

Usage Pattern Of Foreign Remittance In Alleviating Poverty In Bangladesh: A Study On Sylhet Region

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ABSTRACT: Foreign remittance plays an important role in the socio economic development of the country. Foreign remittances have positive impact on foreign exchange reserve, imports cost and per capita income. To main purpose of the study is to analyze the usage pattern of remittances by the remittance recipients. Two hundred remittance recipient families have been chosen conveniently from Sylhet region. The survey revealed that absolute amount of remittance varied between Tk. 0.02 million to 15 million and on average it is Tk. 0.5 million. The largest part (**25.6%**) of remittance is using for consumption purposes as regular source of income. It reduces poverty of the remittance recipients through catering the regular needs. The study revealed that on average each remittance recipients disburse **10%** for educational expenditure, **2%** for health expenditure and **4%** for dwelling expenditure, **0.5%** for sending children to educational institutes, **0.5%** for petty cash of young children, **2%** for repayment of debt and **0.5%** for bribe and legal charges of yearly remittance received. Total **12.5%** of remittance is disbursed for reducing long term poverty. A part of remittance is used for the development of rural, religious institutions and helps to relatives. Total **8.1%** remittance is used to reduce societal poverty. Yearly remittance is moderate-positively related with purchase of land for dwelling, investment in community centre, bank savings and high-positively related with investment in stock market.

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I. INTRODUCTION:

Poverty has become the greatest challenge due to mountain volume of population within the limited resources. The total population was 75 million in 1975 and it has rose to about 160 million in 2015. Thus population has been doubled over the time but natural resources remain unchanged. The per capita GDP (Gross Domestic Product) was 211 USD (United State Dollar) in 1975 and it has reached to 1211.7 USD in 2015 showing 500 % increase (World Development Indicator, 2015). The Government of Bangladesh (GOB) has taken many economic plans to reduce the poverty and to accelerate economic development. Of course the economy of Bangladesh has been developed and also developing. But yet a large part of population is living under poverty line.

II. STATEMENT OF THE PROBLEM:

Foreign remittance plays a pivotal role in the economy of our country and its contribution has become part and parcel in the national economic plan. The economic development of the country largely depends on the expenditure pattern of this hard earned foreign currency. Sylhet, the leading region of the country from which millions of people living in abroad and sending a large volume of remittance in the country regularly and irregularly every year for the socio-economic development of this region. But evidences showed that this hard earned foreign remittance has not been properly used. Experts opine that largest part of foreign remittance is remained idle and has disinvested. They argued that the disinvestment of the remittance will play negative role in the socio- economic development of the region through creating unemployment, lavishness expenditure and dependent people. Further, the youth generation will fall serious problem in future by the indirect impact of the remittance. Therefore, they argued that we need attention sincerely to see the expenditure pattern of this

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remittance for the greater interest of the region and the country. So far our knowledge yet there is no an in-depth study regarding this issue. Considering these, the present study has been undertaken.

III. THEORETICAL FRAMEWORK

3.1 Measurement of poverty: Poverty is measured in terms of Direct Calorie Intake (DCI). A person having daily calorie intake less than 2122 kilocalories is considered to be absolute poverty and 1805 kilocalories as hardcore poverty. The second method is Cost of Basic Needs (CBN). With this method, non-food consumption is also considered for measuring poverty. Another method is daily income level. Daily income of below \$3.9 and \$1.9 is considered as Absolute Poverty and hardcore poverty respectively.

3.2 Trend of Poverty:

Table-1 shows that the incidence of poverty registered has been declined in 2010 from 2005 based on CBN method. The incidence of poverty was 48.9 % in 2000 and it reduced to 40 % in 2005. During this period the compound poverty reduction rate was 3.94%. On the other hand during 2005 to 2010 income poverty also reduced from 40% to 31.5% and the compound reduction rate is 4.66%. During 2005-2010 the depth (poverty gap) and severity (squared poverty) of poverty have been declined. The trend of poverty in Bangladesh on the basis of CBN method is given below:

Table-1: Trends of Poverty based on CBN method

Measurement	2010(%)	2005(%)	Yearly change (%) 2005-2010	2000(%)	Yearly Change (%) (2000-2005)
Head count index	31.5	40	- 4.66	48.9	- 3.94
Poverty gap	6.5	9	- 6.30	12.8	- 6.80
Squared poverty gap	2	2.9	- 7.16	4.6	- 8.81

Source: Bangladesh Bureau of Statistics (BBS), Household Income and Expenditure Survey (HIES)-2010.

