

IMPACT OF REMITTANCES ON RURAL PRIMARY EDUCATION: A CASE STUDY OF GALEWELA DS DIVISION, KURUNEGALA DISTRICT

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Introduction

Among factors which contribute significantly to the improvement of a society's standards of living, remittance inflows to Third World countries play an important role by contributing significantly to the economic welfare of households and overall economic conditions. Remittances are defined as monies earned or acquired by non-nationals that are transferred back to their country of origin. As foreign aid continues to shrink, and Foreign Direct Investment (FDI) flows remain vulnerable to fluctuating global economic developments, remittances have proved to be a more stable source of foreign exchange for many developing countries.

Research on remittances and migration have tended to focus on the benefits of migration to home communities and members left behind through increases in household income (Arunatilake, 2010). But less attention has been paid to the impact of remittances on education - in particular primary education - of children in migrant households in rural communities. One study (Jayawardane, 2012) found that 49% of remittances were spent on non-food items and (only) 3% for education. Therefore this study focuses on the impact of remittance investment on productivity of rural primary education. Its importance stems from evidence that approximately 14 percent of children in the compulsory school going age do not attend school and only about a fifth of Grade 5 children attain mastery levels in writing and less in mathematics (Little, 2000).

The objectives of the study are (to):

1. Identify the contribution of remittances towards primary child education;
2. Examine the productivity of remittance investments on education; and
3. Compare the level of primary child education among migrant and non-migrant families

Methodology

The data used in this study was collected through a household survey conducted in Galewela Divisional Secretariat (DS) Division in Kurunegala District using a pre-structured questionnaire. The selected sample which covered 45 beneficiaries of remittances was drawn using a multi-stage approach in which remittance-beneficiaries were purposively selected from Sampath Bank and out of that, 45 were randomly chosen. A sample of people without remittances was also selected using a multi-stage approach in which the list of residents was obtained from the Galewela Divisional Secretarial Office purposively and 45 were randomly chosen out of it after removing migrants. Both types of families included children obtaining primary education. Contribution of remittances for primary education was measured under five components and analyzed using descriptive analysis. The productivity of remittance investments on education was measured using five criteria and analyzed using Wilcoxon Sign Rank Test. The most significant factors affecting primary education were determined using regression analysis.

Results and Discussion

Contribution of remittances towards rural primary education was analyzed by considering the following expenditure items: tuition fees, school fees, school transport, extracurricular activities, and school lunch. For further confirmation, those expenditures were compared with non-migrant families. Average monthly expenditure (in Rupees) of migrant families for the above components were 1978, 194, 512, 788, and 1580, and for non-migrant families 1381, 88, 351, 369, and 1541, respectively. The total average monthly expenditure for primary education in migrant families was Rs.5052 and Rs.3730 in non-migrant families. This indicates that migrant households spend a bigger share of remittances on primary education than non-migrant families. It also supports the evidence of Nautus (2013) who found that 3.8% of remittance income is spent on education, with the increase in average remittances per person of one-hundred dollars per month corresponding to an increase in one grade level attained by the average person.

In order to identify the productivity of remittance investment on primary education, parental perceptions of migrant families regarding selected criteria were investigated under the categories of “highly improved”, “improved”, “no change”, “decreased”, “highly decreased” and analyzed using the Wilcoxon Sign Rank Test. Results are given below.

Table 1. Productivity of remittance investments on primary education as per parental perceptions

Criteria	Mean Value	Wilcoxon Sign Rank Test Value	P value
Improvement in academic records of children	2.9	5.824	0.0000*
Improvement in children participation to extracurricular activities	3.6	5.819	0.0000*
Improvement in children personality development	3.5	5.705	0.0000*
Improvement in children encouragement to the education	3.0	5.836	0.0000*
Improvement in children participation to tuition classes	3.9	5.771	0.0000*

From parents' perceptions, productivity of primary education has significantly increased after the remittance investment as all the values are significant at 5% significance level. This finding can be supported by the evidence of Hu (2013) that remittances play a positive role in promoting the children's education performance in rural areas.

But when comparing the primary education productivity between the children in migrant and non-migrant families according to the parental perception using two sample t-test for the above mentioned five criteria in table 1, it has been revealed that there is no impact of remittance investment on primary educational productivity and signals the influence of some other factors that affect education productivity apart from remittances.

A regression analysis was done in order to determine the significant variables that affect the productivity of education (Table 2). Productivity of education was measured by the improvement in the academic records of the children. In computing the parental relationship of the migrant to the children, "1= mother" and "0= father".

Table 2. Regression analysis for factors affecting productivity of primary education

Predictor variables	Coefficient	Standard Error	t value	p value	VIF
Constant	47.0039	3.10212	15.15	0.0000	
Share of remittance on education	0.00147	3.947E-04	3.73	0.0006	1.2
Parental relationship of the migrant to the children	-4.1444	4.34508	-5.56	0.0000	1.3
Time allocation of mother for children education	0.70996	0.39162	1.81	0.0474	1.0
R-squared	0.6620	Residual Mean Square (MSE)		98.6906	
Adjusted R-squared	0.6282	Standard Deviation	9.93432		

According to the above results the most decisive factors - apart from the share of remittances spent on education - affecting children's education are parental relationship of migrant to the children and time allocation of mother for children's education. The negative coefficient of parental relationship of migrant implies that primary educational productivity declines with the absence of the mother. Therefore the positive impact of spending remittances on children's education is diminished when a parent (especially the mother) is absent. The mother's presence is arguably important to guide the children properly and direct the remittances in an effective manner that can be used in improving the education status of the children.

Conclusion

A portion of remittances are spent for children's education, resulting in an improvement of their schooling outcomes. However, this effect is strengthened when the mother of the child is present at home, rather than being the migrant, and is further improved with increasing time spent by the mother helping with their children's learning.

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