

Impact of Remittances on Students Performance Towards Higher Education: A Case Study of District Poonch, AJK

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Abstract

International migration has played significant role in the development of the recipient households in developing countries. In Azad Kashmir mostly people move to improve their living standard of their households. Due to Remittances health and education of Kashmiri people improved from last many decades. Primary motivation of the study is to check the impact of remittances on the performance of the students in higher education. For this study primary data were collected through questionnaire. Randomly 75 migrants and 75 non-migrants were selected. Ordinary Least Square (OLS) model is used to check the impact of remittances on the Performance of the students. Performance of the students from migrant's households is less than the students belong to non-migrants' households. So there is negative relationship between remittances and performance of the students that belongs to migrant's households. So study concludes that remittances have negative impact on the performance of the students in District Poonch Azad Jammu and Kashmir.

Keywords: Remittances, Performance, Higher Education, Motivation, OLS.

Introduction

National immigration means that natives shift within a country for jobs or other purpose and international migration means when people migrate across the boundary of the country (Peterson 1978). Globalization has opened up the work market, enabling people to move for the short term across boundaries in search of better opportunities outside their home country. Age, employment and returns to migration were the factors behind the migration decision (Toderò 1976). Some studies explained that people moved one place to another place when their returns to migration more than the cost of living in home country. This migration has started from all over the world from developing to developed countries because developed countries have low population growth rate, high per capita income and high wages. Then migrated workers send remittances to their home countries for many purposes. Remittances mean people send money to their households when they leave their home country.

Many skilled and unskilled workers from all over the Pakistan migrated in 1970 to Middle East countries for job purpose. Now these Pakistani peoples work aboard very efficiently in many countries of the world. Each year billions of remittances are sending by migrant's worker to their home countries. These remittances are playing micro and macro level impact on the economy of Pakistan. Macro level impact of remittances in Pakistan on employment, Gross National Product and balance of payments and micro level effect of foreign income on poverty, consumption, investment, health and education. (Shah 1995).

Azad Kashmir is consisting on three divisions. There are ten districts of Azad Kashmir Bimber, Mirpur, Poonch, Kotli, Bagh, Muzaffarabad, Sudhnooti, Hatian bala, Neelum and Haveli. Azad Jammu and Kashmir is the beautiful region due to its greenery and mountains. The economy of Azad Kashmir is agricultural which means that the main source of production is land, which included crops, vegetables and fruits etc. According to socio-economic survey

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2007, fifty one percent Kashmiri people were migrated to different countries and send money to their households.

In 1950s and 1960s significant group of people from AJK migrated abroad. When Azad Jammu and Kashmir people migrated to different countries their living standard improved, their poverty burden reduced, their health and education level improved. Due to remittances private consumption, private investment of the AJK peoples increased. All activities of the AJK peoples improved due to remittances (Socioeconomic survey 2007).

Mirpur district is at the first number receiving remittances from abroad. When Mangla dam was under construction mostly people left their home country. One significant group of migrants belonged to Poonch district of Azad Jammu and Kashmir. In district Poonch many people belong to migrant's families and they send remittances to their families. Foreign income has significant impact on the socioeconomic condition of the district Poonch. Due to remittances education and health of the people improved (Khan *et al.*, 2011). This research was conducted in Hajira which is the tehsil of district Poonch to see the impact of foreign remittances on social behavior towards higher education. So the different elements of higher education are enrollment and performance of the students, and also see the impact of remittances on attitude of the people towards higher education. Objective of the study is to found out the relationship between remittances and performance of the students in higher education in study area.

Literature review

Research on remittances is getting more important since last three decades. Many researchers Dorantes *et al.*, (2008); Mansour *et al.*, (2011); Kollner, (2013) showed positive and negative effects of remittance for recipient countries. A significant positive portion of remittances is mostly explored after the 1970s until 1980s. Remittances are increasing day by day in Pakistan. The literature review showed that there was a strong relationship between remittances and education. The relationship between foreign income and education is positive and also negative. The literature is divided into different subsection to see the relationship between remittances and education i.e. (1) Macro and Micro level impact of remittances (2) Relationship between remittances and education expenditure (3) Relationship between remittances and attendance (4) Relationship between remittances and academic performance.

Macro and micro level impact of remittances

Khan and Khan, (2016) explained the macro (balance of payments) and micro (consumption, investment, health, and education) level impact of remittances in Pakistan. They showed that there was positive effect of foreign income on balance of payments, consumption, health, investment, and education. Latif *et al.*, (2013) found the impact of foreign remittances on rural economy in Pakistan. The descriptive statistics and a regression model were used for analysis and showed that all variables were highly significant. Remittances have a positive impact on the migrant's household. When there was micro and macro level impact of remittances on migrant's families their behavior changed when their poverty burden reduced.