Table-2: Trend of Poverty based on Daily Income

Poverty line-1: Absolute poverty. At \$3.90 a day (2011 PPP)	People/year	2010	2005	2000	1995
	People in million	86.12	89.98	91.97	88.52
People (in %)	56.8	62.96	70.06	73.17	
Poverty line-2: Hard core poverty. At \$1.90 a day (2011 PPP)	People in million	28.08	35.03	44.29	42.44
	People (in %)	18.52	24.51	33.74	35.08

Source: <http://data.worldbank.org/data-catalog/poverty-and-equity-database>

Table-2 told that according to daily income method the absolute poverty was 73.17% in 1995 and it reduced to 56.8% in 2010. People living below absolute poverty line in 2000 were 91.97 million which reduced to 86.12 million in 2010. The hard core poverty under daily income method the poverty was 35% in 1995 and it reduced to 18.52% in 2010. People living below hard core poverty line in 2005 were 35.03 million and 28.08 million in 2010.

3.3 Definition of Remittance: International remittance has been defined as the portion of migrant workers' earnings sent from the country of employment to the country of origin. Remittance can also be sent in kind. Transfers that take place in kind are quite difficult to measure. Remittance may be individual or collective. When an individual sends remittance to his / her household or kith and kin called individual's remittance. When a group of migrants or their associations or professional bodies mobilize resource together and sends for collective or community programs called collective remittance. The present study is confined to individual remittance from abroad in cash. Household/family means the family which has relative(s) in abroad and receipts remittance sent by the expatriates.

3.4 Inflow of remittance and Economy of Bangladesh: The country receives a large volume of remittance every year. In 1990-91, she received Tk. 27.26 billion remittances from different countries and in 2000-01, it rose to Tk. 101.70 billion. In 2015-16 the amount of remittances reached to a staggering amount of Tk. 1168.57 billion (Economic Division of Bangladesh Bank Report, 2016). Remittance in terms of GDP is about 23%. Therefore remittance has a great impact on the economy.

IV. LITERATURE REVIEW

Hasan (2006) in his working paper found that the remittance has significant macroeconomic impact at household level. Remittances allow the poor people to increase expenditures on both durables and non-durables products, and provides them with protection against negative income shocks. Remittances are cited as making up around 60% to 70% of recipient poor households' total income. It was found that almost 80% remittances are used in non-productive investment.

Azam, Haseeb and Samsudin (2016) have conducted a study using an empirical analysis to examine the impact of foreign remittances along with some other variables (foreign aid, debt, human capital, inflation and income) on poverty alleviation in 39 countries including the lower middle, upper middle and high income countries. Estimates revealed that increase in income leads to decrease in poverty. Foreign remittances were found to have positive impact on poverty alleviation and statistically significant only for upper middle income countries. Thus, policy-makers need to devise an appropriate policy to mitigate poverty largely by encouraging remittances inflows.

The aim of conference paper presented by Biyase (2012) was to examine the relationship between poverty and remittances in South Africa using the 2008 National Income Dynamics (NIDS) dataset. Analysis of the data showed that poverty rate calculated from observed income without remittances was significantly higher compared to poverty rate derived from income with remittances. More specifically, poverty rate in the former scenario was 67%, while poverty rate in latter scenario was only 47.7%.

Akter (2016) in her study investigated the impact of workers' remittance on economic growth through time series empirical regression and correlation analysis. It was found that there is strong positive relationship between workers' remittances and GDP and economic growth. As workers' remittances increases, effective consumption demand increases, and also investment for raising productive capacity of consumption goods for their future increases.

Siddique, Selvanathan and Selvanathan (2012) conducted a study on remittance and economic growth on major South Asian countries (i.e., Bangladesh, India and Sri Lanka). This article investigated the causal link between remittances and economic growth by employing the Granger causality test under a Vector Auto Regression (VAR) framework using time series data over a 25-year period from 1980-2005. The empirical analysis identified that remittances have a mixed response with the economic growth. The study found no causal relationship between remittance and economic growth in the case of Bangladesh.

