Rural Household Contribution to the Financial and Capital Market in Bangladesh: A Micro Level Study of Remittances from Italy

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Abstract

The present study investigates the investment variation of remittance determinants in terms investing in financial sectors and capital market in rural villages. Using micro-economic data from a survey conducted in 2013, multivariate analysis was carried out on 300 rural households. The empirical results show that the significance level and determinants vary from the investment in financial sector and specially investment in share market. The key determinants explore the household income and religions are strongly significant for the both sectors. In addition, investment in financial sectors is strongly significance with the household remittances, educational level of migrants and household heads; and household head relation to migrant. On the other hand, investment in share market is highly significant with the duration of migration, marital status and employment status of the household head. The study suggests that the very less number of household investing government promoting investment sectors which are specialised for the remittances receiving households.

Key Words: capital market, financial sector, remittances, investment, rural household, non-residence

JEL Classification: A12, C51, D19, E00, G00, H63, J00, R00

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INTRODUCTION

The investment environment is the state of the climate in which entrepreneurs operate. It is promoted by the state government and its relevant agencies to support entrepreneurs development. Developments in investment opportunities are beneficial to enterprises of all sizes enhancing their ability to access the market and make investment opportunities more lucrative. Thus, in turn, will be created local employment opportunities and foster economic growth. The investment environment includes factors of political, economic, financing and legal that encourages and set of conditions for the private and public sectors to invest and improve wealth.

The main prerequisite of having a healthy investment environment in an economy is the availability of financing facility for the existing and potential borrowers. Basically, two major sources of finance in any country are the banks and the capital market. Therefore, the proportion of bank-based financing and stock market-based financing differs from country to country and it also changes within a country in different time periods. In the context of Bangladesh's private sector distinctly depends on banks for finance. While equity financing from capital markets through the issue of shares is lenient whereas debt financing through issuing corporate bonds is almost non-existent. However, this is expected in Bangladesh insofar as banks' loan typically precedes equity and bond financing as the important source of financing when a country's economy evolves from agrarian and becomes more industrial and services oriented. Barth et al. (2006) explores that high income countries own 91 per cent of the world debt securities, followed by middle income countries (7 per cent) and low income countries (around 2 per cent).

The financial turmoil that happened in East Asia in mid-1997 taught the world that excessive reliance on banks as the primary vehicle through which savings are channelled to investment projects significantly exacerbates economic downturn when the banking sector suffers a financial crisis. In Bangladesh, the special characteristics of the banking sector include development orientation instead of commercial orientation, vicious cycle of non-performing assets, lack of enforcement of regulatory and supervisory arrangement, absence of good infrastructure, and lack of efficient human resources. In these inhibit banks' ability in prompt conversion of savings into productive investment. Therefore, these limitations of the banking sector of Bangladesh increase the importance of having a sound and organised capital market for fulfilling the needs of financing business activities.

However, well-functioning capital markets including equity and corporate debt markets are one of the most important factors needed to attract investors, both local and foreign. Wider emphasis on generating competitive and strong capital markets would ensure a sustainable flow of sufficient funds and efficient mechanisms for financing the private sector. The growing amount of literature in this regard favours the development of the capital market for long-run growth. According to Greenwood and Smith (1997) the capital market encourages specialisation as well as acquisition and dissemination of information, thereby reducing the cost of mobilizing savings and facilitating investment.

The Bangladesh capital market was extremely depressed due to mass exodus of investors from the stock exchanges after the share market disaster of 1996 and 2010. However, the market not yet regained some of its momentum in the last couple of years. Although, introduction of automated trading through electronic registration and transfer of securities, simplification of rules and regulations, and guidelines on corporate governance on compliance basis helped to regain such momentum. Even though, high market investor base, near-absence of solid legal protection for investors seem to act as barriers to mobilize adequate capital. Yet Bangladesh has been unable to entice any foreign portfolio investment.

However, corporate debt market is virtually non-existent in Bangladesh, although bond markets are a prerequisite for a country to enter into a sustained phase of development driven by market -based capital allocation. Eventually, domestic bond markets markedly increase the resilience of a country's financial system by allowing corporate borrowers to choose from a broader range of financial instruments to fund their operations and insulate them against external shocks by reducing a country's dependence on foreign funds. Inaddition, diversified sources of financing reduce firms' liquidity risk. According to Herring and Chatusripitak (2001), the absence of corporate bond markets may render an economy less efficient and significantly more vulnerable to financial crises. The capability of the US corporate bond market in tackling the banking crisis of 1980s is a constructive and shining example. The corporate debt market helped the US corporate sector obtain required finance at the time of the banking sector's liquidity problems.

