

Seasonal Migration and Micro-credit in the Lean Period: Evidence from Northwest Bangladesh

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Abstract

Temporary seasonal migration is an issue which is largely ignored in the standard rural-urban migration literature. Seasonal migration due to agricultural downturns is a common phenomenon in developing countries. Using primary data from a cross-sectional household survey from the northwest part of Bangladesh, this study quantifies the factors that influence such migration decisions. Among other results, we find that network effects play a significant role influencing the migration decision. Seasonal migration is a natural choice for individual suffering periodic hardship, however the strict weekly loan repayment rules of Micro-credit can have adverse effect on this process, reducing the ability of borrowers to react to a shock. Our result suggest that poor individuals prefer the option of not accessing the the Micro-credit and opt for temporal seasonal migration during the lean period. The results have numerous potential policy implications, including the design of typical micro-credit schemes.

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Keywords : Lean period; Seasonal migration; Micro-credit, Bangladesh.

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