Munshi (2015) in his study attempted to evaluate the impact of foreign remittances on socio-economic condition of households in Khulna city. The study revealed that households receiving remittances spend less on food consumption, consumer durables and other consumer goods than do households who do not receive any remittances. Study found that households receiving remittances spend heavily on various investment activities like land purchase, building construction, etc. and this investment constitutes more than half of the yearly remittances received. This study also found that households receiving remittances in Khulna city spend more on education than do households having no remittances

Bayes, Hossain and Rahman (2015) have conducted study on effect of remittances on poverty alleviation on households in 62 villages. Study revealed that food expenses account for 43% of total expenditure out of remitted domestic income compared to 27% overseas. About 12-14% of the expenses (both domestic and foreign workers) were earmarked for agricultural pursuits such as buying inputs, machines, land leasing and buying. Within agriculture, foreign migrants spend most of it on buying land (90%). Construction/ repairing and maintenance of households claim 15% for domestic money and 20% for foreign money, education and medical roughly 10-11% each. Business, investment in government securities and stock market are very negligible. However, foreign workers have 10% bank savings. By and large, remitted money seems to be used very rarely for productive investments.

V. OBJECTIVE OF THE STUDY:

The core objective of the study is to analyze the usage pattern of foreign remittance in alleviating poverty of the remittance recipients in Bangladesh. The specific objectives are:

- 1- To estimate the inflow of remittance;
- 2- To explore the average proportion and variation of proportion of yearly remittance that is spent for different purposes;
- 3- To determine the correlation between yearly remittance and different expenditure items

VI. METHODOLOGY OF THE STUDY:

To conduct the study, two hundred remittance recipient families have been chosen purposively who are remittance recipients and have relatives in abroad. Study area is Sylhet region. The data has been collected through a structured questionnaire from the respondents. The collected data has been analyzed by MS- Excel. Correlation, SD (Standard Deviation), mean and total has been used for conclusion.

7. Analyzing the usage pattern of remittance for poverty alleviation:

The role of remittance on poverty alleviation analyzed in the following four ways:

7.1. Direct impacts of Remittance: Remittance has direct impact on poverty alleviation. The direct impacts are shown below:

(i) Total remittance received till 2016: Remittance comes in cash directly to the receiver and it is used for different purposes. The collected data showed that total remittance received by the 200 recipients is Tk. 2120

million till 2016 and on average it is Tk. 10 million. The minimum and maximum amount of remittance is Tk 0.02 million and Tk. 200 million with SD is 93 million. Therefore this remittance helps the recipients to lighten his/her poverty in various ways.

(ii) Yearly remittance received till 2016: Every year each family received a regular amount of remittance. The survey revealed that absolute amount of remittance varied between Tk. 0.02 million to 15 million and on average it is Tk. 0.5 million. The SD is 90 million. Therefore this regular remittance helps the recipients to reduce his/her poverty.

(iii) Remittance used in daily food items consumption expenditure: Remittance is used to cater the daily consumption expenditure of the recipient family. The survey revealed that 80% respondents have used remittance for daily consumption and 25.6% of yearly remittance is used for daily consumption expenditure on average. The percentage of remittance for daily consumption varies from 0.14% to 96% and the SD is 40%. The correlation between yearly inflow of remittance and daily consumption is very low negative (-0.37). There is insignificant relationship between volume of remittance and consumption. On the other hand, remittance in terms of total consumption is 60% on average i.e. remittance caters 60% of total consumption expenditure of the households. The percentage of remittance to total consumption expenditure varies between 10% and 95% with SD of 52%.

(iv) Remittance used in education expenditure: Remittance is used to meet up the expenditure for education of the family members. The survey revealed that 75% respondents use remittance for education and 10% of yearly remittance on average is used to cater the education expenses. The usage of remittance for education expenses varied between 0.2% and 70% with the SD is 50%. The correlation between yearly inflow of remittance and educational expenses is very low negative (-0.21). Therefore there is very poor negative relationship between remittance and educational expenses. Volume of remittance poorly imbued educational expenses.

(v) Remittance used in health expenditure: Remittance is used to cater the health expenses. The survey revealed that 60% of respondents use remittance for incurring the medical expenditure and 2% of total remittance is used for medical expenses on average. The expenditure of remittance for health fluctuates from 0.1% to 20% and the SD is 45%. The correlation between yearly inflow of remittance and health expenses is very low negative (-0.27). Volume of remittance and health expenses is not significantly related.