Thus, the Bangladesh capital market till today is not broad or deep enough. The stock and bond issuers do not use the full potential of the market for raising equity capital by issuing shares or for borrowing funds by issuing corporate bonds. Therefore, savers feel uncomfortable in investing in Bangladesh capital market instruments. While they feel more comfortable in maintaining their savings with banks as Fixed Deposit Receipt (FDRs) and Savings Certificates. It shows that regulators fail to adequately address the problems faced by both the issuers and the investors. In this perspective, the present study investigates the highly migrant concentrate area in rural villages who have been receiving remittance from Italy and their cash follow investment sectors such as financial institute and capital market.

OBJECTIVES

The following specific objectives have been pursued in this study:

- To examine the structure of the existing financial sector of Bangladesh emphasizing on an organized capital market.

- To analyse remittances receiving in rural households in terms of investment in financial sectors and the capital market.

CAPTAL MARKET OVERVIEW IN BANGLADESH[4]

The capital market passed through a dull phase with declining turnover at the exchanges throughout the year notwithstanding Bangladesh Securities and Exchange Commission's (BSEC) legal actions against any malpractice, progress on demutualisation of the stock exchanges and tightening of some of the securities rules and regulations.

During the FY period of 2012-2013 General Index (DGEN) of Dhaka Stock Exchange (DSE) declined by over 4% from 4,573 on 30th June 2012 to 4,386 on 30th June 2013. Chittagong Stock Exchange (CSE) index was also down from 13,736 to 12,738, a drop of over 7%.

However, on 28th January 2013, Dhaka Stock Exchange (DSE) introduced two new indices incorporating the free-float methodology - DSEX (DSE Broad Index) and the blue chips DS30. The old DSE General Index (DGEN) has been replaced by the new DSEX and new blue chip index DS30 has replaced the old DS20 index. During the year ended 30th June 2013 DSEX (DSE Broad Index) of Dhaka Stock Exchange (DSE) was up by 1.21% from 4,056 at its inception on 28th January 2013 to 4,105 on 30th June 2013.

Turnover of DSE at Tk. 857 billion as against Tk. 1,171 billion in the previous year was down around 27%. CSE's turnover at Tk. 102 billion compared to Tk. 135 billion in the previous year was also down over 24%. Market Capitalisation at the close of the year ended 30th June 2013 stood at Tk. 2,530 billion (US$32.54 bln) as against Tk.2,492 billion (US$ 30.43 bln) at the end of 30th June 2012 registering a gain of 1.52% during the year. Share price movements of the largest contributors to market capitalisation were however mixed during the year.

Total number of listed securities at DSE stood at 304 at the end of the year made up of 251 companies, 42 mutual funds, 8 debentures and 3 corporate bonds excluding 221 Bangladesh Government Treasury Bonds. Number of shares, debentures, corporate bonds and mutual funds at DSE was 42,282 million and issued capital of these securities stood at Tk 434.21 billion as at 30th June 2013. Initial Public Offerings (lPO) by 14 entities tapped the market for around Tk, 9,104 million.

LITERATURE REVIEW

Investment and economic growth are always highly correlated. Economic growth might result from the quantitative or qualitative changes in factors of production or development in technology or a combination of both. The significance of the capital market lies in the fact that it is the primary source of external funds for corporate investment. A large number of recent theoretical contributions suggest that capital markets promote long-term growth. Well-established capital markets provide due return to prudently managed firms in the form of

[4] In this paragraph all data and information collected from Bangladesh Security Exchange Commission (BSEC), Bangladesh Association of Publicly Listed Companies (BAPLC) and Central Depository Bangladesh Ltd (CGBL) Annual Report, 2013

rising shareholders' wealth which may increase payment of managers. Hence it mitigates the principal-agent problem by aligning the interests of managers and owners, in which case managers strive to maximize firm value (Jensen and Murphy 1990).