Bui *et al.*, (2015) and Ang *et al.*, (2009) found micro level impact of foreign income on migrant's families behavior in Philippine. Behavior of migrant's families changed and their consumption pattern changed due to remittances. Both studies used logistic Regression model and showed that when their poverty burden reduced there was the positive effect of foreign income on the behavior of the households. Logistic results showed that due to remittances poverty burden reduced but in the long run growth was not rebalanced.

Relationships between remittances and education expenditure

Abdellatif *et al.*, (2013); and Zhu, (2016) analyzed the effect of remittances on educational expenditure and investment on growth. They found the relationship between remittances and educational expenditure and Economic growth. They used Auto Regressive Distribute Lag (ARDL) model and Tobit model for estimation and showed different results first study showed that foreign income have significant effect for expenditure on education, economic growth and second study showed that foreign income has greater effect on boy's education than girls and there was gender discrimination due to remittances and the third study showed the negative impact of remittances on education expenditure. Amokom and Iheoma, (2014) analyzed effect of foreign income on fertility, education in India, and in Sub -Sahara Africa. Probit model and 2SLS technique used for estimation to see the effect of foreign income on education and fertility, results showed that there was positive impact of foreign income on education and fertility. Due to remittances people invest more for their children's schooling and also fertility increased. Both primary and secondary education increased due to remittances. When people invested in children's education there was the positive and also negative impact on children enrollment, attendance, and attainment.

Relationship between remittances and academic performance

Remittances played a significant role for the performance of the student who received remittances. Remittances have positive and also negative impact on students' performance. Abbasi *et al.*, (2000) found the impact of remittances on migrants families so there was a significant impact of remittances income of the migrants families. Educational attainment and the age of the migrant were very important. They used chi-square and regression analysis to check the variation and showed that there were positive and significant impacts of remittances on the migrants' families. Arguillas and Williams, (2010) investigated the effect of parent's migration on school attainment of the children. Results showed that there was a negative impact on children school outcome when parents were abroad. Kollner, (2013) found that the effect of foreign on educational attainment in Tajikistan. There was a problem of endogeneity so the coefficients of the remittances variables became insignificant. Probit model used for estimation and results showed that there was negative impact of remittances on educational outcomes.

Mansuri, (2006) showed the impact of migration on performance of the students and child labor in rural Pakistan. Author used instrumental variable (IV) technique to see the effect of migration on child education and child labor in rural Pakistan and data taken from Pakistan Rural Household Survey 2001-02. Estimation result showed that short-term migration has a significant effect on child school attainment. Those children who were from the migrant's families they have more year of schooling, their dropout rate were lower than non-migrant's families. Impact of migration was greater for girls than boys. Hu, (2013) worked on migration and schooling of children left behind in rural china. Ordinary Least Square used for the performance of the children left behind. Results showed that when a family adult or their parents are absent so boys' educational performance effect but not too much than girls' education due to the absence of parents effects girls education negatively. So the education of boys effects less than girls.

Borromeo, (2012) investigated the effect of remittances on the educational success of students in Philippines. Probit-model used for estimation and showed that there was the positive effect of remittances on high school students and negative for elementary school and college students. So parent's education is essential for the children. Bouoiyour and Miftah, (2015) analyzed the effect of migration and foreign income on the education. They examined the impact of migration and remittance on the determinant of education savings for the male and female in the rural Morocco. Probit model used for estimation and results showed a significant effect of

foreign income on male students whose age was 18 to 20 and negative effect for older students and for females. Mchenzie *et al.*, (2011) found the effect of migration on schooling attainment in Mexico. They used Ordinary Least Square (OLS) and Two Stage Least Square (2SLS) for estimation and showed positive effect of migration on schooling attainment.

Nasir *et al.*, (2011) investigated that the impact of foreign remittances on the educational attainment has a significant impact. When people received remittances poverty burden reduced, consumption increased and the behavior of household families changed. The finding of the study was the impact of remittances on educational performance. They used OLS and results were significant for the performance of the students. Remittances have a significant effect on children's performance if without considering parents education. But if we consider parents education then the results became insignificant. when Parents were uneducated, current income of the family was low so then the education of the children was affected. Family type and family size played a significant role in the educational performance of children. Zaho and Glewwe, (2009) investigated the school attainment in china. Censored Probit model used for estimation and results showed that positive impact on school attainment. They also explained that mother education played significant role in the education of the children.

The literature showed that remittances have positive and also a negative impact on the performance of the students and behavior of the people at national and international level. Some studies showed that foreign income has negative impact on education so there no relationship between remittances and education. It means that there were also other factors that affect student's education. Some studies conducted in Pakistan and showed that remittances have positive impact on education. When families received foreign income their poverty burden reduced and they invest in their children education.

