

# **Master Thesis**

Socio-economic impact of foreign remittances on households: a case study of  
Rawalpindi, Pakistan

**By**  
**Sehrish Noor**

The master thesis is carried out as a part of the education at the University of Agder and is therefore approved as such. However, this does not imply that the University answers for the methods that are used or the conclusions that are drawn.

Supervisor:  
Arne Olav Øyhus

The University of Agder, Kristiansand

*December 2017*

**Master Thesis in Development Management**

Centre for Development Studies

Faculty of Economics and Social Sciences

University of Agder

**Socio-economic impact of foreign remittances on households: a case study of  
Rawalpindi, Pakistan**

**Sehrish Noor**

## **Abstract**

The current study explores the socio-economic impact of foreign remittances on households. The main objectives of the study were to explore that how remittances have affected the recipient households and also that in what way it has affected women's empowerment. The study was also intended to explore the motives behind migration and analyze the consumption and expenditure patterns of the recipient households. Quantitative research method was being used. Methodology used for this research was case-study. The data was collected by using structured questionnaires as research tool. The sample was constituted of 200 respondents. The sample was chosen using snowball technique where I asked my initial respondents to help me other recipient families. The data reveals that migration has many positive impacts on recipient households. It has resulted in improved living conditions for the recipient families and they have better access to education and health facilities. It has also created new opportunities for women and they are now more empowered and more involved in decision-making process. These migrations have also resulted in changing gender-roles in the family. However, it is important to note here that in addition to many positive aspects, migration has negatively affected the families as well. The study reveals that both genders face double-burden, experience the feelings of loneliness and psychological strain. Children of the recipient families also miss the presence of their father. The study concludes that foreign remittances bring many facilities to the recipients and help improve their living standard but at the social front, there are a number of factors that make it a negative agenda at large.

## Acknowledgments

I would like to thank my supervisor, Arne Olav Øyhus, for your guidance, encouragement and helpful comments throughout my work on this thesis. He helped me a lot during my research work as well as in the process of thesis writing. He remained a source of guidance for me. I am thankful to his for dedicating her precious time.

I am heartily thankful to my respondents who made me successful in conducting this research. I am thankful to them that they dedicated their precious time and shared information. I feel indebted to them because without their participation I may not be able to accomplish this research.

A deep gratitude goes to my husband and my family whose encouragement was a source of motivation for me.

Sehrish Noor

## Declaration by candidate

I hereby declare that the thesis:

*Socio-economic impact of foreign remittances on households: a case study of Rawalpindi, Pakistan*  
has not been submitted to any other universities than the University of Agder for any type of academic degree.

29<sup>th</sup> November 2017

---

Sehrish Noor

---

Date

# Table of Contents

Abstract .....	iii
Acknowledgments.....	iv
Declaration by candidate.....	v
Table of Contents .....	vi
List of figures .....	viii
<b>Chapter 1: Introduction</b> .....	1
1.1. Background .....	1
1.2. Brief Contextual overview .....	3
1.3. Economic impact of foreign remittances .....	4
1.4. Research Objectives.....	6
<b>Chapter 2: Literature review</b> .....	7
2.1. Underline motives of transferring remittances:.....	7
2.1.1. Altruistic motive: .....	8
2.1.2. The self-interest motive: .....	8
2.1.3. Implicit family contract: loan repayment:.....	9
2.1.4. Implicit family contract ii: co-insurance:.....	9
2.2. Contextual analysis of migration and remittances: .....	10
2.3. Remittances and household economy: .....	11
2.4. Remittances and poverty reduction:.....	12
2.5. Remittances and women empowerment .....	14
2.6. Positive effects of migration .....	14
2.7. Negative effects of migration.....	14
<b>Chapter 3: Methodology</b> .....	18
3.1. Methodology in Brief.....	18
3.2. Topic Selection .....	18
3.3. Study Area Selection.....	19
3.4. Organization of the Research.....	19
3.5. Hypothesis.....	19
3.6. Significance of the study.....	20
3.7. Research type and method .....	20

3.8.	Nature of the Study .....	20
3.9.	Sources of Data .....	20
3.10.	Description of the Population .....	21
3.11.	Sampling Technique .....	21
3.12.	Sample Size .....	21
3.13.	Data Collection Method.....	21
3.13.1.	Snowball Sampling.....	21
3.14.	Variable Selection.....	22
3.15.	Questionnaire Preparation and Distribution .....	22
<b>Chapter 4:</b>	<b>Empirical findings and analysis.....</b>	<b>23</b>
4.1.	Composition of sample and relationship with remitter: .....	24
4.2.	Reasons behind foreign migrations:.....	24
4.3.	Characteristics of the immigrants:.....	26
4.4.	Years of migration.....	26
4.5.	Marital status and number of children.....	27
4.6.	Remittances and their utilization:.....	28
4.7.	Remittances and education.....	29
4.8.	Migration and changes in family dynamics: .....	30
4.9.	Women’s participation in decision-making .....	31
4.10.	Gender relations and migration .....	32
4.11.	Negative effects of migration on recipients.....	34
4.12.	Effects of migration on children.....	35
<b>Chapter 5:</b>	<b>Discussion and conclusion .....</b>	<b>36</b>
5.1.	Discussion.....	36
<b>Chapter 6:</b>	<b>Conclusion and recommendations .....</b>	<b>39</b>
<b>References.....</b>	<b>.....</b>	<b>41</b>
<b>Appendix.....</b>	<b>.....</b>	<b>45</b>

## List of figures

<b>CONTENTS</b>	<b>PAGE NO</b>
Figure 1: The relationship between remitter and recipient	24
Figure 2: The main reasons for migration	24
Figure 3: Age of the remitter	25
Figure 4: Years of migration	26
Figure 5: Marital status and number of children	27
Figure 6: Remittances and spending pattern	28
Figure 7: Remittances and education	29
Figure 8: Migrants family background	30
Figure 9: Women and their spending choices	31
Figure 10: Gender dynamics	32
Figure 11: Undesirable effects of migration	34



# **Chapter 1: Introduction**

## **1.1. Background**

Foreign remittances are considered to be one of the major contributing factor in the development and prosperity of a country (Nisar, 2013). For developing countries, remittances are considered as "A Gift of God" (Fareedy, 1984). These foreign remittances contribute both in changing socio-economic situation of recipients and also contribute in economic development through different forms of investments. Migrants not only decrease unemployment but also help fill the foreign capital resource gap (Fareedy, 1984). Migration also serves as the development alternative especially for the uneducated and un-skilled workforce (Kobayashi, 2014)

Foreign remittances are also considered significant contributor to foreign currency reserve, its Gross Domestic Product (GDP) and maintain the Balance of Payment (BOP). These remittances also helps reduce external borrowings and resultantly reduce the external debt burden of the recipient countries (Islam, 2011)

A study by (Ahmed et al., 2010) reveals that “decline in remittances will decrease gross domestic product, investment and household consumption, which in turn will increase poverty”.

As foreign remittances benefits economies too, hence, Governments announce different policies that encourage such movements and foreign migrations. To encourage foreign labor migration during seventies till early nineties’ Pakistani Government announced favorable policies for getting passport and other immigration documents (Arif, 2009)

Numerous studies shows the importance of microeconomic impact of remittances on household is significant in developing countries. The impact has seen in rural poor or more educated sector of population who resides in urban areas. In rural areas remittance impact in the form of alleviating poverty and loosen the budget constraints. For long term economic growth shown in the form of investment in health and education. (Islam, 2011)

Though foreign remittances present an attractive package, however, it is important to note that foreign migration is driven by multiple negative factors including “unemployment, lack of opportunities unfavorable socio-economic conditions, political turmoil, growing population, and considerable wage differences” (Ahmed, 2014)

There is no specific definition to explain foreign remittances, however, for this study I will adopt the following definition of remittances for this study:

*“The quantity of currency that migrants earn abroad and then send home to their families and communities”* (Adams, 2005)

Remittances are most often transferred to the native country through two mechanisms, where one is formal mechanisms, like through banks and postal services, and the other is through informal mechanisms, like sending money via a money changer (e.g. the Hundi or Hawala System) or carrying its own self while visiting home (Savage, Suleri, & Kevin, 2006).

Remittances can have both positive and negative effects. Highlighting the positive impacts of foreign remittances, one author states:

*“Every month high remittances were transferred to the families left behind added to their comforts. These families spent remittances to raise their standard of living through better food, clothing, and luxury consumer goods and improve personal housing. Remittances from abroad also exerted positive effects on the socio-economic activities of women. Consequently, females became independent decision- makers”* (shanaz, 1995).

But there are negatively effects as well. Many overseas workers are forced to do multiple odd jobs to earn a reasonable amount of money. They also sacrifice many social benefits during overseas employment, which they could have earned while living with their families (Hyun, 1989). They often live in social isolation, spending their golden years in hardships to provide comfort and luxuries to the families left behind (shanaz, 1995).

Remittances do not only have an effect on the recipient families, but also on communities. When studying the effect of foreign remittances on community development, research indicates that those household receiving remittances not only change their living standards but also actively participate in community development initiatives, social development and actively collaborate with local social organizations, which again raises their social status (Arif, 2009).

Remittances are not only important at the family and community level, but also on the national level. According to the Overseas Pakistani Report 2015, Pakistan is the second largest supplier of labor to foreign countries among the South Asian countries. It also shows that overseas migration has significantly increased after 2011 and reached a new peak of more than 3 million in year 2015 (Arif, 2009). These foreign migrations can be short-term or long term in nature depending on different factors. Usually, the migration to GCC (Gulf Cooperation Council) countries is relatively short term, whereas the migration to other countries like USA and UK are long term, or even permanent in nature (Arif, 2009).

## **1.2. Brief Contextual overview**

The overseas experience has also played a part in enhancing the role of migrants in community development. It has led to an improvement in the economic status of migrant households, a stronger involvement of the households in community development activities, and the participation of the households in local social organizations have brought a positive change in the overall social status of the migrant households. (Arif, 2009)

During the early nineteen seventies till early eighties the construction boom in the Oil Producing and Exporting Countries (OPEC) offered wide spread job opportunities for the labor surplus countries. During this era, Pakistan was in the grip of high rate of employment, low per capita and small foreign exchange reserves. The government encouraged the labor migration to overseas and announced favorable policies for getting passport and other immigration documents. The number of Pakistanis migrated for overseas employment had increased rapidly. Mostly Pakistani labor force migrated to other countries in 1970s (Arif, 2009)

According to Arif (2009) the major reason behind the Pakistani migration to the Middle East and UAE is due to geographical, religious, and culture closeness. However, it is important to note here that most of the people who opted to migrate to the Middle East comprise low skilled and uneducated males coming from a low-income background. In contrast to this, those who chose to settle in US, UK, Europe, South Asia and Australia are usually well educated and able to access high paid jobs because of their education and professional skills. Many settled permanently, got citizenship, and also brought their families along with them.