(vi) Remittance used in dwelling expenditure: Remittance may be compared in terms of finance for housing of the households. It spells out that how much cost of housing is financed from remittance. It decides the structure of financing house of the remittance recipient's families. The survey of households has naked that 22% of remittance recipients has established new houses by using remittance and 4% of total remittance has spent for building houses. The percentage of remittance for dwelling expenditure fluctuated between 1% and 32% and the SD is 65%. The correlation between yearly inflow of remittance and dwelling expenditure is very low positive (0.07). Therefore relationship between remittance and dwelling expenditure is insignificant.

(vii) Remittance used in purchasing land for dwelling: Remittance is used to purchase plot or land or apartment for housing purpose. The field survey has revealed that 36% households have used remittance to purchase plot for housing and 3.5% of total remittance is used for purchasing land. The percentage of remittance for purchasing land for dwelling fluctuated between 2% and 17% and the SD is 60%. The correlation between yearly inflow of remittance and purchasing land for dwelling is moderate positive (0.55). Therefore an increase of remittance may play positive role in purchasing land for dwelling and vice versa.

(viii) Remittance used in purchasing apartment in town: A part of remittance is also used for purchasing flat/plots in the town. The survey revealed that 10% of remittance recipients have used remittance for flat/plots in the town. Remittance used in apartment/flat purchase varied from 1.5% to 20% and on average 4% and the SD is 71%. Therefore remittance is used as a source of finance for purchasing flat/plots in the town. The correlation between yearly remittance and purchasing flats/apartments in town is very high negative (-0.94). It means that volume of remittance has no or less role in purchasing flat/plots in the town.

(ix) Remittance used in conveyance of children to educational institutions: A part of remittance is disbursed to cater the schooling and collegiate expenditure of the children regularly. The survey revealed that 55% respondents have incurred this expenditure from remittance. The percentage of remittance for incurring this expenditure varied between 0.5% and 10% and on average 0.5% with SD 40%. The correlation between yearly remittance and expenditure of sending children to educational institutions is very poor negative (-0.16). Therefore volume of remittance has no positive effect on expenditure of sending children to educational institutions.

(x) Remittance used in bribe and legal expenditure: A part of remittance is disbursed to meet up the family's bribe and legal expenditure. It was found that 12% respondents have incurred this expenditure from remittance. The percentage of remittance for incurring this expenditure varied between 0.01% and 5% and on average 0.5% with SD 31%. The correlation between yearly remittance and this type of expenditure is poor negative (-0.26). Therefore volume of remittance has no positive effect on bribe and legal expenditure.

(xi) Remittance used in pocket money of children: The young boys and girls need some money to pass their idle time for various purposes which may be called the pocket money. Remittance is also used for this purpose. The survey revealed that 40% remittance recipient families have disbursed 0.5% of total yearly remittance ranging 0.01% to 4% for pocket money with SD 60%. The correlation between yearly inflow of remittance and pocket money of children is very low negative (-0.22). Therefore relationship between remittance and pocket money is insignificant.

7.2. Indirect impacts of Remittance: The indirect impacts of remittance are analyzed below:

(i) Remittance used in investments: Remittance is invested for long term return. This includes investment in share market, investment in shopping mall, investment in community centre, investment in restaurant and tourism, investment in real estate company, investment in clinic and hospital etc. The survey revealed that 26.3% of total remittances have been investment in different sectors. These are discussed below:

(a) Investment in shopping mall: The survey revealed that 15% remittance recipient has invested remittance in shopping mall. The percentage of remittance to shopping mall ranges between 1% and 15% and on average 2% and SD is 50%. The correlation between yearly inflow of remittance and investment in shopping mall is poor negative (-0.47). Therefore remittance has little or no impact on the investment in shopping mall.

(b) Remittance used in small business: Remittance in terms of investment in small shop illuminates the role of remittance in microfinance. The field survey has uncovered that 20% households have invested remittance in small shop and 5% of yearly remittance has been invested in shop for livelihood. The percentage of remittance in investment in small shop fluctuates from 2% to 34% and the SD is 72%. The correlation between yearly inflow of remittance and investment in business is very low negative (-0.16). Therefore relationship between remittance and investment in small business is insignificant.

