

SOCIO-ECONOMIC IMPACTS OF MIGRATION AND REMITTANCES: EXAMINATIONS OF HOUSEHOLDS IN GOHATSION TOWN, OROMIA REGIONAL STATE, CENTRAL ETHIOPIA

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ABSTRACT

This study examined the sustainable impacts of migration and remittance of oversea emigrants in strengthening the ability of their left behind families in Gohatsion town to protect against social-economic discomforts of life. One hundred sixteen emigrants' families were accessed for questionnaire survey through snowball sampling methods in two kebeles of Gohatsion town. Socio-economic sustainability is measured here by means of its impact indicators, which include income, issue of employment, health, education and asset building in migrant families. The study showed that the significant or sustainable development impacts of migration and remittances primarily depends on conditions of migrant sending households and as well as the migration situation. Migration has been increasing its importance and relevance to the social, economic and environmental dimensions of sustainable development, as well as for its influence on the study area in Gohatsion town in particular. The study suggested that policy makers should design development policies that integrate migration policy more explicitly with in a broader context of economic and social development framework.

Keywords: Labor Rotation, Financial Enablement, Opportunity and Sustainable Development

INTRODUCTION

Labor migration from developing to developed countries has augmented both in number and diversity. The intention for migration varies among individuals from seeking decent work opportunities and higher quality of education, to escaping conflict and violence. However, one thing that all migrants have in common is the goal of safeguarding a better future for themselves and their respective family by achieving human prosperity. Michele Klein-Solomon of the International Organization of Migration, (IOM) provided further analysis on the contribution of migrants to sustainable development, claiming that “Global migration contributed to global gain of \$356 billion difference in wages, decreased unemployment and enriched human capital”. In this regard, she identified migration as a tool to foster sustainable development at a global level in the light of the United Nations Conference on Sustainable Development UN (2012).

International Focus is shifting from the negative effects of migration towards the realization of migrations potential to contribute to sustainable development and poverty reduction. As the UN prepares its post 2015 development agenda, there is a growing consensus that migration should be integrated in to development agenda. It is clear that migration can contribute significantly to poverty reduction and sustainable development; many of the processes underlying these development linkages can be expected to increase in the future and migration can also contribute to wider development goals such as access to education and health and the empowerment of women Koser (2013).

Recently, international migration has become a strategy for individuals and families in developing countries to cope with poverty and economic crisis (Kirru, 2010). According to Johnson (2012) report climate change consequences will have detrimental effect on migration. “By 2050, some 200 million people may be forced to leave their homes due to environmental degradation and water shortages caused by climate change”, stated Cecilia Martinez de la Macorra, Director of the UN-Habitat/ New York Office. Like other developing countries, Ethiopia is also challenged by different migration pattern and dynamics, which have significant political and socio-economic contribution for the country. The country has one of the highest African labor migrants. According to Dejene (2005), international migration is increasing starting from the late 1970’s, which is the result of the political instability at that time. Nowadays, many Ethiopians, skilled and unskilled, cross border to different countries legally and illegally looking for better economic opportunities.

However, while migration originating from relatively poor to rich countries is well known, very little is known beyond anecdotal information about the large number of Ethiopians in such countries and the impacts of remittances they send back home to change the life of sending household. The remittances the migrants send to their home country constitute a large amount of foreign exchange used for alleviating their social and economical problem at the household level. It also adds to the stock of international foreign exchange reserve of the country leading to macroeconomic impact such as economic growth. Turning to Gohatsion Town, where this study has been based, there has been substantial increase in the number of people migrating oversea through legal and illegal ways from the town. This research, therefore,

studies the impact of migration and remittance on the socio-economic improvement of sending household after migration of household members.

Despite little investigation on its value, the impact of the inflow of financial remittances is substantial in Ethiopia (Reinert, 2006). Some research has shown that remittances play a large role in financial household dynamics in Ethiopia. It is mainly used as risk-reducing instruments and as insurance against external shocks (Dejene, 2005). Bigsten, Kebede and Shimeles (2005) investigated income dynamics in Ethiopia for the period 1994-1997 and concluded that households in Ethiopia relied heavily on remittances in that period. In 1997 remittances were the primary source of income for 22 percent of the households in the sample in Ethiopia. Moreover, the mean share of household income provided by the remittances was 25 percent in that year. For the poorest quintile, remittances constituted almost half of the household's total income. Migrants contributed to the development of communities and states as long as policies encourage their social and economic integration both in less developed countries and in most developed countries.

Objectives of the study

The overriding objective of the study is to investigate the socio-Economic impacts of migration and remittance at the left behind household members

More specifically, the study intended to achieve the following objectives:

- To evaluate the role of remittances to generate income, to improve food consumption, access to health and education
- To assess to what extent remittance brought impact at household level, to own asset and establishment of business ownership
- To assess adverse impact of household members migration on the families left behind.
- To develop policy recommendations aimed at addressing or reducing the negative effects of labor migration on migrants' households.

RESEARCH METHODOLOGY

The study was carried out in Gohatsion town, which is found in North Shewa Zone of Oromiya State of Ethiopia between 09°48N to 10°01N Latitude and 38°14E to 38°34E Longitude (Fig.1) with the altitude of 2495 meter above sea level and the total projected population of 7202 (OBFED, 2011).

The majority of the people in the town are driving their livelihood by undertaking small and medium trade, government employment, receiving internal and international remittance and farming in the surrounding areas. The major trade undertaking in Gohatsion town includes small scale trading, retail trading, cereal marketing and livestock product marketing