### 1.3.Economic impact of foreign remittances

The table below clearly shows the annual inflows of foreign remittances and their effects on growth rate of Pakistan.

Country or region	Amount	Amount (\$million)	Growth rate
	(\$million)		
	FY2013/2014	FY 2014-2015	Year on year
<b>United States</b>	2467.70	2702.70	9.5
<b>United Kingdom</b>	2180.20	2376.20	9.0
<b>Saudi Arabia</b>	4729.40	5630.40	19.1
<b>United Arab Emirates</b>	3109.50	4231.80	36.1
<b>Other GCC countries</b>	1860.00	2173.00	16.8
<b>Bahrain</b>	318.80	389.00	2.1
<b>Kuwait</b>	681.40	748.10	9.8
<b>Qatar</b>	329.20	350.20	6.4
<b>Oman</b>	530.50	685.70	29.3
<b>European union counties</b>	431.90	364.10	-15.7
<b>Other countries</b>	1059.00	1241.70	17.3
<b>Total</b>	15837.70	18719.80	18.2

Note: Exchange rate (\$1 = PKR 102.9 for 2013/14 and PKR 101.3 for 2014/15). Source: State Bank of Pakistan, 2015.

Pakistan has just experienced a new top in the inflows of foreign remittances. According to trading economics:

*“Pakistan showed that remittances have increased over the time, e.g. in first quarter of 2016 were 4699 US Dollars while the second half of year increased by 5529 USD Million .US Transfer of funds in Pakistan increased to 5529 USD Million in the second quarter of 2016 from 4699 USD Million in the first quarter of 2016. Remittances in Pakistan averaged 2466.57 USD Million from 2002 until 2016, reaching all-time high of 5529 USD Million in the second quarter of 2016”.*

(Trading.com – State Bank of Pakistan)



The above chart clearly shows an increase in the remittances with the passage of time which have helped to mitigate the severe current account deficits in the economy (Ahmed, 2014)

## **1.4. Research Objectives**

The main objective of this study is to examine the impact of foreign remittances for the socio economic situation among households of Rawalpindi.

It is based on the household interview with a migrant family member working in abroad. This study cover five main research questions which provide policy recommendations based on the results of the study, field observations and the review of the literature.

The following research questions will address the research problem:

1. What is the impact of remittances on the consumption and expenditures patterns of the households?
2. From whom do the local households receive remittances? (Family's relationship with the remitter)
3. What are the motives (education, employment, poverty, social status, business or family migration etc.) behind migration among household?
4. What are the effects of migration (positive and negative) on household families?
5. Do the recipients of remittance must contribute something to the remitter? (For instance taking care of children or elders).

## **Chapter 2: Literature review**

Migration can be a costly endeavor because of its travel cost, especially for those immigrants who belong to poor families. In addition, the impact of migration on poverty reduction might not be instant and direct, but relatively slow and with varying intensity over time. (Kapur, 2004)

In Pakistan, sufficient research has not been done on remittances and its impact at household level. Therefore, the current study aim to explore the relationship between remittances and poverty reduction, socio economic status, employment, expenditure, saving, and consumption.

In this study, we will define remittance as:

*“Remittance means the transfer of funds from international migrants to their family members in their home country. It is different from other external capital inflow like foreign direct investment, foreign loans and aids”* (Najid, 2013).

### **2.1.Underline motives of transferring remittances:**

According to a study by Solimano, there are four major reasons why the immigrants send money to their family:

*“(i) The Altruistic Motive, (ii) The Self-Interest Motive, (iii) Implicit Family Contract I: Loan Repayment and (iv) Implicit Family Contract II: Co-Insurance”* (Solimano, 2003).

Explanation of each motive is given below:

### **2.1.1. Altruistic motive:**

While defining this approach, Solimano states that basically the migrants send money back home because he/she cares for his family and want to contribute in its welfare and comfort. However, Solimano proposes that there are chances that the cash flow may decrease with the passage of time because of certain reasons. He further states that this decrease may happen because as the immigrant's duration of stay gets longer it results in decrease in intimacy with the family. Moreover, as the immigrant may plan to settle in the host country with his family in the longer run (for which of course he/ she will need money) hence the immigrant reduces the amount of cash he was sending to his family before (Solimano, 2003).

As poverty is one of the push factor behind these migrations, hence, in the initial years the remittances may be higher as the family needs to raise their standard of living, but afterwards they only need to maintain themselves, hence the remittances decrease (Mahmud et al., 2012).

### **2.1.2. The self-interest motive:**

According to Solimano, in this model, the migrant send remittances to his family due to some financial self-interest. For instance, he wants to invest his savings into some productive assets and he feels that the best place to invest is his home country. Hence, he sends back money to his family for purchasing property, land, financial assets etc. (Solimano, 2003).

Other literature suggests that the investment could also comprise of investment in the sectors of health and education that can help reap benefits in the longer run like investment in both of these sectors can help reduce poverty. While studying the correlation between remittances and investment in the above mentioned sectors, one study mentions that households receiving remittances experience higher birth weights (like in Mexico and Sri-lanka), and during early childhood, lower infant mortality and more knowledge about health issues. (Lubambu, 2014).

Moreover, studies in Philippines and Mexico suggest that the remittance receiving households to a larger extent have invested in farming equipment and investments in small businesses. (Lubambu, 2014) . This motivation may have a negative impact on the flow of remittances as migrants after having achieved the desired level of property and assets in the home country



decreases the amount of remittances he/she sends back (Nishat et al., 1993). Moreover, those who are interested to start a business in their home country on their return remit more compared to those who only want to do a job (Nishat et al., 1993).

### **2.1.3. Implicit family contract: loan repayment:**

According to this theory presented by Solimano, this migration takes the form of a contract between the migrant and the rest of the family involving elements of investment and repayment both. In the first part, family finances the emigrant either by investing in education or by financing his travel and subsistence cost in the foreign country. So, when the immigrant gets settled in the host country and starts earning, he starts sending back money to his family in the form of remittances to repay the loan (principal and interests). It is important to note here that unlike the altruistic model, the amount of fund/ remittances will not decrease over time. (Solimano, 2003)

Another study suggests that these kind of remittances are often offered to families to repay the debts/loans that were taken to cover the migration cost of the emigrant. It is important to note here that such kind of arrangements get decided between the family and emigrant before migration (Lubambu, 2014).

It is important to note here that at the start of migration, the remittances sent back with this motivation may be higher as family needs to repay the loan they have acquired from friends or relatives and/or to reinstate family savings acquired or used for the migration. But once the family has repaid the loan, the ratio of remittances may decrease. According to one study, 30% of migrations cost is financed through loans, and among these 90% of these loans are acquired from friends and family. (Mahmud et al., 2012).

### **2.1.4. Implicit family contract ii: co-insurance:**

According to Solimano, the fourth reason why migrants send money to their families is based on the notion of risk diversification. Under this motive, emigration serves as a co-insurance strategy

where remittances play the role of an insurance claim and both immigrant and the rest of the family can support each other in the time of need. This theory suggests that as the insurance and capital markets are uncertain, the migrant can help the family in bad times and can also seek help from them in case the economy in the foreign country/ host country gets destabilized. Egypt is a good example, where migrants supported their families during political crises experienced by country during Arab Spring. Moreover, a study also suggests that people of Mali have started to save a larger amount of remittances for any unseen incidences and to use these remittances at the time of uncertainty. (Lubambu, 2014)

It is important to note here that the motives behind sending remittances may change with the passage of time and the family may experience transitions from one motive to another like from family welfare to long-term investment in family's well-being and investments. (Lubambu, 2014)

## **2.2. Contextual analysis of migration and remittances:**

Several studies show that Pakistan receives large amounts of foreign remittances. The trend of foreign remittances shows that the 1980s was the golden period for Pakistan as it received half of the remittances been sent to South Asian Region, but then it declined to 12% in 2009. It is also important to note here that the Middle East remain the highest contributor in this regard compared for instance to USA and UK (Irfan, 2011).

Solimano (2003) argues that poverty remains the major factor behind and that the remittances sent back can have a major effect on the households' economy. His study also reveals that when remittances are sent as cash transfer it mainly has an impacts on the households, and that these remittances are mainly spent on buying luxurious goods. However, when remittances are sent through macro channel (banks, post offices and money transfer operators), it impacts the national economy leading to capital formation and increasing employment through providing foreign exchange.

While studying the characteristics of Pakistani immigrants, a study by (Arif, 2009) reveals the following:

*“Firstly, that the skill composition of Pakistani migrants has not changed over time and unskilled workers remain the dominant category. Secondly, overseas migration is the choice of comparatively young people, and their level of education is much higher than that of the national average. Thirdly, the analysis of the earnings and savings of migrants constituted an average of 41 per cent of the household monthly income. Urban households received a greater amount of remittances than their rural counterparts despite the relatively longer stay away of workers from rural areas”.*

International research suggest that foreign remittances remain the largest source of foreign exchange earnings for several developing countries. It also supports the idea that overseas employment not only play an important part in increasing investment and consumption level in recipient countries but that it also helps in economic development, poverty reduction, better access to health care and education. However, to reap the full benefits of this cash flow, the receivers’ need to save and invest in physical and human capital in addition to consumption, otherwise they will not be able to contribute in economic development of the country. (Najid, 2013).

A World Bank country report by (Sharon Stanton Russell, 1990) revealed that remittances from abroad are vital for community survival of many developing countries. The study also proves that although the major part of remittances are spent on fulfilling basic needs, migrants do also contribute in developing human and physical capital of the country through investing in education, farming and building small scale enterprise.

### **2.3.Remittances and household economy:**

With the rise in income of the households, there is a significant rise in expenditure as well as those who receive remittances spend more as compared to those who don’t receive any. Study shows that purchasing land and investing in business falls under least preferred category, especially in urban households. The recipients’ highest priority is spending on food, clothing and improvements in the household infrastructure. In contrast to urban households, education and health has higher

preference in rural households. It is interesting to note that, in rural households, this expenditure on children's education increases as the flow of remittances increase. (shahzadi, 2010)

This study reveals that the largest proportion of remittances are used into four areas: real estate and agricultural machinery; food; marriages; and savings. The impact of remittances on both the economic status and the social status of the sampled households was substantial (Arif, 2009).

A study conducted in Toba Tek Singh city of Pakistan endorses the idea that foreign remittances are used mainly in agriculture development through investment of land, livestock and farm machinery. (Khan et al., 2010).