(c) Investment in Community Centre: Remittance is also invested in community centre. The survey revealed that 5% remittance recipients have invested in community centre. The percentage of investment in community centre varied from 5% to 64% and on average 2% with SD 60%. The correlation between yearly inflow of remittance and investment in community centre is moderately positive (0.66). Therefore yearly inflow of remittance helps to increase in investment in community centre.

(d) Investment in Real Estate Company: The remittance is invested to real estate company for future return. The survey revealed that 10% respondents have invested in it. The percentage of remittance to real estate ranges from 3% to 25% and on average 6% and the SD is 62%. The correlation between yearly inflow of remittance and investment in real estate company is poorly positive (0.35).

(e) Investment in Clinic and Hospital: The remittance is invested in clinic and hospitals. The survey revealed that 2.5% respondents have invested in it. The percentage of remittance to this investment varied between 0.5% and 21% and on average 1.3% and SD is 81%. The correlation between yearly remittance and investment in clinic and hospital is high negative (-0.95). Therefore remittance has no role on investing remittance in clinic and hospitals.

(f) Investment in Restaurant and Tourism: The remittance is invested in restaurant and tourism. The survey revealed that 5% respondents have invested in restaurant and tourism. The percentage of remittance to this investment varied between 1% and 5% and on average 1.5% and the SD is 40%. The correlation between yearly inflow of remittance and investment in restaurant and tourism is poorly negative (-0.46). Therefore remittance has no role on investing remittance to in restaurant and tourism.

(g) Investment in Share Market: Remittance is invested in share market. The survey revealed that 9% remittance recipient has invested remittance in share market. The percentage of remittance for investment in share market varied between 2% to 30% and on average 7% and SD is 63%. The correlation between yearly inflow of remittance and investment in share market is highly positive (0.74). We therefore may say that an increase of remittance may play positive role investment in share market.

(h) Investment in Medium and Large Enterprises: The remittance is invested in medium and large enterprises. The survey revealed that 4% respondents have invested in medium and large enterprises. The percentage of remittance to this investment varied between 0.1% and 10% and on average 1.5% and the SD is 40%. The correlation between yearly inflow of remittance and investment medium and large enterprises is poorly positive (0.07). Therefore remittance has no or less role on investing in medium and large enterprises.

Therefore on average total (2+5+2+6+1.3+1.5+7+1.5) 26.3% remittances is invested in different portfolio of investments. Among the investment portfolio, share market constitutes the largest (7%) sector. We therefore may say that, an increase of remittance may play positive role investment in share market. Volume of remittance does not play significant role on investment in shopping mall, community centre, restaurant and tourism and real estate Company. Volume of remittance does not play role on investment in clinic and hospital.

(ii) Remittance used in saving at Banks: Study discovered the transition of remittance to saving accounts in banks. The empirical data showed that 60% respondents have saved remittance in banks. The percentage of remittance for savings in bank varied between 5% and 95% and on average 8% and the SD is 47%. The

correlation between yearly inflow of remittance and bank savings is moderately positive (0.45). Therefore volume of remittance has positive role on bank savings.

(iii) Sending relatives to foreign countries: Remittance is used to send relatives in foreign countries. The survey revealed that 30% remittance recipients have used 2% of yearly remittance sending the relatives to foreign countries. The percentage of remittance to sending relatives fluctuated from 0.5% to 32% and the SD is 92%. The correlation between yearly inflow of remittance and expenditure sending relatives to foreign countries is poor negative (-0.38). Volume of remittance has no role in sending relatives to foreign countries.

(iv) Purchase of land for agriculture: Remittance is used to purchase of land for agriculture purpose. The survey revealed that 7% remittance recipient has used remittance for purchasing land for agriculture. The usage of remittance has varied from 1% to 57% and on average 5% with SD is 85%. The correlation between yearly inflow of remittance and purchasing land for agriculture is poor positive (0.30). Therefore it may say that volume of remittance has poor role on purchasing land for agriculture.

(v) Repayment of debt: Remittance recipients use remittance for payment the family's debt to outside parties. The survey revealed that 10% remittance recipients have used yearly remittance to repayment of debt. The usage of remittance varied between 0.5% and 10% and on average 2% with SD 40%. The correlation between yearly inflow of remittance and repayment of debt is moderate negative (-0.53). Therefore it may say that volume of remittance has no role on repayment of debt.