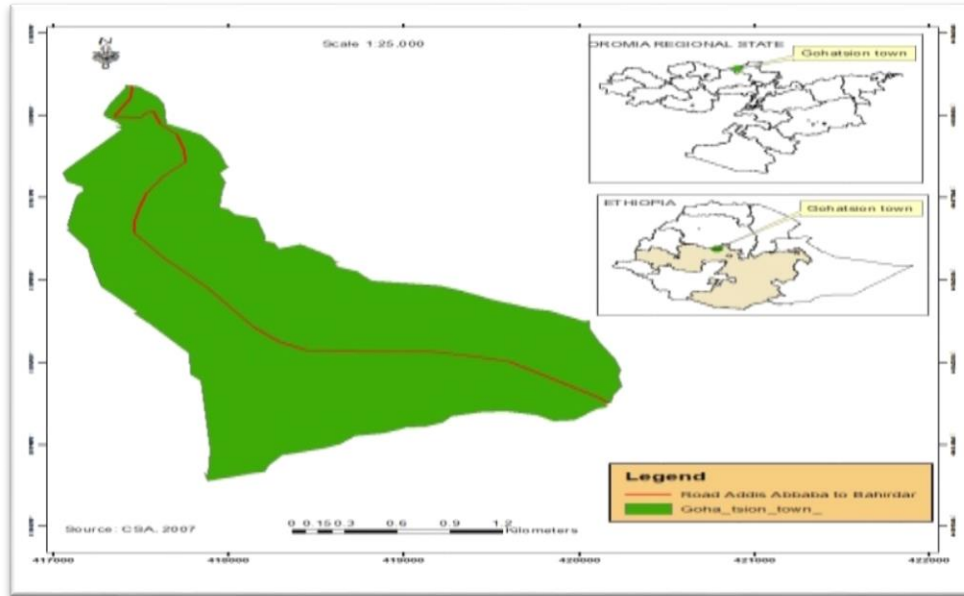


Figure 1: Map of the study area

Method of data collection and Data analysis

This study was based on mixed qualitative and quantitative of data generation approach. In addition to the survey questionnaire, various qualitative methods such as case studies, and key informant interview were utilized to gain a deeper understanding of the socio-economic impacts of migration and remittance on sending household. The quantitative data collected through household survey were entered in to the computer using SPSS Version 21 package and Micro soft Excel. Descriptive statistics such as tables, frequencies, percentages and averages were used. This was crucial to point out differences between the socio-economic statuses of the migrant-sending households before and after migration statistically. Here, migration costs, differences in incomes and income sources, educational levels, share of remittance spending, etc were calculated to scrutinize the differences that may have been caused by migration. Statistical technique such as Pearson correlation, and linear regression models were used to process the data for examining the study questions. Qualitative data were organized, summarized and interpreted by the researcher manually, which then employed description and narration.

RESULTS AND DISCUSSION

Socio-demographic profile of household head and migrants

Sex composition

Sex is one of the most important socio-demographic factors when talking about migration motive and decision, as well as its end uses. As shown in figure 2, out of the total survey respondents 59.5% were females while the rest 41.5% were males.

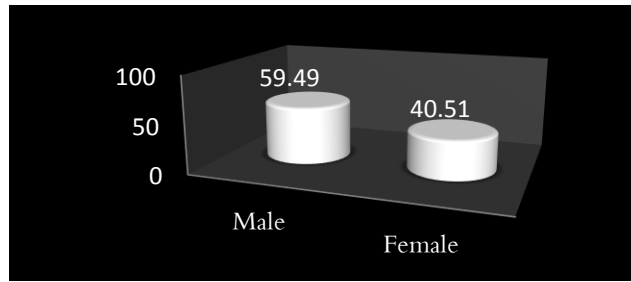


Figure 2: Sex composition of the household head

Source: Household survey, February 2015

As one can see men were the Largest in number in migrating than females. This is true in many places of our planet. According to UNDP report in (2009) the same features were observed in many countries. Reasons may be many in number. Among these males ability to resist hardship and females high hospitality and care for family members at home can be among the reasons.

Age structure of the migrant household head

As Figure 3 depicts more than 73 percent of the respondents were above age 39, at this age people can manage property properly, able to analysis the importance of money and effectively to manage remittance and related issues. This age is crucial for most people be calm in character and in money handling.

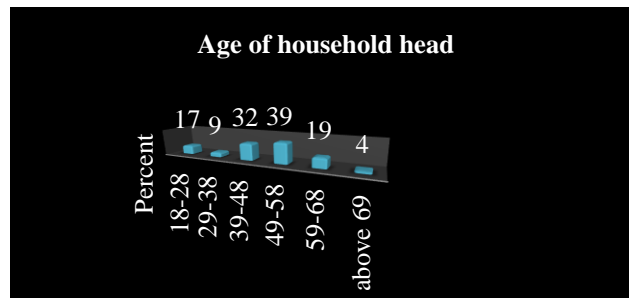


Figure 3: Age Range of household

Source: Household Survey, 2015

Educational level of household head

Table 1: Educational level of migrant household head

Education of household head	F	%
Illiterate	61	52.58
Grade 1-4	33	28.4
Grade 5-8	14	12
Grade 9-12	3	2.58
Above 12	5	4.31

Source: Household Survey, 2015

As Table 1 portrays about 52.5% of migrant household were illiterate, while the remain 28.4 %, 12%, and 2.58 % completed up to grade 1-4, 5-8, 9-12 and under graduate and graduate studies educational level respectively. Most of the migrant's families were less educated with less opportunity to be hired in any governmental and private job places.

Relationship with migrants

Table 2 represents that 10 husband/wife were low in percent 8.62% while 53 daughter or sons, 13 parents, 37 sibling and others were making 45.68%, 11.20%, 31.89% respectively. The remain 3 (2.58 %) represented relation like aunt, uncle, cousin, etc. This may represent the lowest number of which true in most human relationship. Youth migrants were taking risk of traveling long distance for better life for themselves and relatives.

Table 2: Relationship with migrants

Relationship with migrants	F	%
Daughter or sons	53	45.68
Parents	13	11.20
Sibling	37	31.89
Husband/Wife	10	8.62
Others	3	2.58
Total	116	100

Source: Household Survey

The study revealed that each respondent household head, during the survey period, had at least one household member departing from the family. In most cases, migrants were sons or daughters of households head and were the only income earners in the sampled households. In fact, many household reported that they have two or more family members abroad; as, such the number of migrant family members of the 116 respondent household heads was 155. It was very common for many households to have two migrants in Saudi Arabia and other Middle East countries.

Age of the migrant at initial departure

Table 3: Age of the migrants

Age of migrant	F	%
18-28	65	56.03
29-38	35	30.17
39 -48	13	11.2
Above 49	3	2.58

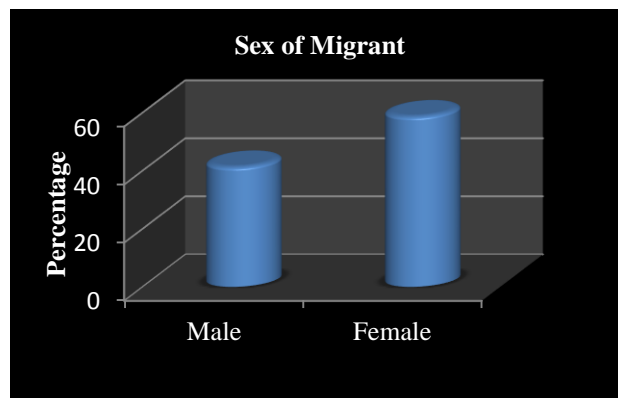
Source: Household Survey, 2015

As the Table 3 illustrates, 56.03% of the migrants were in between 18-28 years of age. Naturally this group of people was more dynamic and productive in nature. The number of migrant above 49 year comprise 2.58 %. These groups of people are less risk takers or fill more responsibility than the remained groups of people. Here we can observe the younger are more migratory and more favored to migration than the older.

Sex of the migrant

As can be seen from Figure 4, most of the migrant from the study area were predominantly female, which accounted more than 58.7% to the total while the male accounted 31.3 %. This may be the result of social attitudes changes in the society and run away from economic independence towards self supporting and improving the states of their families. In other side it is probably an indication of the weakening of the social pressure that restricted female migration.