The capital market contributes to economic development as it facilitates equity finance, spreads ownership among a large set of investors and thus mobilise the savings of the population, provides a mechanism for allocating capital to productive use and facilitates a nexus between the capital markets of a particular country and the markets of the industrial world (Ryrie, 1991). According to Demirguc-Kunt and Maksimovic (1998), a positive relationship between capital market activity and a firm's ability to grow through the external acquisition of funds. However, Bencivenga et al. (1995) formulate models where more liquid capital market (less expensive to trade equities) encourages investors to fund long-duration projects because investors can easily sell their stakes in the project if they need their savings before the project matures. Hence, liquidity of the market boosts economic growth by facilitating investment in longer-run and higher- return yielding projects.

On the other hand, Stiglitz (1993) argues that capital market liquidity does not enhance incentives for acquiring information about firms or improving corporate governance. While other studies, Shleifer and Vishny (1986) and Bhide (1993) argue that more liquidity reduces the incentives of shareholders to undertake the costly task of monitoring managers resulting in weaker corporate governance and slowdown in effective resource allocation and decelerating productivity growth. According to Corbett and Jenkinson (1994), while discussing the contribution of stock market to corporate investment financing, suggest that it was negative in the United Kingdom and only marginally positive in the United States during the 1970s and the 1980s.

Almost similar studies considering only corporate bond markets are not available, perhaps, due to absence of data as history of corporate bonds is fairly new. Nakamura (2002) empirically studies the determinants of the amount of outstanding corporate bonds of Japanese manufacturing firms consisting of firms in the manufacturing industries that are listed in the first section of the Tokyo Stock Exchange and finds that the quantity of public debt issued by firms is positively correlated with the quantity of bank loans and the reputation of firms. However, Barth et al. (2001) suggest that the size of a nation's financial market (the sum of bank assets, equity market capitalization and value of outstanding bonds) is positively and significantly correlated with its level of economic development.

METHODOLOGY

Both primary and secondary data have been used in this study. In line with the study focus, the selection of the study area in Bangladesh was based on the high incidence of household members migrating to Italy at the sub-district level (Upazila) and the prevalence of remittance-receiving households at the sub-sub-district level (Union Parisad). Shariatpur is located in the Dhaka division and in the greater Faridpur District. Among the households, a significant number of migrants are from Naria Upazila, Shariatpur District. Naria sub-district has 14 sub-sub-districts and Vogeshore union one of the sub-sub-districts, has been selected randomly as there is no available published data on Bangladeshi migrant workers in Italy. Emigration from Bangladesh to Italy is predominantly a rural phenomenon. Therefore, the fieldwork for this research consists of an ethnographic village study in Bangladesh with particular reference to remittance-sending migrant worker in Italy to bridge the micro and macro paradigms of migration and remittance and explore analytical insights into their determinants and impacts. In selecting a representative sample of the population, Krejcie and Morgan's (1970) recommendation was adopted in this study. After identifying the households with migrant members in Italy by conducting a broad population survey in the selected villages, a random sample of 300 households was chosen with each village share proportionate to the number of remittance-receiving households

Secondary data sources include World Development Indicators, International Financial Statistics, Asian Development Outlook, Annual Reports of Bangladesh Bank and Bangladesh Association of Publicly Listed Companies (BAPLC), including various reports and publications of Bangladesh Securities and Exchange Commission (BSEC), Chittagong Stock Exchange (CSE) and Dhaka Stock Exchange (DSE). The researchers have tried to use data sets spanning few years with some exceptions depending on availability.

ECONOMETRIC MODEL BUILDING

The regression models allow the assessment of the direction and strength of causality between the dependent and independent variables. The regression models were applied in the data analysis.

The regression models are:

$$\begin{aligned}\text{Invest\_Fin\_Sec} = {} & \alpha+\alpha_1\text{RmY}+\alpha_2\text{AGEm}+\alpha_3\text{EDUm}+\alpha_4\text{MARSm}+\alpha_5\text{YMIGm}+\alpha_6\text{LEGSm}+\alpha_7\text{NVISTm}+\alpha_8\text{AGEhh}+ \\ & \alpha_9\text{GENhh}+\alpha_{10}\text{MARShh}+\alpha_{11}\text{EDUhh}+\alpha_{12}\text{RELhh}+\alpha_{13}\text{EMPShh}+\alpha_{14}\text{RELMhh}+\alpha_{15}\text{HHsize}+ \\ & \alpha_{19}\text{Ln\_HH\_Incom}+e^1\text{--------(Regression Equation: 1)}\end{aligned}$$