There is a visible change that can be seen in families receiving foreign remittances in Kosovo. It not only changes their socio-economic status, increase their access to health and educational facilities and the ability migration but also affects their spending behavior and willingness to work for lower wages. (Musliu, 2013)

It is important to note here that as migration is a costly matter for most of the people from developing countries who opt for overseas migration especially for poor due to its travel cost. Hence, the effects of the foreign remittances for the recipient households might not be visible at the beginning, and also the level of changes in poverty reduction among households may vary considerably (Kapur, 2004).

#### **2.4. Remittances and poverty reduction:**

Several studies reveal that the correlation between international remittances and poverty reduction and inequality. A study by (Kumar S. M., 2009) states that:

*“Mostly remittances decrease poverty by increasing the income of the receiver households. Then, ultimately it also affect poverty in the beneficiary country through their effects on growth, inflation, rate of exchange, and capital. In contrast*

*to the link between poverty and remittances, the relation between remittances and inequality is not straight. In some cases, remittances disproportionately go to richer households with worsening income inequality while in some other cases, remittances are found to equalize income distribution targeting less well-off households". (Kumar S. M., 2009)*

Though overseas migrations cause a significant change in family's income, and bring positive changes in the lives of family members. Quite importantly, remittances have both direct and indirect effects on the lives of children and their parents. Albert Park, Leng Lee, and Alan deBrauw mention that:

*"Greater family resources mean greater investment on children e.g. education and health. A strong link has been acknowledged between higher household incomes and a variety of child development outcomes" (Leng, 2010).*

## **2.5. Remittances and women empowerment**

Migration also incorporates a gender issue since an important aspect of overseas migration is that it often increases the role of women in decision making, for instance women make decisions regarding utilization of funds or decisions related to children's education etc. (Khan et al., 2010). Rahman also endorses this idea that in the absence of their husbands, women enjoy more independence and liberty in managing households (Rahman, 2009)

This role change diminishes the line which society usually draws between public and private spheres and women's participation increases in the public sphere as they take the roles of their men counterparts in their absence.

Another research conducted in Toba Tek Singh, Pakistan also highlighted the positive impact of migration on women empowerment. (Khan et al., 2010)

## **2.6. Positive effects of migration**

Migration not only increase the probability of migration by children of such parents but those children can get better jobs and opportunities as well as they can benefit from the job information and their parents/ or father can help them in job search. (Leng, 2010) .In addition to this, studies also reveal that children of migrants become self-reliant, independent and courageous. (Iqbal et al., 2014)

Another study by (Aslam.R, 2013) also found positive impacts of remittances on the socio-economic status of rural households. They also support this notion that most of the remittances are spent on meeting basic needs, education and paying off debts. Study also highlights the positive changes in the living status, business and purchased property.

## **2.7. Negative effects of migration**

A study by Abbasi and Irfan highlights negative aspects of overseas migration on both the migrant and his family. The study states that most of the people who migrated to Middle East during sixties

left their families behind. This kind of migration and separate lives led to give rise to many social and psychological problems in children and wives of the migrants. According to an estimate about one million families or about 7.4 million women and children and other dependents are living a "separated life" in Pakistan. (Irfan et al., 1983)

Another study by (Muhammad, 2009) also reveals that:

*“Women initially felt loneliness and burdened as they assumed the new duties and responsibilities in the absence of their husbands, particularly concerning the male children. Consequently, they faced psychological strains when their husband left them at origin. It was further explored that children felt loneliness and lack of guidance in the absence of their father”.*

Other negative effects of this kind of separation on women are that they get burdened as they have to fulfill all responsibilities all alone, the connection between them and their husband gets limited and this leads to mental stress in women as well. Moreover, they face mental stresses when their husband left them behind. It also leads to sexual disturbance especially in case of newly married couples. Hence, it also affects the marital life of the couples and give rise to fights, emotional disconnection and in some cases it becomes a reason for divorce. (Khan et al., 2010)

Literature also shows that managing children’s education in the absence of their husbands become a difficult task for women because now they not only have to pick and drop them to school but also have to help them in their homework. As schools are situated at long distances, hence, it adds to the difficulty and leads to stress. Moreover, in cases where women share the responsibilities of children’s education with their in-laws, their freedom to set educational preferences for their children becomes difficult. (Muhammad, 2009)

As studies correlate children’s ability to deal with stress, anxiety and better performance in studies and well-disciplined with parental support. In such cases of migration it is found that children not only suffer from psychological or behavioral problems but can also lead to low academic achievements to even drop-out from school (Leng, 2010). The negative effects of migration on

children also include less confidence, insecurity, loneliness and feeling unprotected. (Iqbal et al., 2014)

A serious difficulty faced in the area of education of children, is the neglect or loss of education due to increased expenditure especially in the cases where children were kept in the neighboring towns in the houses of their relatives. Moreover, women being illiterate, women find it difficult to help their children in educational activities. Sometimes, this give rise to a feeling of helplessness in women. In addition to this, due to absence of father's supervision and control, children adopt negative social habits like smoking and gambling.

While discussing negative impacts of migration on children and the reason behind the lack of women's control over children, a study reveals that children of these households only listen to those who can offer them more gifts as they become conditioned to gifts brought to them by their fathers during their visit to the family. So, these children become disobedient.

One another factor which leads to anxiety in women is poor health of the children as they have to take children to hospitals even in emergency situations. However, love for children is a compelling reason for women to perform additional responsibilities.

In contrast to above researches, another research counters the notion of increase in women empowerment due to migration of their husbands. Findings of this research reveal that in most of the cases as women are living in joint/ extended families hence they do not undertake any additional responsibilities as she receives support from her in-laws.

With regard to the impact on the family, study finds that 14% of surveyed population quoted that their families experienced serious problems due to the absence of the male member of the family. 50% of them were of the view that due to their absence, their children become insubordinate and spend money carelessly.



While doing literature review I could not find any relevant literature on Rawalpindi city. Hence, through this research I would like to explore this sector and will study and analyze the socio-economic effects of remittances and migration on families in general and women & children specifically belonging to Rawalpindi city. The literature discussed above will also help me analyze and conduct situational analysis of recipient families in Rawalpindi city. The literature studied above will also be helpful in interpreting my research finding and analyze the positive and negative impacts of remittances.

## **Chapter 3: Methodology**

The topic of my research is “Socio-Economic Impact of Foreign Remittances on Households: A Case Study of Rawalpindi”. This study is intended to explore that how foreign remittances effect the households, the consumption patterns of the recipient families and gender dimension and role of such remittances in women empowerment. The study also intended to explore the reasons behind migrations.

### **3.1. Methodology in Brief**

The research design is case study and carried out over the three months period from July 2017 to September 2017 in the Rawalpindi city, Pakistan.

### **3.2. Topic Selection**

Rawalpindi, the fourth largest city of Pakistan, is located in located in Pothohar region and falls under the boundary of Punjab province. It can be counted amongst oldest cities founded thousands of years ago. Rawalpindi has been from thousands of years, it is believed that a distinct culture flourished on this plateau as far in c1000BC. The nearby town Taxila has Guinness Book of World Record for its world oldest civilization and university. According to Pakistan Bureau of Statistics, total area of Rawalpindi is 5285 Sq.Kms. and the population of is around 2 million.

Foreign remittance has got increase in Rawalpindi city from last one decade. A lot of family/heads are living in diverse foreign countries and their families get remittance on monthly, half-yearly and yearly. It further helps families of migrants to get a decent life and manage their household properly. Therefore, this city is selected for current research to explore the effects of remittance on the socio-economic conditions.

### **3.3. Study Area Selection**

Although there is number of researches conducted on socio-economic effects of remittances on diverse part of the world including Pakistan, however, Rawalpindi is still an ignore city. As mentioned above that this area is selected to explore the socio-economic conditions affected by remittances. Also, another reason for selection of this city is the convenience of researcher being resident of that area.

### **3.4. Organization of the Research**

It comprised of the total sequence of research. The organization of this research includes five chapters. Chapters one is based on introductory part and gives the picture of research wit main focus on remittances and its role in Pakistan's economy. Chapter two includes the review of literature with relevant topics. Chapter three is comprised of data collected b the families of remittances from different socio and economic class. Chapter four explained the findings of the primary data of this research with graphical and descriptive form whereas the chapter five is presented the discussion points on the empirical findings and further concludes the whole research. This chapter also defined some recommendations for future research. The bibliography and annexure also mentioned at the end of the research draft.

Research objectives:

The objectives of research are as follows:

1. To explore that how remittances have affected the recipient households.
2. To explore that in what way it has affected women's empowerment.

### **3.5. Hypothesis**

The hypothesis of the research was that “remittances have a social and economic impact on the recipient households and that it has a particular linkage with poverty reduction and women empowerment”

### **3.6. Significance of the study**

Remittances are always seen as a source of income and change in economic status and positively effecting the national economy. However, the social impact of the remittances especially with reference to its effects on women and children are not the priority. Moreover, this study specially tried to fill in the research gap and specifically focused on Rawalpindi where such research has not been conducted before.

### **3.7. Research type and method**

There are many types of research including exploratory, constructive and empirical. The current study is conducted with empirical type of research and draw conclusions comprised of previous data. The quantitative approach has been used to get data by the households who are getting foreign remittance.

### **3.8. Nature of the Study**

The nature of the study includes quantitative approach and collected data with the families/ individuals who are receiving remittances.

### **3.9. Sources of Data**

The sources of data are considered as primary and secondary. The primary source is based on first-hand knowledge gathered through various methods like survey, interview, case study and observation. The secondary source is used to build a relevant background on some particular topic sources are used to complete the research. It includes articles, journals, and reports, academic and organizational researches. Both primary and secondary sources are used to complete the research.

### **3.10. Description of the Population**

The population of this research includes the number of households based in Rawalpindi, getting remittance.

### **3.11. Sampling Technique**

The selection of accurate sampling technique is highly concerned with the results of research. With this philosophy, snowball sampling technique is used for the collection of data of this research. As mentioned previously, a lot of people based in Rawalpindi receive foreign remittances on regular basis and also 3-5 members from one family are foreign remittances and this helped to collect data one to one.

### **3.12. Sample Size**

The researcher contacted 250 respondents and got back with 200 filled questionnaires. These included immigrant families of Rawalpindi.

### **3.13. Data Collection Method**

As most of the respondents were illiterate and with low levels of education. Therefore, structured questionnaire with multiple options was developed to make it easy for them to get it filled.

#### **3.13.1. Snowball Sampling**

Snowball sampling is a non-probability sampling method used when required sample is hard to find. This method is also known as chain-referral sampling.