Figure 4: Sex composition of migrants



Source: Household Survey, 2015

As Fernandez (2011) pointed out the migration of young women as domestic workers to the Middle East is embedded in a strong cultural expectation that they will provide for their natal families.

Education of migrant

Educational attainment plays a pivotal role in shaping migration behavior. Among the respondent, 22.83 % of the migrant worker attained 9-12 grade. Whereas 10.83 % of the migrant had attained 1-8 grade and only 56.64% did their tertiary education while the remained 9.67% were either illiterate or barely illiterate.

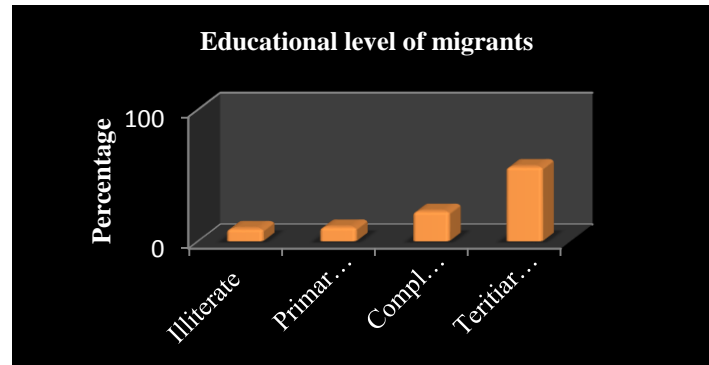


Figure 5: Education level of migrants

Source: Household Survey, 2015

As the Figure 5 illustrate more educated people were more bold enough to migrate than illiterate one. This may be because of networking, access to information, and knowing other places than less or no educated person. Study that conducted by Fernandez's (2011) reveals that 60% of Ethiopian migrant to Middle East countries were high school graduates.

Approximate annual income of the household before the Emigration

Table 4: Annual income of the household before and after Emigration

Household income	Annual Income Before Emigration		Annual Income after migration		
Section A	F	%	Section B	F	%
Below 10000	30	25.86	Below 10000	1	0.86
10001-20,000	78	67.2	10001-20000	9	7.75
20001-30000	7	6	20001-30000	30	25.6
30,000-40000	1	0.86	30001-40000	53	45.68
40001-50000	-	-	40001-50000	11	9.48
50,001	-	-	Above 50001	12	10.34

Source: Household Survey, 2015

Table 4 is depicting the two income situation of remittance receiving household before and after migration. It is clear from the data that there has occurred great change in the economic status of the emigrants' families after the receipts of remittance.

Migration

As Table 5 .indicates questions were given to respondents to know their reasons for migration and responded as follows. For not having job 32%, poor socio economic status 27.58 %.,desire to work abroad15.51% and diversity Visa of U.S. accounts 2.58% of the respondent .From this it is possible to conclude that an employment and poor socio economic status were the most dominant while diversity Visa of U.S. remain the least .

Table 5: Reason for migration

Reason	Frequency	Percent
Lower economic status of family	32	27.58
Lack of employment	38	32.75
Desire to work abroad	13	11.20
Unsatisfactory income	12	10.34
To earn money	18	15.51
Other	3	2.58

Source: Household Survey, 2015

The legal status of the migrant was also of interest for this study, it has been found that over 92% of the migrant who send remittances have legal status in the country they reside. However the remaining migrant have no a visa permit in the country of residence.

The Key informant interviewees from the woreda also justified the same. On male migrant I found in the study area also supported the finding saying the followings.

“I did not have aspiration to travel and live abroad but the economic stress of family and being jobless in my place forced me to migrate.”

(Interview 1, February 2015)

Medium of migration

As Figure 6 illustrate means for migration were travel for education and work 63.78% ,marriage tie 1.72 % ,illegality as means of migration 31% , giving reasons to visit holy places and presenting tourist visa was 2.58% .

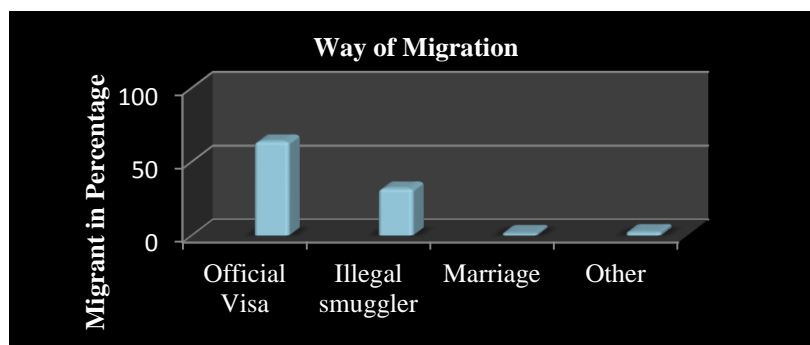


Figure 6: Medium of migration

Source: Household Survey, 2015

One key informant from the head of the police officer was asked whether he know means of traveling to another country of his fellow citizen for the last decade. He responded that their means of migration were illegality which can be facilitated by near and far brokers. Unfortunately I met one returnee and made an interview with him and asked what his means of migration look like. He boldly responded as follows

“Smugglers helped us to land in Saudi Arabia with the help of others. We were not having legal job place for the long period of time but practiced worked in a more illegal ways.”

(Interview 2, February 2015)

The result of interview indicated that most of the migrants were illegal in nature rather than being legal. Most prefer to travel to Saudi Arabia, and other Gulf countries than the western countries. This may be because of distance and less probability of getting resident and job permit permission in western countries.

Source of financing the cost of migration

Table 6 provides information about the ways through which migrants went abroad. Only 7.75% of respondents reported that their migrant families' member went abroad by their own personal effort. About 11.2% emigrant used household saving to finance migration. About 56% told that the migrant moved with the help of their kin or relatives; the other 25% reported that their migrant family member got cost of migration from sale of household asset.

As the returnee migrant responded a significant number of smuggling migrant funded their journey through the sale of asset or loan from relatives with in Ethiopia. The decision for young adult, therefore, is not just a personal decision but a strategic, economic and investment decision by other family members.

An in-depth interview from returnee migrant show that on average ,smuggled migrant paid ETB 40000-60000 as and the cost of boat to complete their migration process.

One of the returnee from Saudi Arabia crisis answered when he was asked about the repayment of his debts:

“I borrowed ETB 75,000 from my relatives to go to Saudi Arabia .I could not pay back any money and I had to come back because of Saudi government, now my family faced problems.”

(Interview 3, February 2015)

From an interview made with returnee migrant about source of migration reflected that they were travelled by smuggler and funded their journey through the sale of an asset or loan from relatives with in Ethiopia.