and

$$\begin{aligned}\text{INVshare} = {} & \alpha+\alpha_1\text{RmY}+\alpha_2\text{AGEm}+\alpha_3\text{EDUm}+\alpha_4\text{MARSm}+\alpha_5\text{YMIGm}+\alpha_6\text{LEGSm}+\alpha_7\text{NVISTm}+\alpha_8\text{AGEhh}+ \\ & \alpha_9\text{GENhh}+\alpha_{10}\text{MARShh}+\alpha_{11}\text{EDUhh}+\alpha_{12}\text{RELhh}+\alpha_{13}\text{EMPShh}+\alpha_{14}\text{RELMhh}+\alpha_{15}\text{HHsize}+ \\ & \alpha_{19}\text{Ln\_HH\_Incom}+e^1\text{--------(Regression Equation: 2)}\end{aligned}$$

The identification of all these variables are given in Table 1 with the exception of the error terms e_1 and π_1 which satisfy the assumptions of

(i) zero mean, $E(e_1)=0$; $E(\pi_1)=0$

(ii) constant variance, $E(e_1)^2=\partial e^2$; $E(\pi_1)^2=\partial \pi^2$

(iii) no autocorrelation exist in the error e_1 and π_1 ; $E(e_{1j})=0$ and $E(\pi_{1j})=0$; where $1 \neq j$

Table 1: Specification of variables for multivariate analysis

	Group of variables	Name of variables	Identification
Regression Equation	**Dependent Variable**		
	Investment in Financial Sector	Invest_Fin_Sec	Numeric
	Investment in Share Market	INVshare	Numeric
	Independent variable		
	Individual characteristics (migrant and household head)	Annual remittance received (RmY)	Numeric (BDT)
		Age of migrant **(AGEm)**	Numeric (year)
		Education of Migrant **(EDUm)**	Numeric (coding)
		Marital Status of Migrant **(MARSm)**	Numeric (coding)
		Year of Migration **(YMIGm)**	Numeric (year)
		Legal Status of Migrant **(LEGSm)**	Numeric (coding)
		Number of Visit by Migrant **(NVISTm)**	Numeric
		Age of Household Head **(AGEhh)**	Numeric (year)
		Gender of Household Head **(GENhh)**	Numeric (coding)
		Marital Status of Household **(Head MARShh)**	Numeric (coding)
		Education Level of Household Head **(EDUhh)**	Numeric (coding)
		Religion of Household Head **(RELhh)**	Numeric (coding)
		Employment Status of Household Head **(EMPShh)**	Numeric (coding)
		Household Head Relation to Migrant **(RELMhh)**	Numeric (coding)
	Household Characteristics	Household Size **(HHsize)**	
		Log of Household Yearly Income **(Ln_HH_Incom)**	Numeric (BDT)

Source: Author developed for this study

Ethical Issues

This research was conducted in compliance with the National Statement on Ethical Conduct in Human Research (2007) and was approved by the Human Research Ethics Committee of Southern Cross University (Approval Number ECN-13-141).

EMPIRICAL RESULTS

Descriptive Analysis

Following table 2 explored the distribution of investment categories of the rural household who have been receiving remittances from Italy. The descriptive statistics among the households indicated that majority were invested mainly four sectors such as financial (62%), fixed deposit (66%), insurances (45%) and capital market (40%). A few number of household were invested specialised investment categories for migrant households such as five years term wages earners development bond (7%), three years term USD premium bond (4%), three years term USD investment bond (12%), ICB mutual fund (10%), non-residence deposit scheme (8%), non-residence saving scheme (4%), remittance card (18.33%) and other non-residence welfare scheme (31%).