The sample was chosen using snowball technique where I asked my initial respondents to help me other recipient families. I adopted this technique because otherwise I might not have been able to locate these families.

The sample was collected by residents of Rawalpindi, Pakistan area. The tool for data collection was structured questionnaire with multiple options to respond on.

The questionnaire included questions depending on the following heads:

- I. All households' members' age, sex, educational status, occupational status
- II. Family system. I.e. Joint, Small. iii. Investment nature of various sectors: in Agricultural and Industrial sector, small business, land purchase, building construction, formal investment in Banks, share and business and others. iv. Nature of remittances inflow of the households v. Households income, expenditures and revenues in a time series basis for those two types of households VI. Sectors of remittance use vii. Land assets, other assets and their values, nature of purchase of the two types of household's viii. Personal details of migrant are like age, income, educational status, employment status, amount of remittance sent, etc. are avoided to remain the research on only households' socio-economic condition

### **3.14. Variable Selection**

The following variables have been taken to conduct a proper research according to objectives. In this research, socio-economic impact of foreign remittance is considered as independent variable whereas household the dependent variable and different measurements used to collect the data.

### **3.15. Questionnaire Preparation and Distribution**

A structured questionnaire based on thirty-three items was developed. The responses of these items are based on close-ended responses with multiple variations. These items are specific and unbiased to get relevant data regarding topic of the research.

In this study quantitative research method was being used to collect data related to socio-economic effects of remittances on recipient households. Qualitative research emphasizes words rather than numbers. He points out that the method stresses on inductive approach to the relationship between theory and research. ( Bryman, 2008)

## **Chapter 4: Empirical findings and analysis**

Foreign remittances play an important role in economic development of the country receiving remittances as it increases its Gross Domestic Product (GDP) and helps maintaining the Balance of Payment (BOP). It also helps nations become independent by decreasing their need to borrow money from foreign resources and also making them financially solvent.

In addition to being a major contributing factor in country's development, foreign remittances are also been linked with bringing prosperity and different facilities to recipient families. It helps improve their living conditions as well as having an effect on gender relations in the family and family dynamics. However, it is important to note here that remittances has both positive and negative effects on recipient families depending on different factors.

This study has specifically focused on assessing the socio-economic effects of foreign remittances on the recipient families. Findings reveal many interesting things, like betterment in living standards however findings present a mix of both positive and negative effects of foreign remittances. Negative effects include lack of psychological and emotional support experienced by the wives and children and double burden experienced by both genders in one way or another.

#### 4.1. Composition of sample and relationship with remitter:

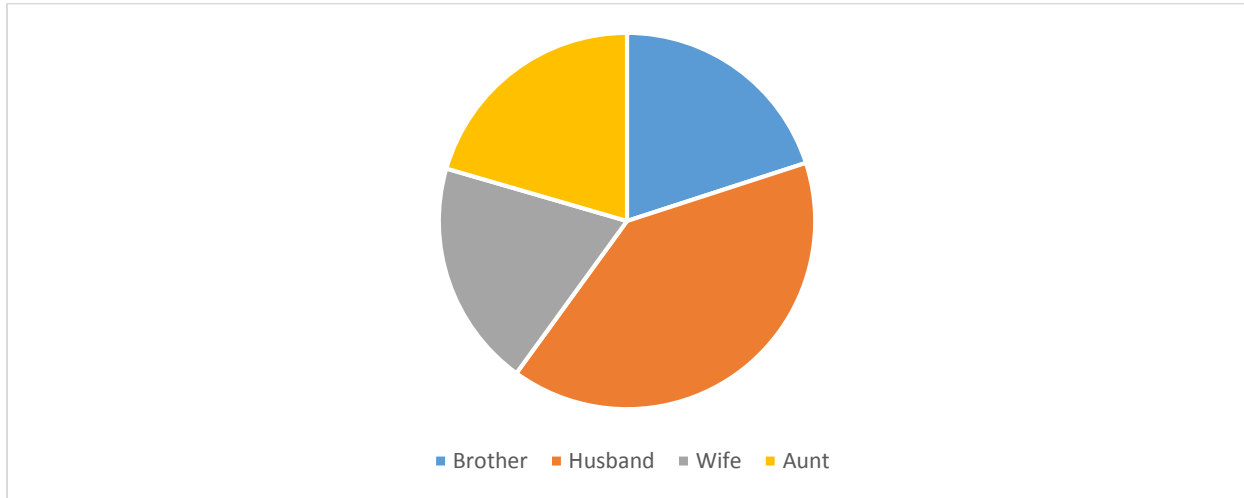


Figure 1: The relationship between remitter and recipient

For this research a sample of 200 respondents were chosen while adopting snow ball technique. Around 50% of the sample included the wives of the immigrants. Others included the siblings and close relatives.

#### 4.2. Reasons behind foreign migrations:

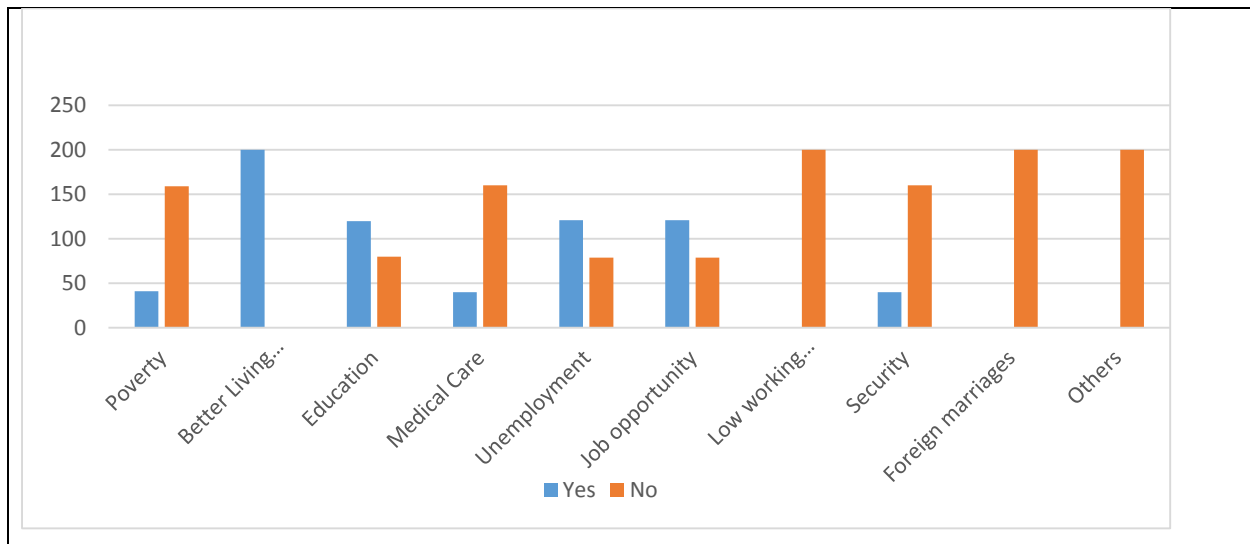


Figure 2: The main reasons for migration



Results show that unemployment, job opportunity and improved living conditions are the major factors behind foreign migration in the Rawalpindi. Poverty is also marked as contributing factor toward foreign migration as per 21% participants. It is interesting to note here that education is also one of the factor behind such migrations. Education being a reason is a positive sign because through such kind of migrations, country will be able to get highly educated, foreign qualified human resource on their return to their home country. However, looking at the scenario of Pakistan, where there is already so much brain drain and experts are leaving the country for better jobs in developed countries and there is a rise in unemployment and job opportunities are limited, it seems difficult that these students will return to serve in Pakistan. This also poses a risk that family might stop receiving remittances after a certain time period as these qualified people are able to earn good jobs and can get settled with their families there.

Though only 20% respondents quoted security as one of the reasons behind foreign migration but we feel that this is an alarming situation because such kind of migrations will not bring any good to the country. As a result of this kind of migration the country will lose its human capital and human resources that can help us build this country and can help in development of this country otherwise. Such kind of migrations will not only result in loss of qualified human resource, loss of young, educated and working age people but also effects division of population and death rate in a country (Anonymous, n.d.).

### 4.3.Characteristics of the immigrants:

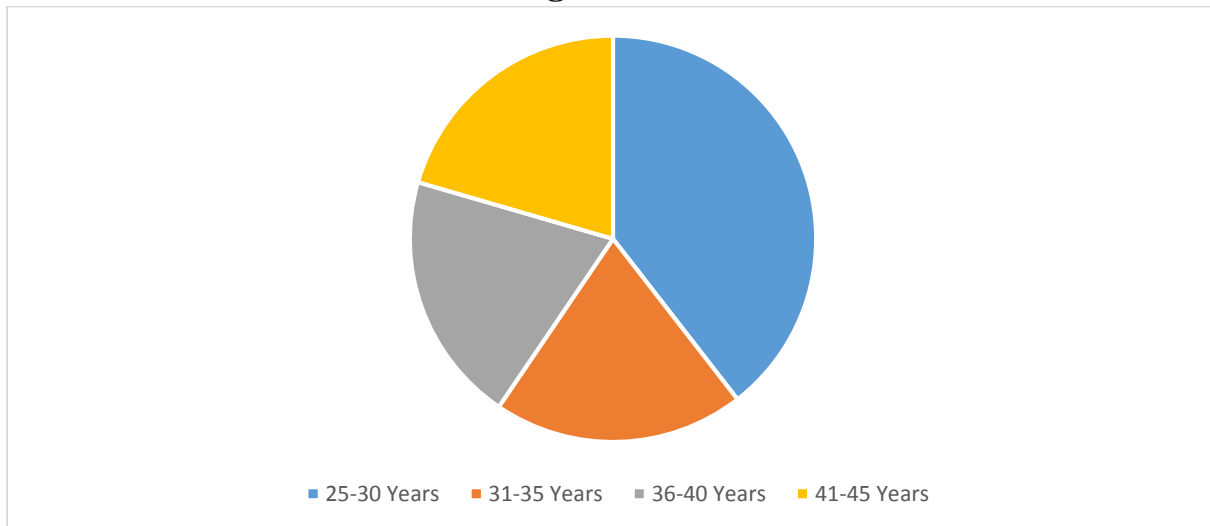


Figure 3: Age of the remitter

Figure shows a very interesting mix of immigrants who belong to different age brackets. 40% of the immigrants fall in the age bracket of 31-40 years and around 21% of migrants fall in the age bracket of 41-45 years. It is also evident from the figure that a large number of immigrants are very young