Table 6: Source of financing the cost of migration

Source of financing the cost of migration	F	%
Personal saving of migrants	9	7.75
Household saving	13	11.2
Sale of asset	29	25
Loan from relatives	65	56
Total	116	100

Source: Household Survey, 2015

Destination countries

As the figure 6 shows almost 49% of emigrants are living in Middle East countries .These countries was therefore the favorite choice of Ethiopian workers, mainly due to high labor demand that range from low to middle skilled workers. Proportion of emigrants living in North America was 21% and in African countries was 11%. Emigrant settled in Europe was 8% and in other Asians countries were 4%.

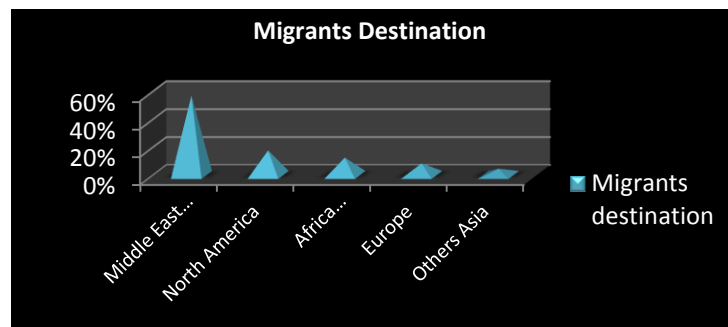


Figure 7: Country of migration

Source: Author's survey

Migrant Remittance

The amount of remittance received

The 116 household respondents were asked about the yearly remittance received by them from their migrant household member. Figure 8 illustrates that the yearly amount of remittance .the maximum and minimum ranges were ETB 80001-90000 and 5000-10000 respectively. The majority 37.12% were sent at a range of ETB 20001-30000 and the 5.8% highest range 80001-90000.

The size of remittances flows to individual migrant-sending household in a recent 12 months period range broadly, from as little as 5000 to as much as ETB 90,000, with a mean value of 22,980¹ Birr . However, the majority of families interviewed receive between 10,000-20,000 per year.

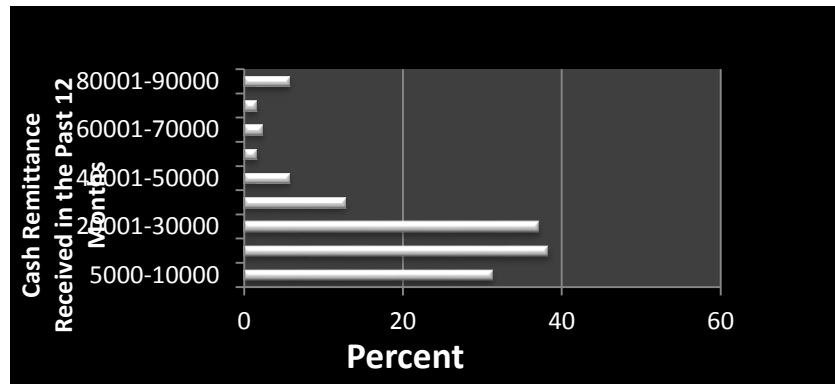


Figure 8: Cash remittance received in the past 12 months .Source: Household Survey, 2015

Medium of remittance transmission

So far as the by the channel by which the migrant send home money, Figure 9 shows different channels through which remittance is sent to Ethiopia from abroad. Out of total remittance, Banks are the main channels accounting for about 42.24 % of the total remittance, followed by Western Union with 30.17 %, friends or relative accounts 24.13 %, and the other 3.44% ,claimed the mix meant to delivered the remittance ,sometimes through bank and other time through friends or relatives .



Figure 9: Remittance sending Mode
Source: Household Survey, 2015

¹ The average yearly income in the sample is 22,980 Birr ,but it should be noted that the income variable contains some missing values Note: 1 ETB≈0.0497US\$

The interview made with returnee migrant and the Bank manager implied that the migrant preferred sending of remittance through friends or relative to banks because of the high cost of transfer to Ethiopia. The bank manager and returnee migrant suggested the implementation of mobile money transfer and mobile banking service

Asset before and after migration

Table 7 shows different durable consumer goods, considered as luxury items owned by the migrant’s family before and after migration .The respondents were asked about the ownership of different household items. The majority reported that they had blanket before the migration of their family members, and almost all the families owned this items at the time of the survey. The share of those who owned television was 29.3%, while 2.58 had sofa set and 38.79% mobile telephone;87.93%,38.79% and 95.68% respectively did so afterwards and hence demonstrated a considerable improvement of their living standards. More than half 55.17% possessed a computer after migration; a 21-fold increases as compared to the time before migration. Similarly the share of video camera owners increased to 54.31%.camera, refrigerator, jewelry, suit case, tape recorder, exception were electronic Iron where all household had no this asset before migration, but the share of household reach 50.86%.Regarding asset ownership and investment the highest proportion of returnee reported that they had accumulated assets and wealth after migration than before.

Table 7: Ownership of durable consumer good before and after migration

Items	Before migration	After migration
Television	29.31	87.93
Video camera	6.03	54.31
Tape recorder	29.31	54.31
Camera	4.31	64.65
Mobile telephone	38.79	95.68
Refrigerator	2.58	42.24
Jewelry	4.31	49.13
Blanket	100	100
Computer	2.58	55.17
Suit case	19.82	89.65
Electronic iron	0	50.86
Sofa set	2.58	38.79

Source: Author’s survey

Impacts of Migration and Remittances on Sending Households

Proportion of Remittance to household income

Some respondents were not willing to tell the exact amount of remittance send from abroad annually rather they were willing to disclose the estimated proportion of the remittance to total household income (Table 8).

Table 8: Proportion of remittance to household income

Proportion (%)	Frequency	Percentages
0	9	7.75
1-15	2	1.72%
16-30	5	4.31%
31-45	9	7.75%
46-60	15	12.93%
61-75	23	19.82%
76-90	33	28.48%
Above 91	20	17.24%
Total	116	100%

Source: Household Survey, 2015

Among those who reported the proportion as zero in the household response, were households who had not yet used remittance to uplift household income rather utilize to repay the loan borrowed for cost of migration. Surprisingly, the correlation test (Table 9) shows that there is a significant negative relationship between the amount of household income before migration and the proportion of remittance—the lower the household income, the higher the proportion of remittance in total household income. It indicates that in many families, migrants' remittances are the only financial option for the family's survival.