Table 2: Distribution of Sector Wise Investment in Rural Households

Name of the investment Sector	Yes		No	
	F	%	F	%
Investment in Financial Sector	186	62.00	114	38.00
Investment in Share Market	120	40.00	180	60.00
Investment in Insurances Premium	135	45.00	165	55.00
Investment in Banks (Fixed Deposit)	198	66.00	102	34.00
Five Years Term Wage Earners Development Bond	21	7.00	279	93.00
Three Years Term USD Premium Bond	12	4.00	288	96.00
Three Years Term USD Investment Bond	12	4.00	288	96.00
ICB Mutual Fund	30	10.00	270	90.00
Non-Residence Deposit Scheme (NRDS)	24	8.00	276	92.00
Non-Residence Saving Scheme	12	4.00	288	96.00
Remittance Card	54	18. 33	245	81.67
Other Non-Residence Welfare Scheme	93	31.00	207	69.00

Source: Authors calculation from survey data

Multivariate Analysis

Investment in Financial Sector

The regression equation 1 explored the statistically significant determinants of remittances of those households were invested different financial sectors such as investment in share market, investment in insurances premium, investment in banks (fixed deposit), five years term wage earners development bond, three years term USD premium bond, three years term USD investment bond, ICB mutual fund, non-residence deposit scheme (NRDS), non-residence saving scheme, remittance card and other non-residence welfare scheme. The table 3 explored model summary results as R square, adjusted R square and Durbin-Watson value 0.454, 0.424 and 1.567 respectively.

Table 3: Model Summary of Equation: 1

R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
.674	.454	.424	.75661	1.567

Source: Authors calculation from survey data

The following ANOVA table 4 showed residual value (162.007), F (14.735) and strongly significant values.

Table 4: ANOVA Results of Equation: 1

	Sum of Squares	Df	Mean Square	F	Sig.
Regression	134.963	16	8.435	14.735	.000
Residual	162.007	283	.572		
Total	296.970	299			

Source: Authors calculation from survey data

Following table indicated those investments in financial sector were not significant all of the socioeconomic determinants of the rural household. The empirical results revealed that household remittances, educational level of migrants and household heads, household head relation to migrant and income of the household.

Table 5: Results of Regression Coefficients of Equation: 1

Determinants	Unstandardized Coefficients		Standardized Coefficients	t-value	p-value
	B	Std. Error	Beta		
RmY	.095	.024	.267	3.906	.000
AGEm	-.067	.049	-.107	-1.376	.170
EDUm	.116	.052	.117	2.216	.028
MARSm	-.226	.124	-.103	-1.822	.069
YMIGm	.044	.108	.034	.410	.682
LEGSm	.309	.162	.117	1.901	.058
NVISTm	.002	.035	.006	.064	.949
AGEhh	-.006	.037	-.017	-.160	.873
GENhh	.461	.278	.231	1.662	.098
MARShh	-.138	.230	-.048	-.600	.549
EDUhh	.176	.048	.236	3.665	.000
RELhh	.436	.120	.205	3.646	.000
EMPShh	.000	.030	.000	-.005	.996
RELMhh	.122	.076	.131	1.597	.111
HHsize	-.013	.035	-.019	-.363	.717
InHh	.122	.032	.271	3.846	.000

Source: Authors calculation from survey data

Investment in Share Market

The regression equation 2 explored the statistically significant determinants of remittances of those households were invested different financial sectors such as investment in share market, investment in insurances premium, investment in banks (fixed deposit), five years term wage earners development bond, three years term USD premium bond, three years term USD investment bond, ICB mutual fund, non-residence deposit scheme (NRDS), non-residence saving scheme, remittance card and other non-residence welfare scheme. The table 6 explored model summary results as R square, adjusted R square and Durbin-Watson value 0.541, 0.515 and 1.767 respectively.

Table 6: Model Summary of Equation: 2

R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
.736	.541	.515	.342	1.767

Source: Authors calculation from survey data

The following ANOVA table 7 showed residual value (33.043), F (20.853) and strongly significant values.

Table 7: ANOVA Results of Equation: 2

	Sum of Squares	Df	Mean Square	F	Sig.
Regression	38.957	16	2.435	20.853	.000
Residual	33.043	283	.117		
Total	72.000	299			

Source: Authors calculation from survey data

Following table indicated those investments in financial sector were not significant all of the socioeconomic determinants of the rural household. The empirical results revealed that duration of migration, marital status of the household head, religion of the household, employment status of the household head and income of the household.