### 4.4.Years of migration

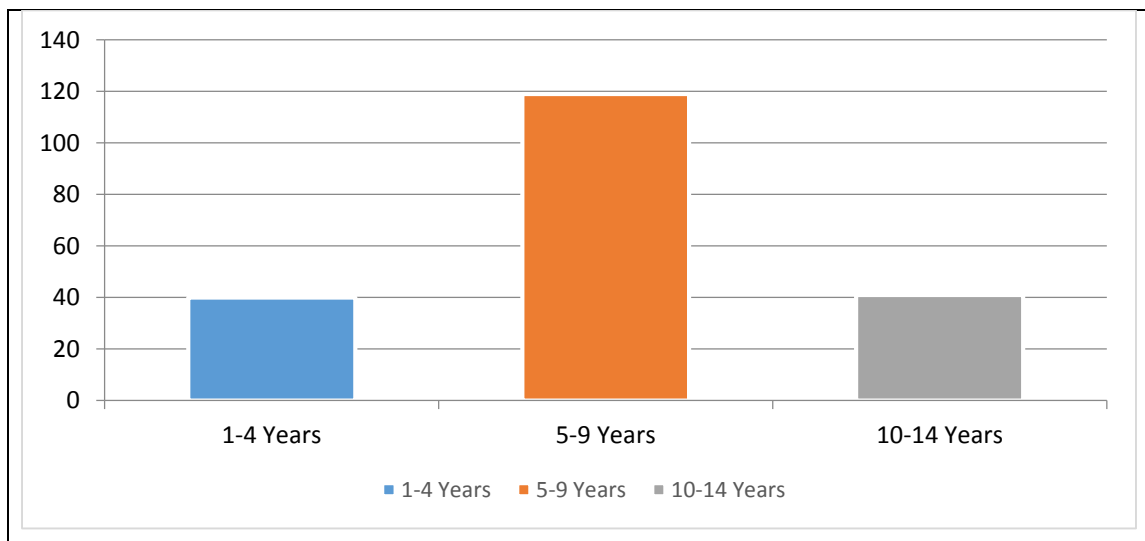
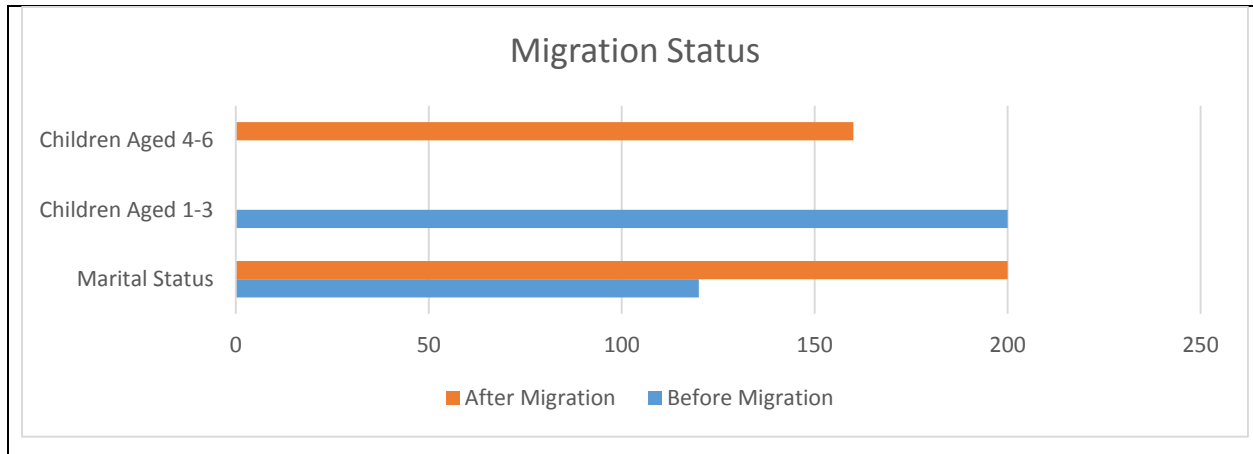


Figure 4: Years of migration

Data reveals that around 119 people have migrated during 2009 to 2012. However, around 40 and 41 immigrants have either migrated in the recent years or have migrated around a decade before.

#### 4.5. Marital status and number of children



4.5: Marital status and number of children

Data shows that most of the immigrants were married before migration and had children. Hence, we think that this immigration can be linked with gender role, where men are responsible to earn and feed the family. So, this gender role had also been a push factor behind such migrations where when men are not able to fulfill their responsibility, instead involving women in the economic sector, men prefer to immigrate. We feel that this poses a risk that in such conditions men will be forced to leave the country even under unfavorable conditions.

As most of the immigrants were married before migration and had children, it is clear that there is a minor chance that flow of these remittances will decrease after a certain time period.

Moreover, this composition of immigrants reveal that a large number i.e. around 40% fall within age bracket of 36 to 45 years, which means that in coming years these immigrants will be retiring and coming back to their countries, which will not only make them a burden on their countries in the absence of social safety networks and benefits but also for their families where they will also be left to deal with adjustment problems and will have to deal with no more wanted kind of attitudes.

#### 4.6. Remittances and their utilization:

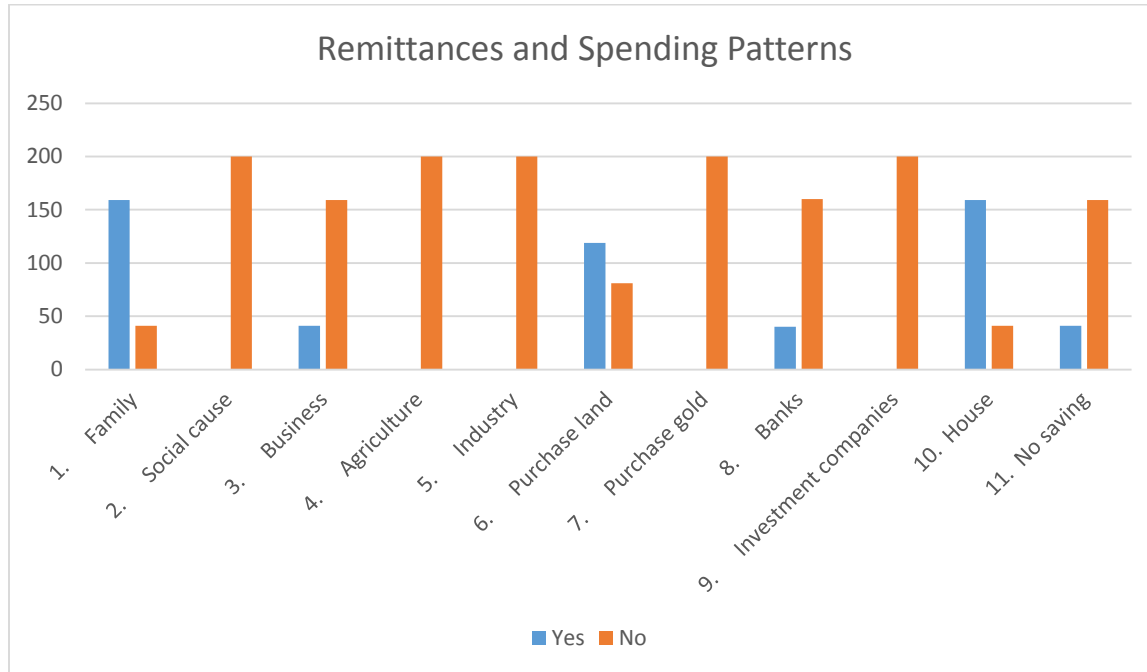


Figure 6: Remittances and spending pattern

It is evident from the results that most of these remittances are spent on immediate and basic needs. A very less proportion has been spent on long-term investments like business and land. Hence, we feel that these remittances might have changed the living conditions of the recipient families however keeping in view the current changing scenario for immigrants in different countries, this can only last for a short term. We also think that this is a result of poor financial management skills which most poor families and even middle class families lack. This is also evident from the fact that some of the recipient have not saved anything at all for rainy days. In addition to this, we feel that these families are vulnerable to economic shocks, both internally and externally, because around 60% of the immigrants are employed in service industry which are usually low paid jobs in most of the countries but are also the first one to be affected by the economic shocks.

It is also interesting to note that all respondents negated the fact foreign remittances increase the expenditure on social cause. However, we think that this might be because of the reason that all of the recipient families were not economically sound, as evident from their spending trend, hence, social cause was not on their priority list and their focus was more on meeting their basic needs and consumption purpose.

The data also presents that there is a significant amount that has been spent on children education which means that foreign remittances have a positive impact not only on the lives of people but also on the country as education helps building the human capital of the country. However, it is important to note here that none of these children has completed his/her higher education.