Table 9: Correlation of household income to proportion of remittance

		Proportion of remittance in the total household income (%)	Amount of household income before migration
Proportion of remittance in the total household income (%)	Pearson Correlation	1	-.831**
	Sig. (2-tailed)		.000
	N	116	116
Amount of household income before migration	Pearson Correlation	-.831**	1
	Sig. (2-tailed)	.000	
	N	116	116

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

Mode of remittance utilization

The survey found that most of the remittance is used to finance the immediate consumption needs of the households. Over 68.9% of the total cash remittances received are used for consumption, while housing 12% and debt repayment 6.1% are the second and the third most common ways to spend the remittances, followed by buy livestock 2.4%. About 1.3 % and 2.2 % of households report investing remittances in a business, and health respectively. Only 1.5 % of

households have invested remittances in social activities, and to enhance savings 0.6%. On the other hand, the survey revealed that about 3.5 % of household used remittance for education

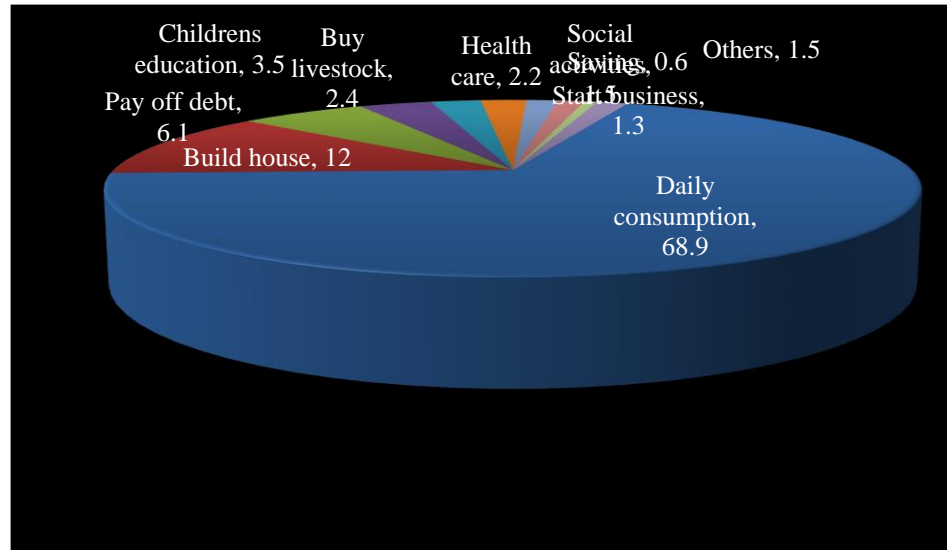


Figure 10: Mode of remittance utilization Source: Author’s surveys.

One of the remarkable finding of the survey that 1.5% of remittance receiving household spent the stupendous amount of remittance to support household members in driving, and other forms of technical and vocational skill (Figure 10).

Impact of Remittance on Consumption

The data derived from the study in the context of using remittances indicate that remittances were mainly used for family expenses which include food, clothing, and other day-to-day expenses. The research also found those households spend almost 68.9% of the amount they receive in remittance on consumption. This finding is consistent with similar research, in Ethiopia, which identified consumption as the major component of household expenditure (Lisa, 2013). The key informant interview results too proved that most recipients spend most of their remittance on daily consumption needs of the household.

Human Capital Formation Impact

Investment in human capital in the form of education and health-care was noticeable. If we consider Sen’s broader concept of human development where he defined development as the “*process of escalating the real freedoms that people enjoy*”—spending on education, health-care can also be seen as development as they also contribute to expand the freedom of the people (Sen,1999).Beyond poverty reduction at individual and family levels, remittances have been found to contribute more widely to sustainable development in a number of ways for instance remittance can contribute to human capital development (Ratha,2011)

Remittance spending on education of the household members at home was responded by 3.5 percent of the household heads. The result summary shows that remittances have very important role in, enabling household member students to continue their schooling in Gohatsion technical and vocational college or some other places by covering all costs and paying their educational fees so as to attend in university or college. Providing the students with better facilities which ranged from exercise books to computers was another education enhancing component of the remittances. Some research also consistent with this study, household that receive remittance invest more in education than the non-remittance receiving households as has been seen in Ethiopia where children's of migrants are likely to be enrolled in school (Ratha,2006).

In health care too, which accounts for 2.2 % of the remittance recipients, spent some of their remittance income for health care purpose. According to some respondents, remittances contributed to improved health of their families through improving indoor health care facilities but mainly for health care purpose.

In sum, the results of survey and key informant interview proved remittances' positive role in education and health of migrant-sending households at home. This study also found that remittances play a pivotal role in securing educational and health possibilities for migrant's children and contribute social sustainability of the sending household by enabling better life perspective for the children in the future.

A significant finding in this study on remittance expenditure was the repayment of debts used for costs incurred during the process of migration. Finding show that a large segment of remittances were received by some households, during initial two to three years of migration of their family member, was spent on repaying the cost of migration. After paying all debts or cost of migration, households could enjoy the real benefits of remittances. The tragedy is, in some cases the study found that households were coerced to pay tens of thousands for their family member in the hands of ruthless smugglers; they were forced to sell out their livestock and some other property. In such cases migration is fuelling their deterioration.

The decision of spending remittance on consumption and investment was found to be determined by different factors. Not all categories of households spent remittances on consumption and investment in an equal manner. Socio-economic status of migrant's households prior to migration played an important role in shaping remittance expenditure decision, for example, better-off migrant households could direct the remittances to advance their existing resources as they already had better access to resources prior to migration of their family member.

Another important factor in determining the remittance expenditure behavior was the alternative sources of earnings. The households with no other alternative sources of earning spent remittances mainly for maintaining their families, and thus had less opportunity to make saving or to use remittances in different productive activities Arif (2009). One remittance receiving household gave some insight in to the use of remittance in household to consumption, education, to save or business ownership:

My daughter remits money three or four times a year and the amount is not quite enough. I often used this money to cover basic living cost of our family.

(Interview 4, February 2015)

This statement provides evidences of the pattern of remittances use by a household who does not have any additional income, spends remittances only for meeting immediate consumption, and nothing is left for them to save and to invest.

Impact of remittances on housing

Beyond uplifting or enhancing income, remittance can also contribute to the ownership of and acquisition of asset in many migrant sending household specifically housing, land, animals, savings accounts and private businesses. However, findings show that remittances have only contributed to the acquisition of assets in a few cases, most commonly with housing.

Housing here included buying new houses and when it needed significant change and expense maintenance/upgrading of existing ones. In all cases, the differences in size and quality of houses with and without remittance investments are startling.

The most common the size and the quality of a family home is a visible ,public sign of their economic wellbeing .owing a large ,good-quality home is an important status symbol which families use to mark their privileged position in the community and which migrants use to demonstrate that their migration experience has been successful. In addition to improving a family's socio-economic status, homes of this quality help ensure greater physical safety and also improve people's economic security.

Housing absorbs the large portion of remittance flow as a form of foreign saving. The research by Nepal (2013) proved that after receiving remittances household were found changing their roof or repairing their floor, or even constructing a new house.

Key informant interviewee from the municipal of the town reported that housing is the most affected sector due to the migrants' remittance. Surprisingly, the number of houses and quality of houses is increasing from time to time.

Remittance Saving and Productive Investment

Migration remittance earning are now becoming one typical source of income at micro levels, due to which interest of government , academician and policy makers is growing. Because, migration benefits, mainly remittances have emerged as dependable source of livelihood for the migrant-sending households while serving as source of income and hard currency for the nations of the developing world (Nepal, 2013).