Table 8: Results of Regression Coefficients of Equation: 2

Determinants	Unstandardized Coefficients		Standardized Coefficients	t-value	p-value
	B	Std. Error	Beta		
RmY	.000	.011	.000	-.011	.992
AGEm	.035	.022	.114	1.600	.111
EDUm	.045	.024	.091	1.894	.059
MARSm	-.068	.056	-.063	-1.208	.228
YMIGm	.126	.049	.198	2.586	.010
LEGSm	-.141	.073	-.108	-1.927	.055
NVISTm	-.002	.016	-.013	-.144	.886
AGEhh	-.020	.017	-.116	-1.186	.237
GENhh	-.028	.125	-.028	-.219	.826
MARShh	-.385	.104	-.273	-3.707	.000
EDUhh	.019	.022	.051	.864	.389
RELhh	.223	.054	.212	4.122	.000
EMPShh	.083	.014	.575	6.055	.000
RELMhh	-.025	.034	-.055	-.728	.467
HHsize	-.002	.016	-.007	-.135	.893
InHh	.031	.014	.138	2.126	.034

Source: Authors calculation from survey data

DISCUSSIONS AND CONCLUSION

Discussion

The empirical literature on micro-level studies indicates that the education level of migrants (Agrawal and Horowitz, 1999) is linkage to the income of the migrant and the major determinant of remittance (Fonchamnyo, 2012). Lucas and Stark (1985) and Stark and Lucas (1988) show remittances as elements of a co-operative agreement, self-enforcing, agreement between the migrant and household and also remittances repayment for the cost of migration and educational expenses. The present study finds the linkage with the investment in financial sectors in the country of origin.

There also few evidence show that the effect of the duration of migration in the destination country on remittance motivation ambiguous (Banarjee, 1984;) and others show that the remittances flow increase initial stage of migration but decease over time (Lucas and Stark, 1985; Vete, 1995). Similarly few studies (Collier et al., 2011) explore that the migrant who decide to return their home country have a maximum probability to remit for investment motive and remit more as the duration of migration period increases. This study reveals that the duration of migration nexus to the capital market at the origin country.

Marital status of the households head one of the key demographic characteristic influence to receive remittances. Empirical study shows that the households with married head tend to receive comparatively lower remittances across the year, whereas remittances flow to widow and otherwise not married relatively higher, however the female-headed households receive more remittance specially those who are married (Pfau, 2008). The study revel that the marital status of the household head is highly significant while they invest in the share market.

Higher education levels of the household head may reflect better household resources and income opportunities and so less economic need from overseas income, therefore the educational attainment of the household head not significant with remittance amount and such provide some support the altruism motive (McDonald and Valenzuela, 2012). However, this paper finds that the educational attainment of the household head nexus with the investment in financial sector at the left behind household.

The households head employment status play vital role in remittance behaviour (Quartey, 2006), there are few sectorial differences, for instance, the household head employment in public sector, private formal sector, export farmer, crop farmer, private, informal and unemployment play different impacts. This study finds that the household head employment status strongly significant with the investment in capital market.

The empirical studies on international migrant and remittances show that a nexus among religiosity and pro-social, behaviours of the migrants and their households members (Cadge and Ecklund, 2007) and also political (Gruber et al., 2008) and better health outcomes (Ellison, 1991). Few empirical studies show a relationship between religiosity and positive social behaviour (Ellison 1991, Cadge and Ecklund, 2007) and also nexus to remittance behaviour, for instance those who attend religious service regularly, more likely remit than irregular or non-regular attenders (Cadge and Ecklund, 2007). Kelly and Solomon (2009) explore that religion and the practices of religious activities relates to the altruistic motive of remittance behaviour. Present study *reveals that the religion is strongly significant with both financial and capital market investment by the rural household.*

The relationship between household income and remittances has been investigated in the literature as it partially expresses the degree of altruism by the sender. The low income household, the more probability of sending household members to abroad, and the more probability of receiving remittances (Stark et al., 1986 Stark and Taylor, 1986). However, empirical findings are inconsistent even where data and methodology are consistent. In this study reveals that the household annual income is strongly significant with both financial and capital market investment at the left behind rural household.

Conclusion

The present study investigated the investment variation of remittance determinants in rural area at the origin. The empirical results show that the significance level and determinants vary from the investment in financial sector and specially investment in share market. Investment in financial sectors is strongly significance with the household remittances, educational level of migrants and household heads, household head relation to migrant and income of the household. On the other hand, investment in share market is highly significant with the duration of migration, marital status and employment status of the household head; and religion and income of the household. However, this research suggests more investigate on the non-residence scheme for the financial sectors and capital market.

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