#### 4.7. Remittances and education

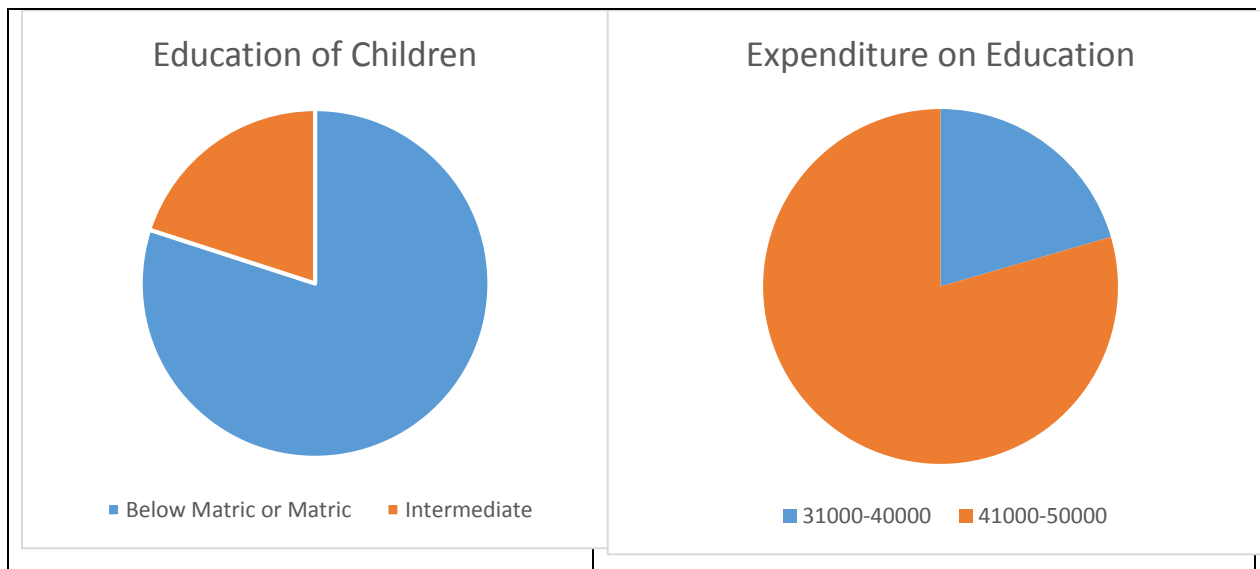


Figure 7: Remittances and education

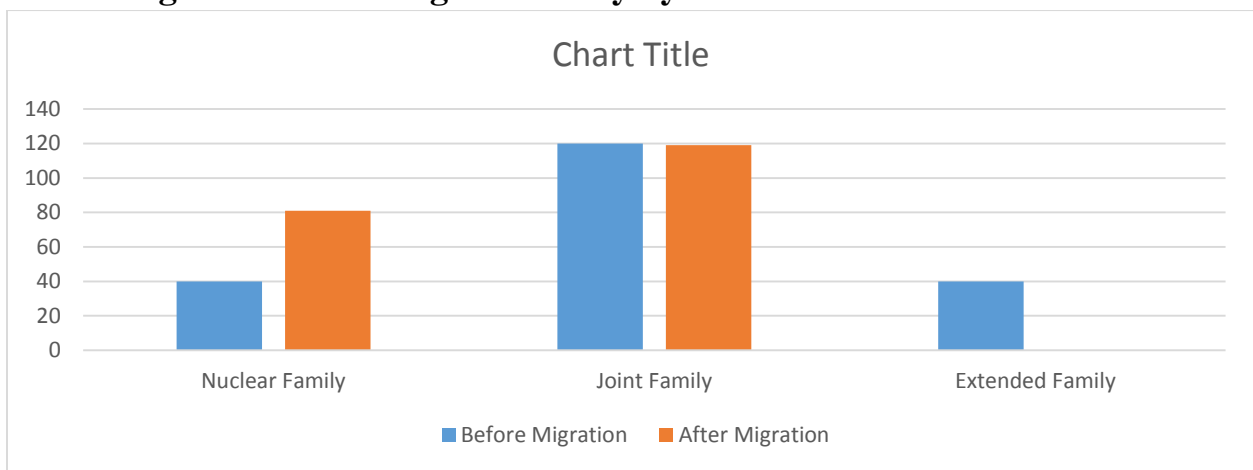
It is also important to note here that as the spending on education and medical increases in the recipient families, this can be help reduce poverty. Because we think that poverty is a multidimensional concept, it is not only related to meeting the needs of food basket and poverty is not an interchangeable word with hunger. It is linked to many other basic human needs including shelter, housing, and clothing as well as with access to health, education and job opportunities. In addition to this, we also think that poverty cannot be understood in isolation.

There are many contributing factors that lead to poverty. Like if a poor family, won't be able to spend on their children education as a result their children won't be able to get better jobs and this cycle of poverty will remain same and will be transferred from generation to generation. Also, if a poor family faces health hazards, they will spend all their savings on medical and will be left

with nothing that they can invest in some business or start some small enterprise. This will also lead to transfer of poverty from one generation to another.

Keeping in view, the above definition and contributing factors toward poverty, we feel that foreign remittances have helped decrease poverty over the period of time as families are now spending on education and medical of their children more, hence, the future generations will be able to get out of this vicious cycle of poverty and their overall condition will be improved.

#### 4.8. Migration and changes in family dynamics:



*Figure 8: Migrants family background*

Findings show a significant change in family dynamics after migration. Though there is no change in joint family system and most of the recipients are still living in the joint family, however, there is a significant drop in extended families sector and a significant increase can be noticed in nuclear families. This means that as families became economically solvent, they were able to establish their own house.

#### 4.9. Women’s participation in decision-making

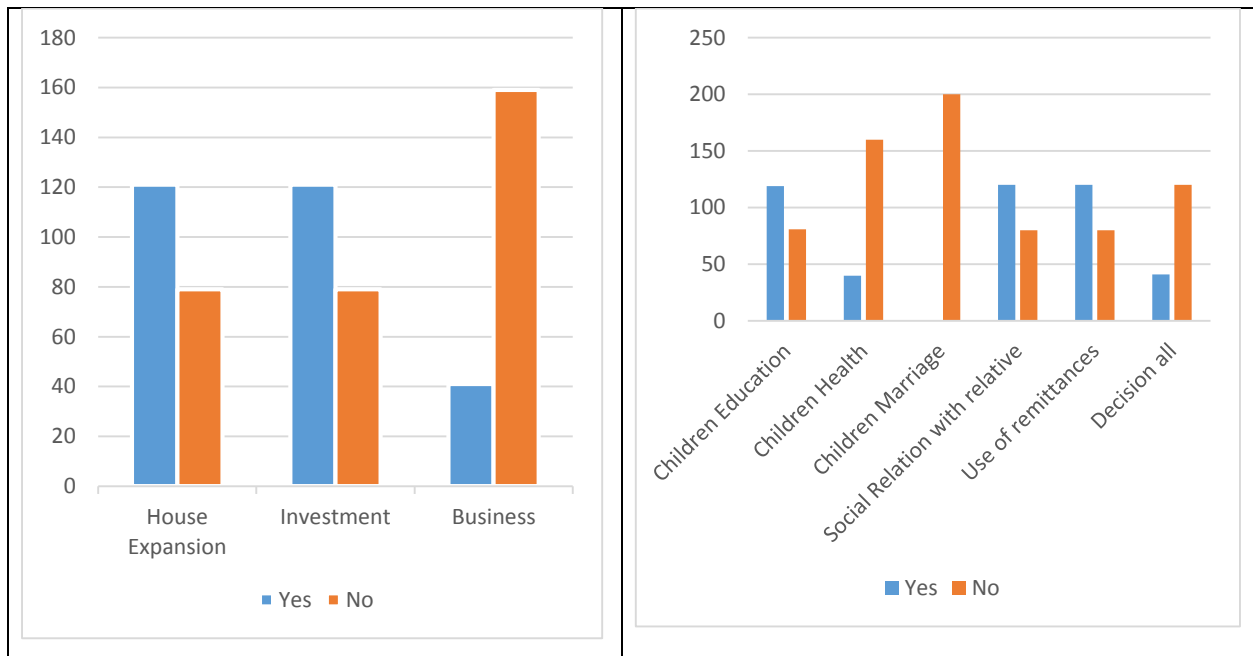


Figure 9: Women and their spending choices

It is evident from the graph above that participation of women have increased in the decision making and women are involved in decision-making more. However, this is also evident from the graph that these women have control over different decision even before receiving remittances. Hence, remittances can be one of the factor that has led to this change, however, remittances cannot be regarded as the sole factor behind empowerment and participation of these women in the decision making. One another thing that is important to note here is that as there can be seen a higher trend in nuclear family system after migration, hence, we feel that this can be a contributing factor behind women participation in the decision making. . Like women are allowed to take these decisions in the absence of their husbands, however, this might decline on the return of their husbands.

One of the shocking trend observed during this research was that though women are involved in different decisions a family level including investment, children education and even they have control over the utilization of the remittances, however, overall participation of the women in all decisions is very low, only 20% of the sample responded to this option positively. Hence, this shows that women are involved only in selected decisions depending on the will of their husbands and in-laws and are not able to make independent decisions.

This conclusion can also be drawn from these findings that this is a cosmetic change in the lives of women and this might not last long. Moreover, this also helps us understand that though this has helped increase women participation in the decision-making and helped women get economically empowered but women haven't got fully empowered. Men and elders of the family are the ultimate decision makers in the family. Hence, this also makes it vivid that whether this is only the perception of respondents or women are involved in decision-making in its true essence.

#### 4.10. Gender relations and migration

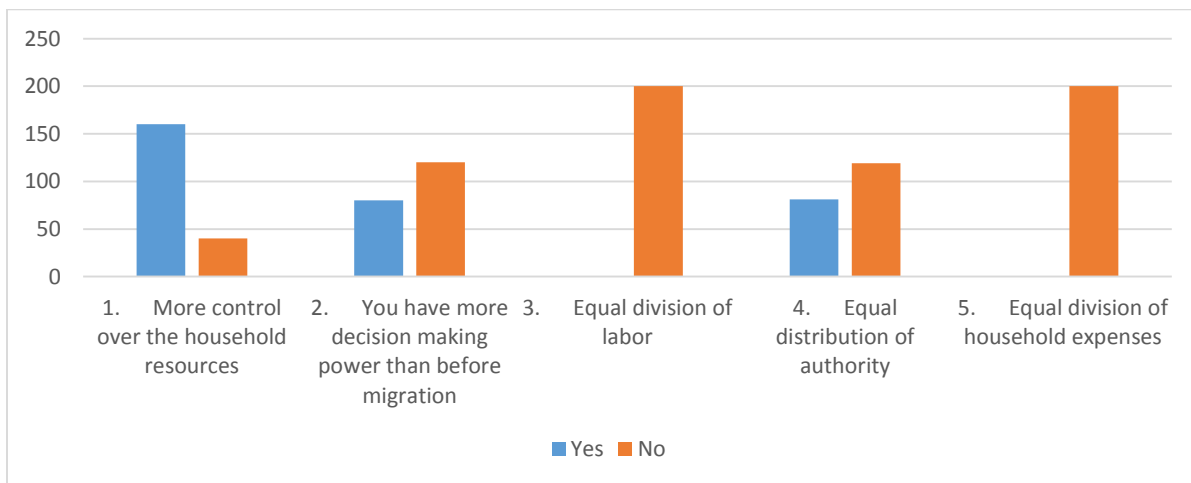


Figure 10: Gender dynamics



While looking at the positive impacts of the migration, women gained more control over resources than before however respondents feel that their decision-making power has decreased after migration of her husband. Data also presents that most of the respondents are living in joint family, hence, we feel that this can be a resultant factor of that as women has to compromise on many fronts in the absence of their husbands and also as she do not receives support from her husband who himself faces family pressure in such kind of support.

It is interesting to note here that 100% of respondents feel that there is an unequal division of labor which is true in its own spirit because women are exposed to public sphere as well and have to deal with all the responsibilities all alone and their in-laws are also not supportive. This also mean that women are double-burdened and as they haven't dealt with such responsibilities before, hence, they find it difficult to deal with them. But we feel that this is a positive factor in a sense that it will not only increase the mobility of women but also help them get empowered with the passage of time and become more self-reliant and self-sufficient as the time passes. This will also let women learn public dealing and these traits can also get transferred to children of the family especially can have positive impact on the girl child of the family and help them more confident, bold and out-going then their mothers.

It is also interesting to note here that where this factor has resulted in double burdened women, it has also changed the dynamics of gender roles for men as well. It has not only exposed women to the public sphere but men also get involved in private sphere as in most of the cases of such migration, immigrants do the household chores on their own. However, it is also important to note here that this change in gender roles is temporary, it gets reverse as soon as the immigrant returns to the home country, even on vacations but also as the sons grew-up they take the role of their fathers instead and become responsible for doing the activities involving public sphere like paying utility bills, bringing grocery etc.