One and perhaps, sustainable way of using remittance is saving and then investing it in productive activities. International migration and remittance can have important benefits for home country development and contribute to the welfare of host of societies and investment funds can be provided (IOM, 2013). With this in mind, respondents were asked if their business were started by seed capital found from remittance, some of them already had it but used

remittances for business activities while others were newly entered into business using remittance income as their “start-up” capital. Dominant type of businesses reported were shops, followed by coffee houses, hair salon, barber, glass work, and hotel were also included.



Figure 11: Shibeshi Hotel in Gohatsion Town built by remittance receiving household (Photo by the writer pictured on 15 March 2015)

The households with migrants staying abroad for a longer period of time reported that they used remittances not only for meeting regular expenses, but also for saving and investing in different productive activities such as hotels, and in establishing small enterprises. As Figure 11 illustrates remittance receiving household participated in hotel industry and rented a part for a bank. As Figure 12 illustrates a remittance receiving household was also engaged in retailing and petty trade.



Figure 12: Remittance receiving household selling goods at his shop (Source: Photo by the researcher pictured on 16 February 2015)

In essence, it is possible to argue that the uses, saving and investment patterns of remittances are influenced by various factors. Socio-economic status of migrants’ families before and after migration, alternative sources of income, status of debts, and duration of migration all these factors appeared to have had impacts on determining uses and investment patterns of remittances by households.

Socio-economic benefits of migration

The socio-economic benefits acquired by the migrant's household left behind were examined in this study. The large majority of the respondents reported an improvement in all indicators of migration benefits, namely improvements of children's education, improvements of housing condition. Table 10 shows that 44.3% and 45% reported an improvement of children's education and housing to a great extent respectively. However 38% and 34% got an increment of food and improvement of asset respectively as well as other improvement also reported 55% increase of business income, 13% of employment opportunity and 25% health were to a great extent. On contrary, 5% of respondent got saving to a great extent. In all, 76% of the household respondent said their housing had improved to a great extent or to certain extent.

Table 10: Distribution of respondent's according to their benefits after migration (n=116)

Socio-economic impact	To a great extent	To reasonable extent	To some extent	No change
Improvement of children's education	44.3	31.3	14	10.3
Improvement of housing condition	45	37	13	5
Increment of food	48	22	18	12
Improvement of health	35	29	22	14
Improvement of asset	34	21	23	22
saving	5	7	45	43
Increase social status	20.3	41.3	23.7	15
Increment of business income	13	28	33	25
Employment opportunity	13	25	34	28

Source: Author's calculation from the surveys data

Socio-economic adverse effect of migration

It is well established fact that overseas migration has an effect on families left behind, positively as well as negatively. The families considered in the survey gained socio-economic benefits from the migration but at the same time, they also reported dimensions of adverse effects. Table 11 describes the various socio-economic problems they faced due to the absences of the migrants. 35% of reported that the behavior of children became bad to a great extent. Almost 54.7% of the respondents expressed that they felt loneliness to the great extent in their life after the migrant had left. About 46.3% of respondent said that in the absence of the migrants (usually a head of household head) the youth

became addicted to various drugs; and 40% of respondent faced to a great extent problems associated lack of parental control on children, where as 51.7 % of the respondents reported that the atmosphere in the family was seriously affected due to the absence of the migrant in the family. Similarly, 12% felt that there was lack of attention for education by the children and 44.3% and 31.3% faced to a great extent extravagant expenditure and personal insecurity respectively.

Table 11: Perceived problems faced due to the migration of family member (n=116)

Problem/disadvantages	To great extent	To a reasonable extent	To some extent	No change
Lack of parental control on children	40	35	15	10
Misbehavior of children with family.	35	21	19	24
Drug addiction	46.3	34.3	15	4.3
Extravagant expenditure	44.3	28.7	23.3	3.7
Unpleasant social atmosphere in the family	51.7	37	6	5.3
Loneliness in life	54.7	27.3	6.7	1.3
Personal insecurity	31.3	48	13.7	7
Lack of attention for education by children's	42.3	25	19.3	13.3
Unable to pay back the debt or loan	31	35	23	11

Source: Author's Survey

One of the greatest problems created by labor migration is its disruption of the family life. These include family conflicts between spouses, between children and parents and between siblings arising from, among other things, the use of remittances, are common. Most migrant household members became dependent on remittance for their livelihood. The lack of parental supervision can also lead to alcohol, chat and drug consumption children and to irresponsible behavior. It has already been mentioned that this study revealed that a large portion of total earning of households studied in this study was derived from remittances.

One Muslim woman who was a returnee from Saudi Arabia crisis was embittered when she was asked about the problem she has observed in household after her return:

“My family was very dependent on my earning, when I came back from Saudi Arabia, I could not bring any money with me. I felt sad too, and they could not save my money. I found my two brothers addicted in chat and alcohol.”

(Interview 5, February 2016)

In another interview, a returnee migrant said:

“Before my departure to Saudi Arabia I was a merchant I had a small shop. I could earn enough money. But I used my capital to go to Saudi Arabia where I obliged to comeback to Ethiopia; I never even got my salary and could not cover my expense.”

(Interview 6, February 2016)

As IOM report reveals large number of Ethiopian women die while working in Arab states as temporary workers, or return home evidencing broken limbs, acid burns and other physical abuse (IOM, 2010).

In most cases, migration of household members abroad had put a fear on families left behind. As surveys shows that anxiety and fear is becoming the most common feature of migrant sending household.

One migrant sending household head described her fear when she was asked about the current problem associated migration as follows:

“Two of my daughters have been in Yemen. They used to call me every week, but now since the civil war begun in Yemen. I have never heard about their life”

(Interview 7, February 2016)

More recently the psychological stress and anxiety are also linked with increased crisis, deaths and attacks by terrorist and the native people on the way and in migrant receiving countries, and associated with it frequent cases of deaths among labor migrant from Ethiopia. As was broadcasted by Aljazeera International, within the first four months of 2015 had counted 30 deaths among Ethiopian labor migrants in Libya and some other attacks Ethiopians in South Africa, and most of them were killed inhuman attacks. On April 19, 2015 ISIS took the responsibility for executing murder of Ethiopian migrant in Libya (Aljazeera International, 2015)²

Nowadays, most smuggling migrant and some others legal migrant from African countries are deporting to Ethiopia. Local and international experts name labor migration a tragedy for the people of Ethiopian. Besides, these events

² Televised on April 19,2015

indicate the increasing number of death among migrant and insecurity for migrant to work and collect money in receiving countries.

Satisfaction with the current government measures on migration

As Table 12 indicates 52.5% of respondent were not satisfied with current government measures on migration policy for work and 25% were satisfied by the measure taken by government, where as 6.8% had know nothing about the current situation.