7.3 Macro impacts of Remittance:

(i) Contribution for Rural development: A portion of remittance is used for roads and electrification in rural development indirectly. The survey revealed that 10% remittance recipients have contributed for rural development. The percentage of remittance fluctuated from 0.5% to 6% and on average 1.6% and the SD is 32%. The correlation between yearly inflow of remittance and contribution to rural development is highly negative (-0.64). Therefore volume of remittance has no positive role on the contribution of rural development.

(ii) Loan without interest to relatives: Remittance recipients also disburse remittance as loan to relatives without interest. The collected data showed that 35% remittance recipients have disbursed remittance to lend loan to his religious without interest. The percentage of remittance for this purpose varied from 1.0% to 13% and on average 2% with SD 40%. The correlation between yearly inflow of remittance and loan to his relatives without interest is poorly negative (-0.34). Therefore volume of remittance has no positive impact on loan to his relatives without interest.

(iii) Helps to relatives: Remittance recipients also used remittance as aid to religious without interest. The collected data showed that 35% remittance recipients have disbursed 0.1% to 5% and on average 1% remittances as aid to his relatives with SD 20%. The correlation between yearly inflow of remittance and aids to religious is poorly negative (-0.13). Therefore volume of remittance has no impact on helps to relatives.

(iv) Donations to religious institution: Remittance is used as donations to religious institutions. The religious institution includes mosques, madrasah and temples. The collected data showed that 40% remittance recipients have donated 1% remittances on average to religious institutions. The percentage of remittance for this purpose varies between 0.01% and 5% with SD 30%. The correlation between yearly inflow of remittance and donations to religious institution is poorly negative (-0.26). Therefore volume of remittance has no impact on donations to religious institution.

(v) Remittance contributes to total income: The role of remittance may be analyzed in terms of total income of the household recipients. The collected data showed that remittance in terms of total income of the families ranged between 10% and 95% and on average to 51% with SD 29%. The correlation between yearly inflow of remittance and percentage of remittance to total income is poorly positive (0.33). Therefore volume of remittance has poor impact on the total income of the households.

7.4 Others impacts of remittance: In spite of the above usage of remittance is also used for other purposes which are not directly traceable i.e. travelling, marriage ceremony, gifts, entertainment etc. The survey revealed that 40% respondents has disburses remittance for others purposes and the percentage of remittance has varied from 0.01% to 2% with average 0.5% and SD 25%. The correlation between yearly inflow of remittance and other purposes is poorly negative (-0.06). Therefore volume of remittance has no impact on others purposes.

8. Key Findings of the study

1. The largest part (**25.6%**) of remittance is using for consumption purposes as regular source of income. It reduces poverty of the remittance recipients through catering the regular needs.

2. Remittance alleviates poverty of the remittance recipients through meeting up the educational expenditure, health expenditure, dwelling expenditure, sending children to educational institutes, petty cash of young children, repayment of debt and legal charges. The study revealed that on average each remittance recipients disburse **10%** for educational expenditure, **2%** for health expenditure and **4%** for dwelling expenditure, **0.5%** for sending children to educational institutes, **0.5%** for petty cash of young children, **2%** for repayment of debt and **0.5%** for bribe and legal charges of yearly remittance received. Thus **19.5%** of total remittance reduces financial crisis of the households over emergency needs.

3. Remittance has long term positive impact on reducing poverty. The study revealed that remittance is used for purchasing land for agriculture, land for dwelling and purchasing flat for dwelling. Empirical data showed that **5%** yearly remittances is disbursed for purchasing land for agriculture, **3.5%** for purchasing land for dwelling and **4%** for purchasing apartment for dwelling. Thus total **12.5%** of remittance is disbursed for reducing long term poverty.

4. Remittance is a source of investment from which the remittance recipients can earn regular income for long-term for livelihood. The study showed that remittance is invested in shopping mall, small business, medium and large business, hospital and clinic, stock market, Real Estate Company, restaurant and tourism and community center. The data and analyses showed that **2%** of yearly remittance is invested in shopping mall, **5%** in small business, **1.5%** in medium and large business, **1.3%** in hospital and clinic, **7%** in stock market, **6%** in Real Estate Company, **1.5%** in restaurant and tourism and **2%** in community center. **Further 8%** of this yearly remittance is saved in Banks. Therefore total **34.3%** of remittance is disbursed for investment for reducing poverty in short term as well as in long term.