Methods and Materials

Study area was Hajira is the tehsil of district Poonch of Azad Jammu and Kashmir. Hajira is nearest to Indian occupied Kashmir. Hajira is sub-divisional headquarter of district Poonch. Tehsil Hajira has eight union council and four union councils were selected for data. Four union councils were Dara Ser Khan, Mandhole, Phagwati and Shar. The total population of tehsil Hajira is almost 80 thousand. The target population was migrants and non- migrants from four union council of tehsil Hajira. The sample size was 150, which was collected from eight villages of tehsil Hajira. From each village 18 households were randomly selected with the help of the each village residents.

Model for the Performance of the Students

Nasir *et al.*, (2011) used Ordinary Least Square for the educational performance of the students. So in this analysis author use OLS to check the performance of the students in higher education. Data of the performance was collected in percentage form. So performance is quantitative variable we can apply OLS.

$$PE = B_1 + B_2Mi + B_3ME + B_4FE + B_5He + B_6Me + u$$

M_i = Migrants or non-migrants (0, 1)

ME = Mother education

FE = Father Education

He = Head of the household

Me = Member of the family

Results and Discussion

Results and performance of the students

Dependent variable was performance of the student in higher education in the analysis. Independent variables were income of the family, father education, mother education, migrants and non-migrants and members of the family. Most of the variables were significant it means that these variables were positively related with performance of the students. Mother education was positively related with the performance of the students because significance value was 0.002. Income of the family was positively related to the performance of the students at the significance level of 0.022. Father education was negatively related to the performance of the students because significance value was greater than 0.05. Member of the family was also negatively related with the performance of the students, significance value was greater than 0.05. D1 (Migrant) was negatively related with to performance of the students and also cross tabulation results support these results.

Table 2: OLS Results

Variables	B	Std. Error	T-statistics	Sig
(Constant)	39.785	7.220	5.510	.000
D=1(Migrant)	-10.557	2.636	-4.004	.000
Father education	1.179	1.178	1.001	.320
Mother education	3.064	1.023	2.995	.004
Income of the family	4.356	1.869	2.330	.022
Member of the family	-.695	2.133	-.326	.745

Table 3: Weightage to Education and Migrants

Weight to education	Migrants	Total
Good citizen	30	58
Better living standard	17	33
Earning purpose	13	25
Better decision	15	34

This table 3 showed weight to education and migrant attitude. 30 parents out of 58 households give education to their children to be good citizen, 17 parents out of 33 give education to their children to better living standard. 13 parents out of 25 households give education to their children for earning purpose, 15 parents out 34 households give education to their children for the better decision in future. So these results show that due to remittances attitude of the people change they send their children for education and tells that why they send their children to college or university.

Conclusion

International remittances are playing significant role in the development of recipient households in developing economies. In Pakistan mostly people migrate with the motive of increasing living standards of their families. Remittances are also contributing in growth of Pakistan. Remittances are also playing important role in Azad Jammu and Kashmir. Major group of Kashmiri people migrate to improve their living standards of their families. Present

study is conducted in Hajira which is the tehsil of district District Poonch. In Azad Kashmir district Poonch is at the second number receiving remittances from abroad. Motive of the study was to check the effect of foreign income on higher education. In order to achieve the objectives of the study 150 households were surveyed for data collection by using questionnaire. The collected data was then analyzed using SPSS. Univariate, bivariate and multivariate analysis calculated and discussed. Foreign income has significant impact on enrollment and performance of the students. But at last category of performance of the student mostly non-migrants' families' students fall. It means that absence of father also effect the education of the children. Foreign income has significant effect on the attitude of the people their behavior change and people enroll their children in higher education. Remittances have also positive impact on the performance of the students of the migrants than non-migrants at two categories and in last category non-migrants children's fall. Parents' education has also positive impact on children enrollment in higher education. The effect of foreign income on the attitude of the household is significant because when household receive remittances their behavior changed and they enroll their children in higher education. The results show that foreign income has significant effect on enrollment of the students because enrollment of the migrants households children more than non-migrants.

Policy recommendation

Migration has advantages as well disadvantages, the major advantage of migration is increase in remittances causing high income, increase consumption, saving and in this way has a positive effect on the economy. The basic reason of migration is lack of employment opportunities in our country so there is need to enhance the job opportunities in our country so that brain drain can be minimized and our talent can be utilized in our own country and leads our country to development. Remittances have positive effect on children education but performance of the student's effect due to the absence of father, so there is need to provide better job opportunities in home country. Government should introduced special program for the children of non-migrants to improve their enrollment in higher education.

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