Table 12: Satisfaction with the current government measures on migration

	F	%
Yes	45	38.79
No	61	52.58
Don't know	8	6.89
Total	116	100

Source: Author's survey

Returnee migrants felt that the Government should provide foreign employment opportunities for unemployed citizen. Returnees also suggested that employment opportunities needed to be expanded to other countries, so that migrant could earn higher incomes. Accurate information should be provided before migration so that migrants are aware of the types of employment opportunities, terms of employment and pay, and ways of remitting the money and getting support during problems. They also suggested that travelling for them should be made safe and easy by; strengthening the cooperation with migrants' destination state for genuine migrant workers; and, most importantly, lifting the ban on legal domestic employment in Gulf countries.

They also felt that migrants should be provided with language and skills training before migration through the establishment of better training institutions. They would prefer the Government to establish a system for overseeing every migrant's problems in the country of employment and to ensure the effectiveness of Ethiopian Embassies. They also stressed that Ethiopian Embassies should maintain proper data on all migrants in foreign countries.

The above opinions comprise different aspects of labor rights such as, the right to employment opportunities in the global market, the right to information and human resources development, the right to safe migration and secure employment, and the right to safe transfers of remittances.

Some returnee migrant were also informed exploitation of labor emanates due to lack of standardized contract between the employee and employer .Most of the time, domestic workers do not signed the contracts that properly describe their right and responsibility.

Even some returnee migrant informed that in Saudi Arabia the contracts signed by migrants in the home country are often confiscated when workers arrived and were replaced by Arabic language contract with different terms. This

implies the contract and an attempt to protect the rights of the migrant workers in Ethiopia ineffective. Domestically, initiatives should be undertaken to strictly identify and punish illegal employment agents or brokers.

Household’s perception of future migration

The majority of household head did not support illegal worker migration for foreign employment in current situation (Table 13).The reasons given by the household for opposing members to not migrate were a fear of insecurity in a foreign country.

Table 13: Perception of future migration through legal ways

Household response		
	Frequency	Percentage
Yes	63	54.3
No	41	35.34
Not decide	12	10.34
Total household	116	100

Source: Author’s survey

Majority of returnees would not like to migrate through illegal ways again. Reasons given were that they had suffered discrimination and insecurity on the way to and while working in receiving countries. Those who were not willing to migrate again reported that they had started their own businesses that now and had enough income for the family’s survival and therefore did not want to leave home or the country again because they did not want to die in a foreign country.

On contrary, some returnees felt they now had better language competency and vocational skills, so they could earn more if they re-migrated in legal ways. Nonetheless, the majority would not like to migrate illegally unless the current instability is solved.

Determinants of household income

First and foremost, the overall significance of this specific model of income per capita in household was tested with ANOVA as follows.

H0: $B_1=B_2=B_3=B_4=B_5=....., B_9$ i.e. There is no linear relationship between the predicators and the responsive variable.

H1: $B_1=B_2=B_3=B_4=B_5=....., B_9$ i.e.: At least one predicators determines the responsive variable

Adjusted R² is 0.832 and therefore the selected factors explain 83.2% from the variability of individual income .

Table 15: Summary of the results of the regression model

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
	.912	.832	.817	.19537	.832	58.207	9	107	.000

Table 14: Test of the model : ANOVA

	Sum of Squares	df	Mean Square	F	Sig.
Regression	19.995	9	2.222	58.207	.000
Residual	4.046	107	.038		
Total	24.041	116			

As indicated in Table 14, the overall significance of regression model income distribution was found to be statistically significant with F ratio=58.20 and $\alpha=0.00$. This indicates that at least one explanatory variable is different from zero and determines variations in the dependent variable i.e. Yearly income per head

Other than the dummy variable capturing country specific effects, the rest of the variable used in the study were taken in the natural logarithms. This natural logarithms transformation enables the regression to yield elasticities that are interested as percentage. Since VIF for all the variable in the equation are less than 10, there is no multicollinearity.

As indicated in Table 15 all the explanatory variable selected for the model explained about 91% ($r=0.91$ and $r^2=0.832$) of the variation in the per capita income availability. $R^2>0.4$ the model is regarded as best fit model. Among explanatory variables, family size(x3), natural log of remittance in year(x6), and number of migrant in household(x7) was found to be the major determinants of per capita income of household in the study area. The association of these variables is found to be statistically significant at 99% confidence level.

Table 16: Summary of the results of the regression model

Model	Un standardized Coefficients		Standardized Coefficients	t	Sig.	Co linearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	7.164	.503		14.234	.000		
Sex of household head	.051	.044	.055	1.152	.252	.704	1.438
Age of household head	.015	.058	.011	.258	.797	.949	1.053
Family size	-.641	.069	-.491	-9.419	.000	.551	1.815
Educational status of household head	.011	.020	.022	.544	.588	.917	1.090
Natural log of household yearly income	-.001	.021	.002	0.056	.955	.367	2.724
Natural log yearly remittance	.276	.036	.457	7.568	.000	.264	3.792
Number of migrant in household	.148	.049	.171	3.022	.003	.493	2.027
Legality of migrant	-.036	.084	-.039	-.429	.669	.187	5.397
Loan repayment	-.162	.078	-.178	-2.079	.040	.217	4.641

Here the reduced model of the regression analysis is found to be:

$$Y = \alpha - 0.641x_3 + 0.276x_6 + 0.148x_7 - 0.162x_9 + \epsilon$$

This reduced regression model indicates that per capita income distribution decreased with the increasing of family size of emigrant household. Analysis of the loan repayment of household, a dummy variable in this analysis, indicates that the per capita household income distribution of household members who has loan repayment is 85% smaller than that of the households who have no loan repayment. This is because $(e^{-0.162}$ where $e = 2.718282$) gives 0.850441. On contrary, number of migrant in the household and yearly household remittance received determined the response positively. An increase of a number of migrant in household and income remittance per head increased per capita household income distribution by 14.8% and 27.6% respectively. This study found that the number of household members employed is positively correlated with the non-migration scenario, since the lack of local employment opportunities is one of the major drivers of migration.

This theory consistent with the theory of New Economic of Labor Migration that defines migration as a household rather than an individual decision, taken in order to maximize income and minimizes risks for the family income. The

more earning the family receives locally, the lower their members would risk stability of the households by searching for alternative income abroad.

Educational status of household head and sex of household head determined the responsive variable positively though the relationships are not significant at 95% confidence level. The finding on the relationship of gender and income reinforce the idea that household who are headed by male tend to have lower per capita income compared to female headed households. Study by Geovana, German and Andreas (2008) found cases where female headed households are better off because of the expansion or start up business and retail trade.

On the other hand, age of household head determined the per capita income distribution of remittance receiving household negatively. This study was consistent with Nepal (2013), she reported that the likelihood of receiving remittance by elderly household head is lower than the younger household head. Similarly, yearly household income and legality of migrant determined the per capita income distribution of sending household. This study found that the strong relationship between the legal status of migrant at destination and per capita income at the origin. The regression analysis shows a decline of per capita income with illegality of migrant at destination and a decrease of yearly household income at home. This fact was also supported by a series of interview and case studies which enabled the researcher to conclude that these household have not yet improved their socio-economic wellbeing.

