In Bangladesh, some 27 per cent of the total population of some 155 million people, live below international poverty line, said the UN data. Bangladesh earns around \$14 billion a year from remittances sent home by its nearly 8.0 million expatriate workers across the globe mainly in the Middle East and the Gulf regions. With the increase in inward flow of remittances the enrolment of students, including girls has been boosted in Pakistan, where many other programmers' to uplift socio-economic conditions of the people are being taken in proportionate with the enhancement of remittances from expatriate workers, said the UN official[54].

Remittance in February climbed 2 percent as Bangladeshi workers netted more overseas jobs. Remittance rose to \$1.15 billion in February from \$ 1.13 billion in the same month last year, according to data from Bangladesh Bank. However, the remittance inflow for February is lower than the inflow for

January, which was \$1.31 billion. Overall, remittance rose 17.34 percent to \$9.88 billion in the first eight months of the current fiscal year, raising from \$8.423 billion in the same ti me last year. This is the 15th month in a row that remittance has crossed the one-billion-dollar mark. A higher inflow of foreign currency is important for Bangladesh, as it eases pressures on the balance of payments and curbs volatility in the exchange rate[55].

In many developing countries, remittance payments from migrant workers are increasingly becoming a significant source of export income. The heavy migrant workers from the home countries have played an important role promoting economic development in the countries, and Bangladesh is one of them. In Bangladesh, international migration has become an increasingly important avenue for employment and poverty reduction. In 2008 around 5.8 million workers were employed overseas, remittance flows amounted to around 10% of GDP and Bangladesh is now among the top ten remittance-receiving countries globally, then in 2009 the remittance transfers received from these migrant workers have reached a phenomenal level of over 10 billion US dollars, approximately 12 percent of GDP in Bangladesh. This mass movement of migrant workers and the growth of GDP have persuaded this study to investigate the impact of different determinants on inward remittance in Bangladesh.

Bangladesh Bank (BB) has sought detailed information from its authorized dealer banks on remittance they receive from aboard as Wage Remittance. According to the central bank, banks are asked to send their remittance reports specifying districts of the remittance senders and also mentioning 'Not Specified' for those whose districts are not specified. The dealer banks have to mention in their reports the names of the countries from where

remittance is sent. The central bank also advised the dealer banks to send the daily district-based remittance report through 'RIT Input Template' to its Statistics Department[57].

The reason for attending this research paper was desire for, finding the factors that are affecting mostly the overall time to time changing behaviors of the transactions sent from overseas This research paper have sketched the determinants that are mostly affecting the inflow of inward remittance and the overall impact of each discussed variable. Despite of all limitations, however, this study provides insights into the mostly affecting factors on the inflow of inward remittance. This research would deliver with necessary information about the changing behavior of transactions that are sending by overseas along with the Movements of foreign exchange rate, Differences in interest rates between host and home country, migrants in different locations and lastly Socio-economic especially Festivals.

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