#### 4.11. Negative effects of migration on recipients

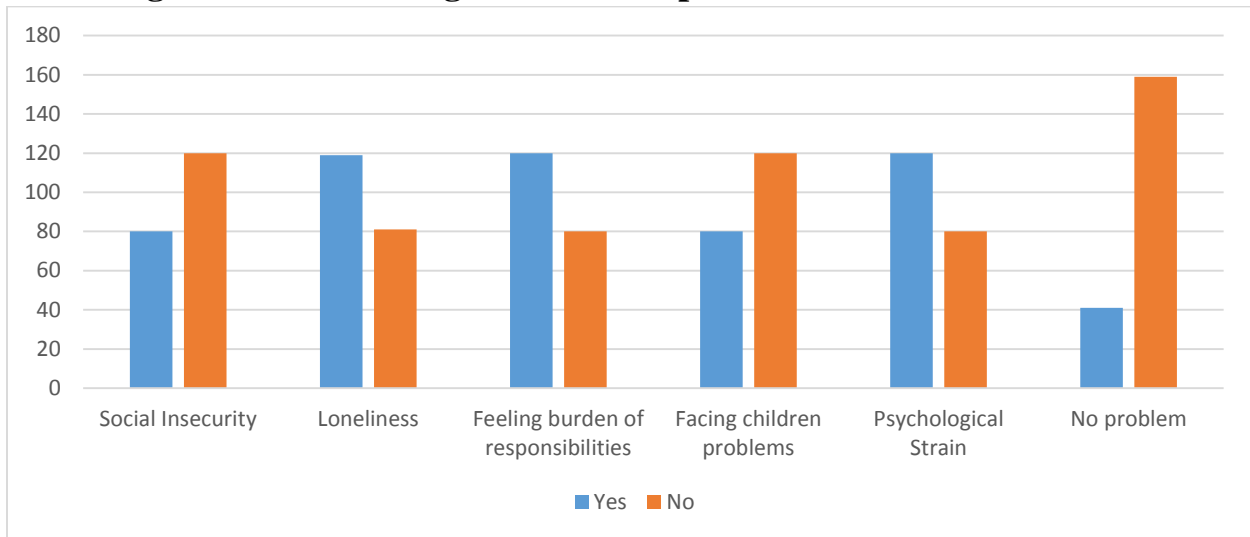


Figure 11: Undesirable effects of migration

Research shows that women face a number of negative effects as a result of migration. Quite a large number of respondents face issues of loneliness and psychological strain. Women also face social insecurity and burden of responsibilities. We think that there is an interconnection between all these issues and lack of support from in-laws as well though major number of recipients are living in joint family. Hence, we think that in the absence of husbands due to such migrations women are vulnerable not only in public but also within family.

We also feel that as there is a significant increase in the family dynamics after migration like nuclear family, this is correlated to social security factor. As Pakistani society is very patriarchal in nature, a woman living alone with her children makes it an easy target for men. Age remains a detrimental factor in such cases, as older women living alone is acceptable for society but it becomes difficult for younger women despite the fact that they are married or not. This is also on the major factor, that even if women don't get along with their in-laws well, they opt to live with their in-laws.

#### **4.12. Effects of migration on children**

Unlike as literature suggests, the children of these families have not experienced any psychological problem or feel only but there do miss their father's presence in their lives and seek their love and guidance. I think that this can be a result of the factor that most of our participants were illiterate hence they might not be able to understand the psychological impact of these migrations on their children. It can also be said that as the children of most of these immigrants were young hence the effects of the migration are not prominently visible yet.

## **Chapter 5: Discussion and conclusion**

### **5.1. Discussion**

Although remittances are thought to play an important role in economy of the country. However, research findings shows the impacts on households in many ways. It brings fortune in the lives of recipients as it improves their economic status, improves their housing and living standards, help them accumulate some savings and own assets like land. As research suggests, these foreign remittances has brought many positive changes in the lives of the recipient families. Like they not only enjoy better food and improved housing facilities but an increasing trend can be observed in education expenditure and educational status of their children.

As in literature (Solimano, 2003) proposed four major motives behind sending money to back home, results of this study exhibit that people send remittances to the home country for different reasons. During my research I also noted that in some cases people send remittances because of one particular motive like altruistic motive or self-interest motive or contract loan repayment, but there can be more than one motive involved behind sending remittances to back home. Like present study highlighted that these remittances have helped to improve the living conditions of the family and most of the amount has been spent on consumption needs.

Therefore, present research results reflect that most of these senders are sending remittances under altruistic motive. Moreover, spending pattern of the remittances like investing in housing, purchasing land reveal that some of the remittances has been sent under self-interest motive where remitter want to do investments in the home country. Findings also present the similar position presented by (Lubambu, 2014) where researcher stated that remitter might send money for long-term investments like in the sectors of education and health. Present research results also support this idea that investments in the sector of health and education have increased.

However, data also reveals that remitters are sending remittances for both reasons as well because larger amounts are spent on family however, some amount is further invested in different sectors.

As most of the remitters are married and have children and being living in a patriarchal society like Pakistan, where wife and children are dependent on their husbands and fathers respectively. In this scenario men are the only bread-winners, I think that there is a minor chance that these remitters stop sending money to back home, the drop of money sent may happen, but it cannot diminish at all.

Research finding also shows that some of the migrants have migrated for acquiring a foreign degree and/or educational purposes, however, I was unable to establish from this research that an agreement has taken place between family and migrant on repayment of the amount that will be spent on their education or not.

As literature suggests, it has also been witnessed that business investments fall in least preferred category among recipients. However, in contrast to literature, a large number of recipients have invested the remittances in purchasing land. Research findings also show that larger portion of remittances has been spent on consumption and fulfilling basic needs. Moreover, it also validate the fact that among recipient families the investment in education and health sector has dominantly increased.

In contrast to study conducted in Toba Tek Singh, Pakistan there is no evidence found of spending remittances on agriculture development through investment of land, livestock and farm machinery. In present study did not match the result due to different in localities. Rawalpindi is developed and modern city there is no agriculture land or investment in livestock.

The previous researches deliberate the results findings that impact of migrations and remittances help to increase the role of women in decision making, for instance women make decisions regarding utilization of funds or decisions related to children's education etc. (Khan, Alam, & Rehman, 2016).

The current study analysis shows that around 60% participants confirmed that now women are more involved in decision making. Like now they have more freedom to decide about the education and health of their children. They have also gained freedom to spend remittances as per their will and also to decide on maintaining social relations with relatives. It is important to note here that

remittances have helped women get involved in bigger decisions as well like house expansions and investments.

While mentioning the negative impact of migration on women, e.g (Khan, Alam, & Rehman, 2016) research result evaluate migrations leave women double burdened and women feel that responsibilities are not equally distributed. Findings also validate the literature in a sense that women experience many emotional and psychological problems in the absence of their husbands like feeling socially insecure, loneliness and psychological strain. However, literature has highlighted many negative outcomes of migration and absence of fathers on children,

According to present study analysis the emotional and psychological burden that such migrations offer to wives, children and immigrants themselves, it outweigh the positive impacts of remittances. Nothing can replace the impact of presence of father in the lives of children especially in the young age for their better development and emotional and psychological well-being. Further the risk that such migrations pose for parents of these migrations, especially who are in older age, are also higher especially in a case where old people do not receive any support from government at a social level.

## **Chapter 6: Conclusion and recommendations**

The analysis of findings and different aspects of foreign migration and remittances reveals that foreign remittances present an attractive package both at a family and country level, it can only be helpful in shorter term for certain reasons. It is also evident from the study findings that the most of these remittances are spent on fulfilling immediate and consumption needs rather than investing in a business, asset or in savings, hence, posing a greater threat to the recipients of such remittances. Hence, in case of any economic shock and any mishap, both parties become vulnerable and they might not be able to get through that crisis in absence of any savings and any investment. Moreover, this also poses a risk that the family might not even be able to survive and meet their basic needs in absence of these remittances. Another risk that this brings along is that for the next generation or even people of same generation it might not be acceptable to agree on low salaried jobs despite the fact that they are not highly qualified.

In the longer run, such migrations poses significant threats to the immigrants, their families and to the country at large through brain drain and loss of young and energetic human capital. Another negative aspect of these migrations is that, as evident from findings, large number of immigrants are very young and belong to the age group which is thought to be the prime age of productivity. So, these migrations not only cause a loss of young human resource to country but in future we will have to bear the burden of those old returns as well who will be moving back to their home country in their old age.

One emerging factor, rather a risky one, behind migrations is the security situation and increase of terrorist attacks in the country. I think so because these kind of migrations are induced by the fear of reoccurring of terrorist activities hence rather than contributing in the country's development the person's first priority is to flee from the country. And probability is that these migrations will be permanent in nature. Hence, country will lose a good human resource who could have contributed in the economic development of the country. This is also a violation of Article 9 of constitution which states:

*“No person shall be deprived of life or liberty save in accordance with law”.*

We can conclude from this study that foreign remittances bring many facilities to the recipients and help improve their living standard but at the social front, there are a number of factors that make it a negative agenda at large.

One of the important observation during this research was that there are numerous studies done that focus on economic aspects of the remittances on lives of recipients. However, there is a need to explore effects of these migrations on both genders especially in a scenario where more women are migrating.

There is also a need to develop a more detailed set of data sources to understand the underlying mechanisms and effects of these migrations rather than focusing only on the net effect of migration on its related outcomes.

The effects of migration on older parents especially in case of absence of any social support system also need to be studied and presented to government for policy making.

Based on the findings of the research, it is suggested that spouses and children should also accompany while migrating to another country to mitigate the negative effects of migration on emotional and psychological well-being of migration on children and spouses. The host countries should also relax regulations in this regard and make it easy for immigrants to bring in their families along with them.