CONCLUSION

From general perspective, this study found that migration and remittances can have mixed impacts on migrant sending households. Migration and remittances are indeed are instrumental for the goal of achieving economic and social sustainability of the sending household .They allow to raise financial insecurity of emigrant family thus enabling them to escape series financial constraints ,which otherwise might be unavoidable. Remittance plays a pivotal in securing educational possibilities for migrants' family, thus providing the background for their fulfillment and professional self-realization in the future.

In case of some needy households, remittances constitute the major and only source of earnings. It helps them to sustain their livelihood and improve their living conditions, as it opens up avenues for families to invest on health care and other family welfare activities. Remittances help the households to overcome the capital constraints to save and to invest in different productive activities, such as shops, hotels and other business which diversify the sources of income.

However, in case of some others households, it was observed that the migrant households are highly dependent on remittance for their livelihood. But the flow of remittances is not a sustainable source of income. Migrant from Ethiopia mainly go abroad on short term employment .After termination of employment contract or incase of occurrence of any adverse situation in the destination country ,they must return home ,which immediately impacts the current flow of the household income.

The sustainability of migration impact was also affected by the problems migrants families faced from labor migration as high dependency of migrant's households on remittances and their vulnerability to adverse risks associated with job loss, accident, illness, death, etc. of their migrant household members abroad. Amazingly, the excerpt from returnee migrant and household head clearly indicates that migration for work is not an option to undertake unless the current problem related migration is solved.

To conclude, the migration and remittance affect significantly the migrant sending households, but the extent to which they can contribute to sustainable development depend on many factors. This study gives an indication, with in limited scope, of how these factors interact. This may not represent the homogenic picture for the entire country. However, for migration and remittance to be more sustainable and fully meet the expectation of beneficiaries there is a need to consider the recommendation below in to future country's development policy.

RECOMMENDATION

As analysis show labor migration from the study areas along with positive effects (improve income, human capital developments, and asset building, start up business, etc.) causes many negative side effects on migrants' family life. It also becomes a human made disaster for the people and government of Ethiopia. Recently, many researches revealed the negative effects of labor migration bring tragic and long lasting consequences. Therefore, policy makers need to rethink the role of migration for the socio-economic development process in both countries of origin and countries of destination .International focus is shifting from the negative effects of migration towards the realization of migration potential to contribute to sustainable development and poverty reduction IOM (2013).

To address the negative consequences of labor migration on migrants' families, and migrant mainly to avert vulnerability to adverse risks, high dependency on remittances etc., the study provides useful data for adopting current government policies in law enforcement, banking policies, and economic policy.

So that the following policy recommendations should be taken into consideration of the Government of Ethiopia in short and long-run perspectives:

Expanding of employment opportunity

The Government of Ethiopia should shift its focus in designing economic opportunities for its population within its borders through creating new types of economic activities and supporting enterprises of small and medium businesses. It is particularly justified by the findings presented above that labor migration causes death and discrimination on migrant, psychological and other problems on the sending families. The domestic employment policy should be focused to maximize local employment and minimize the flow of population abroad, consequently reducing the negative effects of labor migration on families and community lives. This can be done through encouraging international investment into national and local economies, providing favorable micro-credits for opening small and medium businesses.

Regular monitoring of political situation, economic crisis in Asian and other destination

Since political unrest, terrorism, and illegal smuggling has so far affected Ethiopian labor workers in terms of death, or return of migrant, there is a need to regularly monitor the situation and to avert the harsh consequences. This should be done so that migrants could be assisted in a timely manner if the situation changes or deteriorates.

Financial literacy

Short term training for migrant and their families particularly need to be encouraged the productive use of remittance. These training could include dealing with banks and investing in different saving schemes.

Lowering the cost of remittance transfers

The finding of this study regarding to remittance transaction have important policy implication for Ethiopia. While the data available for these analyses did not allow representing the amount of remittance sent by informal channel to the country, it provided some evidence that most migrant had not used formal remittance transaction from abroad. So that, the government need to create international remittance network which can has achieved the goals of facilitating remittance flows and lowering transaction costs by generating competition and also raising awareness among senders and receivers of remittances about the various options available. Efforts such as these along with improved monetary policy and exchange rate stability have helped reduce the size of the informal remittance sector in Ethiopia, whereas in certain remittance-receiving regions, most severely in Sub-Saharan Africa, financial instability has caused nearly 75 percent of remittances to be sent by migrants through informal channels.

Enforcement of migration law

Ethiopia is facing pressing problem of illegal migration among youth. This situation was exacerbated by illegal employment agencies or brokers. If we look at Article 13 sub 2 of the Private Employment Proclamation of Ethiopia, it clearly stipulates that employment agencies can not receive any payment in kind or cash from workers and doing so is good cause to cancel or suspend their license. However, due to the lack of proper enforcement of the law, there were many illegal agents engaged in illegally sending workers to the Middle East and other countries. Domestically, the Ethiopian government should work hard to strictly identify and punish illegal employment agents or brokers.

Emphasizing and exploring investment opportunities

Despite the difference in size, migrant sending household receives remittances and spend these funds for household consumption. Most households may not have information about investment opportunities, so there is a need to explore these in high-migration areas. It is also important to provide migrants' families with investment-related information, and women in particular to encourage their empowerment. In addition, there is a need to further determine which areas could benefit from investments.

Creating awareness

As the study revealed migration was the family decision rather than individual. Households (and potential migrants) could be advised through media, local authorities and political and religious leaders to use only legal sources to secure employment abroad.

Intergovernmental cooperation

Ethiopia is a sit for Africa Union and embassies of different countries. Moreover, using its political and historical relation could work with labor exporting countries to improve the working condition of migrant in the destination countries. This can be done working with IOM and other organization, which could facilitate discussion and study on migrant sending and receiving countries. A cooperative approach to migration management could help developing countries to limit and reverse unsustainable form of migration and receive the support of countries of destination for the sustainable development of their human resources (IOM, 2013).

Ensuring Safety in migration

Returnee migrant and sending families expect the government to ensure safety in migration, job security in the country of employment, access to loans for migration, skill and language training, and consultations and counseling before migration.

Various measures are needed to overcome obstacles that hinder benefits of migration for migrants and families left behind. Migrants who have financial problem need to access to formal credit and training to enhance their skills to participate effectively in the labor markets. The bank may give loans at a reasonable rate of interest, using mortgages on lands or others properties as collateral .In this way migrant workers or their families will not have to sell their asset or property. More over in order to improve household indebtedness the costs of migration have to be reduced .Government should also encourage NGOs and private sectors to take up training programs targeted to foreign employment.

In a nutshell, migrations need to be made a part of development strategy in a ways that make oversea migration safe and to enhance the socio-economic status of the poor.

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