5. Remittance is disbursed for reducing common poverty of the society. The data showed that a part of remittance is used for the development of rural, religious institutions and helps to relatives. The analysis showed that **1.6%** of yearly remittance is disbursed for rural development, **1%** for the development of religious institutions and **1%** for helping relatives, **2%** for lending relatives without interests, **2%** for sending relatives to abroad and **0.5%** for others. . Therefore total **8.1%** remittance is used to reduce societal poverty.

VII. CONCLUSION

The forgoing analysis helps to conclude that remittance recipient households in Bangladesh are spending remitted money in diversified sectors and is playing an important role in alleviating poverty. Remittances should be utilized in more prolific areas rather than merely for consumption in order to maintain sustainable reduction in poverty.

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Annexure-1: Correlation between Different Variables

Variables	Correlation
Yearly remittance & consumption	-0.37
Yearly remittance & educational expenses	-0.21
Yearly remittance & health expenditure	-0.27
Yearly remittance & housing facilities	0.07
Yearly remittance & purchase of land	0.55
Yearly remittance & purchase of apartment	-0.94
Yearly remittance & ownership in shopping mall	-0.47
Yearly remittance & investment in business	-0.16
Yearly remittance & investment in community centre	0.66
Yearly remittance & rural development	-0.64

Yearly remittance & sending of relatives abroad	-0.38
Yearly remittance & savings at bank	0.45
Yearly remittance & investment at real estate	0.34
Yearly remittance & traveling expenditure of children to go educational institutions	-0.16
Yearly remittance & legal expenditure	-0.26
Yearly remittance & donation to religious institutions	-0.26
Yearly remittance & investment in hospital or clinic	-0.95
Yearly remittance & and investment in restaurant tourism	-0.46
Yearly remittance & help to relatives	-0.13
Yearly remittance & investment in stock market	0.74
Yearly remittance & investment in large and medium businesses	0.06
Yearly remittance & purchase of land for agricultural purpose	0.30
Yearly remittance & repayment of debt	-0.53
Yearly remittance & petty expenditure of children	-0.21
Yearly remittance & lend to relatives without interest	-0.34
Yearly remittance & others	-0.06
Yearly remittance & proportion of income come from remittance	0.33

Annexure-2: Maximum, Minimum, Average, Standard Deviation of Remittance Usages and Others Variables.

Usages/Variables	Minimum	Maximum	Average	Standard deviation
Total remittance up to 2016 (in millions)	0.02	200	10	93
Yearly remittance (in millions)	0.02	15	5	90
Total income from yearly remittance (%)	10	100	51	29
% of Remittance in total consumption expenditure	10	95	60	52
Utilization of Yearly Remittance				
Daily consumption expenditure (%)	14	96	25.6	40
Educational expenses (%)	2	70	10	22
Health expenditure (%)	1	20	2	45
Dwelling expenditure (%)	1	32	4	65
Purchase of land for dwelling (%)	2	17	3.5	60
Purchase of apartment (%)	1.5	20	4	61
Ownership in shopping mall (%)	1	15	2	50
Investment in small business (%)	2	34	5	72
Investment in community centre (%)	1	15	2	60
Contribution for rural development (%)	0.5	6	1.6	32
Expense for sending of relative abroad (%)	0.5	32	2	12
Savings at bank (%)	5	95	8	27
Investment at real estate (%)	2	25	6	12
Traveling expenditure of children to go educational institutions (%)	0.5	10	0.5	40
Legal expenditure (%)	0.01	6	0.5	11
Donation to religious institutions (%)	0.01	10	1	30
Investment in hospital /clinic (%)	1	18	1.3	41
Investment in restaurant & tourism (%)	1	5	1.5	40
Help to relatives (%)	0.1	5	1	38
Investment in stock market (%)	2	30	7	63
Investment in large and medium businesses (%)	0.10	10	1.5	40

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Purchase of land for agricultural purpose (%)	0.1	57	5	20
Repayment of debt (%)	0.5	10	2	40
Petty expenditure of children (%)	0.1	4	0.5	60
Lend to relatives (%)	1	13	2	40
Others (%)	0.1	2	0.5	60

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