## References

- Adams, R. (2005). Remittances, Poverty and Investment in Guatemala". In International Migration, Remittances and the Brain Drain, edited by C. Ozden and M. Schiff. Washington D.C.: Palgrave Macmillan and the World Bank.
- Ahmed et al. (2010). Remittances and household welfare: A case study of Pakistan.
- Ahmed, J. &.-Z. (2014). What drives bilateral remittances to Pakistan? A gravity model approach.
- Anonymous. (n.d.). Retrieved from BBC:  
<http://www.bbc.co.uk/bitesize/standard/geography/population/migration/revision/4/>
- Arif, G. (2009). Economic and Social Impacts of Remittances on Households: The Case of Pakistani Migrants Working in Saudi Arabia": Pakistan Institute of Development Economics Islamabad.
- Aslam.R, S. (2013). "Socio Economic Impact of Foreign Remittance on Household In Rural Areas of Pakistan".
- Asma, S. (2010). Consumption Pattern of Pakistani households; Evidence.
- Awan, M. S. (2015). Migration, remittances, and household welfare: Evidence from Pakistan. The Lahore Journal of Economics, 20(1), 47.
- Bryman, A. (2008). Social research methods .New York.USA: oxford New York. oxford New York.
- Fareedy, F. (1984). Workers Remittances: A Determinant Of International Migration. Pakistan Economic and Social Review, 22(1/2), 65-88. . Retrieved from <http://www.jstor.org/stable/25824967>.
- Hyun, o.-s. (1989). the impact of overseas migration on national development the case of republic Korea.

- Iqbal et al. (2014). International Male Migration and Its Impact on Education of Children and Wives Left Behind: Evidence from Punjab Pakistan. Retrieved from [https://file.scirp.org/pdf/JSS\\_2014061209390575.pdf](https://file.scirp.org/pdf/JSS_2014061209390575.pdf)
- Irfan et al. (1983). Socio-economic Effects of International Migration on the Families Left Behind.
- Irfan, M. (2011). Remittances and Poverty Linkages in Pakistan: Evidence and Some Suggestions for Further Analysis. Islamabad: PIDE. Retrieved from <http://www.pide.org.pk/pdf/Working%20Paper/WorkingPaper-78.pdf>
- Islam, M. N. (2011). Bangladesh Expatriate Workers and their Contribution to National Development.
- Kapur, D. (2004). Remittances: the New Development Mantra?”, G-24 Discussion Paper Series, Nr. 29, United Nations Conference on Trade and Development, .
- Khan et al. (2010). Khan, I. A., Mahmood, S., Yasin, G., & Shahbaz, B. (2010). Impact of international migration on social protection of migrants families left behind in agrarian communities of district Toba Tek Signh, Punjab, Pakistan. Pak. J. Agri. Sci, 47(4), 425-428. Peshawar: The University of Agriculture.
- Khan, A., Alam, I., & Rehman, U. u. (2016). Socio-Psychological Effects of Emigration on Left Behind Women in Buner, Khyber Pakhtunkhwa, Pakistan. Peshawar: The University of Agriculture.
- Kobayashi, S. (2014). The Effect to the Economic Growth by the Labor Migration: from the Viewpoint of the Stock of the Human Capital.
- Kumar. (2009). “The Impact of Labor Migration and Remittances on Household Income and Welfare in Nepal” San Francisco State University.
- Kumar, S. M. (2009). The Impact of Labor Migration and Remittances on Household Income and Welfare in Nepal. San Francisco: San Francisco State University.

- Leng, L. a. (2010). Parental Migration and Child Development in China (Working Paper). Gansu Survey of Children and Families.
- Lubambu, K. M. (2014). The Impacts of Remittances on Developing Countries. Belgium: Directorate General of External Policies, European Union. Retrieved from [http://www.europarl.europa.eu/RegData/etudes/etudes/join/2014/433786/EXPO-DEVE\\_ET\(2014\)433786\\_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/etudes/join/2014/433786/EXPO-DEVE_ET(2014)433786_EN.pdf)
- Mahmud et al. (2012). Remittances from Saudi Arabia: A Community Phenomenon. The Pakistan Development Review. Retrieved from <http://www.pide.org.pk/pdf/PDR/2012/Volume4/245-258.pdf>
- Muhammad, F. &. (2009). The impact of international migration on migrants' families left behind in the rural area of Pakistan. Pakistan Journal of Agricultural Sciences, 46(4), 233-236.
- Musliu, A. (2013). emittances, Emigrants, and Education: A Case Study of Children's Education in Kosovo (Doctoral dissertation, Central European University).
- Najid, e. a. (2013). Foreign Remittances and Economic Growth in Pakistan: An Empirical Investigation. Journal of Basic and Applied Scientific Research, 7. Retrieved from [https://www.textroad.com/pdf/JBASR/J.%20Basic.%20Appl.%20Sci.%20Res.,%203\(7\)813-819,%202013.pdf](https://www.textroad.com/pdf/JBASR/J.%20Basic.%20Appl.%20Sci.%20Res.,%203(7)813-819,%202013.pdf)
- Nisar, A. K. (2013). Econometric analysis of income, consumption and remittances in Pakistan: two stage least square method. The Journal of Commerce, 5(4), 1. The Journal of Commerce, 10. Retrieved from [http://joc.hcc.edu.pk/articlepdf/Nisar\\_Pakistan\\_1\\_10.pdf](http://joc.hcc.edu.pk/articlepdf/Nisar_Pakistan_1_10.pdf)
- Nishat et al. (1993). The Determinants of Worker's Remittances in Pakistan. The Pakistan Development Review. Retrieved from <http://www.pide.org.pk/pdf/PDR/1993/Volume4/1235-1245.pdf>

- Rahman, M. (2009). Temporary migration and changing family dynamics: implications for social development. *Population, space and place*, 15(2), 161-174.
- Savage, Suleri, A. Q., & Kevin. (2006). *Remittances in Crises: A Case Study from Pakistan*. Islamabad: Sustainable Development Policy Institute. Retrieved from <https://sdpi.org/publications/files/Microsoft%20Word%20-%20PRP-A10.pdf>
- shahzadi, A. (2010). *Consumption Pattern of Pakistani households; Evidence from pakistan panel household survey*.
- shanaz, L. (1995). *the impact of male ouy- migration on families decision making (a case study selected area of kharian)*, an unpublished thesis, department of economics, Quaid e Azam university ,Islamabad. islamabad: Quaid e Azam university ,Islamabad.
- Sharon Stanton Russell, K. J. (1990). *International migration and development in sub-saharan Africa*. washington D.C: The World Bank.
- Solimano, A. (2003). *Remittances by emigrants:issues and evidence*. Santiago, Chile: Economic Development Division. Retrieved from [http://repositorio.cepal.org/bitstream/handle/11362/5390/S0310686\\_en.pdf?sequence=1&isAllowed=y](http://repositorio.cepal.org/bitstream/handle/11362/5390/S0310686_en.pdf?sequence=1&isAllowed=y)

## **Appendix**

### **Quantitative Questionnaire**

Socio-Economic Impact of Foreign Remittances on Households: A case study of Rawalpindi

Dear Respondent,

I request you to fill this questionnaire and assist me in collecting data for my Research. All the data will remain confidential and use to conduct the research.

For your understanding, the main objective of this study is to examine the importance of remittances on the socio economic situation among households in communities of Rawalpindi.

The present study determines the economic and social impacts of overseas migration. It is based on the household interviews with a migrant family member working in abroad.

Thank you in Anticipation,

Sehrish Noor  
Researcher

1. Name of respondent

Your answer

2. Age of respondent (in years)

Your answer

3. Age of respondent (in years)

Your answer

4. Respondent's Occupation

Your answer

5. Country of destination (remitter)

Your answer

6. location of respondent's before migration after migration

Your answer

7. Relationship with Remitter

Your answer

8. Age of Remitter (in years)

Your answer

9. Marital status of Remitter before migration after migration of respondent.


Married

Unmarried

If married, No of children total -----

10. Education of children, class, age and fees.

Your answer



11. Family system before migration after migration of respondent  
Nuclear family system.

- before migration :Joint family system      Extended family system
- After migration: Joint family system      Extended family system

12. If joint family, what is the number of sister's in-law and brothers in- law?

Number of sisters in law -----

Number of brothers in-law -----

13. Status of mother in-law/father in law alive

Alive

Dead

14. Years of migration?

1 - 4 years

5 - 9 years

10 - 14 years

Option 4

15 and above

15. What were the main reasons for migration?

a. Poverty

b. Better medical care

c. Education

d. Unemployment

e. Low working conditions

f. Better living standard

g. Security

h. Job opportunities

i. foreign marriage

j. others

16. How do you compare your control over the money and spending before receiving remittances

and now? Can you make more decision than before?

Yes \_\_\_\_ 1: Household expending 2: Investment 3: Business 4: Other (specify)

No

17. Occupation of oversea

(a): Technical and Scientific

(b): Agriculture

(c): own business

- (d): Job
- (e): Services

18. Remitter investment of remittances in which areas:

- (a): family
- (b): social cause
- (c): business
- (d): Agriculture
- (e): Industry
- (f): Purchase land
- (g): Purchase gold
- (h): Banks
- (i): Investment companies
- (j): House
- (k): No saving
- (l): Others

19. Monthly pay of remitter (in rupees) before migration after migration?

Your answer

20. How many persons of family receive remittances?

Your answer

21. Are you feeling social protection after the departure of your remitter in family (husband, son, and brother.etc)?

YES

NO

22. What are the social problem you face after the departure of your remitter?

- (a): Social insecurity
- (b): Loneliness
- (c): Feeling burden of more responsibilities
- (d): Facing children's problems
- (e): Psychological strain
- (f). No problem

23. Are you feeling economic protection after remitter migration?

Yes

No

24. Do you feel your in-laws care you and are supportive in the absence of your Husband?

Yes

No

25. Do you (respondent) feel your participation in decision making increased?

Yes

No



26. If yes, than what kinds of decisions you can take.

- (a): Children's education
- (b): children's health
- (c): children's marriage
- (d): Social relation with relatives
- (e): Use of remittances
- (f): Any other mention
- (g): All

27. What are the changes in gender relations in your household after migration of your husband?

- (a): More control over the household resources
- (b): You have more decision making power than before migration
- (c): Equal division of labor
- (d): Equal distribution of authority
- (e): Equal division of household expenses

28. What are the social and economic benefit of migration?

- (a): Economic independence
- (b): Better economic statuses
- (c): Better social statuses
- (d): others

29. How frequently you receive remittances?

- (a): After 1 month
- (b): 1 month to 6 month
- (c): 6 month to 1 year
- (d): 1 year and more

30. How you can contribute to your migrant problems and life?

- (a) Children's upbringing
- (b) Taking care of their family morally and socially (children's, parents, wife etc.)
- (c) Take responsibility of their family matters (children's wedding, assets , land , business etc)

31. How do you compare your economic level before and after receiving remittances?

Before

- (a): Better
- (b): Same
- (c): Worse

After:

- (a): Better
- (b): Same
- (c): Worse

32. Children's feelings after the departure of migrant

- (a): Loneliness
- (b): Insecurity
- (c): Lack of giddiness
- (d): Feeling lack of father affection

33. In term of social statues, do you believe that by receiving remittances you have a better quality of life?

Yes

No