

Impact of Remittances on Socio-Economic Condition of Rural Families of District Bagh AJ&K

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Abstract

The aim of the present study is to analyse the impact of remittances on the socio-economic condition of rural families of district Bagh of Azad Jammu and Kashmir (AJK). For this purpose, the data were collected from December 2019 to March 2020 from the six purposively selected villages (Two from each Tehsil), i.e. Sewar Kalo, Koteri Qandeel, Kothian, Badyar Baisarah Chant and Mallot. Four Hundred households were randomly selected (66 from each Village) as sample households. For analysis, demographic responses are evaluated. Secondly, descriptive analysis is done to assess the actual impacts of remittances at household levels. The findings of the study revealed that the primary source of income in the area was remittances. Before emigration, the incomes of people were very low, which significantly improved after emigration. Due to an increase in incomes after emigration, the respondents preferred to educate their children in private educational institutions. As a result of remittances, respondents' families spent income on the purchase of commercial plots, repaid their debts, constructed and renewed their houses, purchased more vehicles and started new businesses in the area. Respondents' families were satisfied with their present financial status and preferred emigration for their children in future for earning purposes. Few negative impacts, including psychological disorders in women, insecurity feelings, and children drop-out from schools, have also been reported in the area. The overall impact on living standards, outlook, financial position, the status of respondent families in the area was found significantly high. The study recommends that for better utilisation of the remittances, proper training is required of the leftover family members so that the investment may be made in such a way to generate employment in the area.

Key Words: AJ&K, Household Saving, Household, Immigrant Worker, Remittances

Introduction

Remittances play a very vital role in the enlargement of a country. Remittances are becoming a potential source of external finance, and their magnitude is on the increase in some of the developing countries (Gardner 1995). Gilani, (1981) conducted the survey, which was the first immigration survey in any developing country, and the survey shows different important facts. Some important results were that foreign remittances were used for education and health, consumer durables goods and real estate. People also invest in productive purposes, i.e. Purchase machinery for agriculture, purchase of livestock and improving their farms. (Kapur & McHale 2009) report that Migrant workers sent foreign remittances to play a key role in the development of household conditions like improving their standard of living and foreign capital developing countries and less developed countries. In the globalising world, foreign remittances become a critical problem as it directly contributes to poverty reduction and economic growth in less developed and developing countries. The economic impact of foreign remittances has been reflected favourably at both the macro and micro levels, at least in the short term and there is increasing evidence that remittances from abroad are important to the survival of societies in many developing countries. At household levels, foreign remittances help to reduce poverty, empower women, increase asset accumulation and save and overall social status of the family (Buch & Kuckulenz 2010); (Yang 2011); (Arif 2009); (Kumar 2019).

Different studies showed that in times of economic crises, natural disasters, and uncertainties, foreign remittances provide self-insurance to migrant households. (Capistrano and Maria 2010) found that remittances are said to be the “aid” that helps families all over the world and boost them out of the poverty line. While at the community level, remittance can help create better employment opportunities and commodity markets. The consequence of foreign remittances on inequality and poverty depends on how far poor families are able to join in the process. At the macro level, foreign remittances can improve macroeconomic stability, the development prospects of the country, moderate the impact of an adverse shock, and reduce possibly inequality and poverty (Buch & Kuckulenz 2010).

Global migration in Pakistan is a widespread phenomenon and has a reflective socio-economic impact. In Pakistan, very soon after the independence, migration throughout the world started, and it became increasing 1970's. It may be due to the high development in Gulf and other middle east. And the development of these countries is only possible when there is high labour from developing countries like Pakistan. According to the 2017 Census Survey of Pakistan, total remittances received by Pakistan were US 22.30 billion.

The state of Azad Jammu & Kashmir contains a range of 5,134 sq. m (13,297 sq. km). According to the socio-economic survey 2017 of Azad Jammu & Kashmir, about 33,318 (6.7 %) people were migrated in 2017 from Azad Kashmir, while 4,851 people from District Bagh AJ&K were working abroad. (Khan, Israr et al. 2011) found that there are several types of flows of migration from Azad Kashmir to foreign. Firstly, some go to formal channels. Secondly, people go to developed countries as students, and thirdly, there are mostly young men who go through developed countries illegally. The main objective behind the third category of emigration is only to improve the livelihood of their families.

District Bagh, AJ&K is one of 10 districts) of AJ&K. Conventional techniques for agribusiness in rural zones are commonly embraced in this area; there is the diversity of income level and consumption pattern of households. But the problem is that there is the unavailability of information of income and expenditures pattern of the households in Bagh AJ&K very fewer Job opportunities and high uncertainty of stability are the major causes of emigration from the home country towards the Middle East and another world. According to the socio-economic study of District Bagh AJ&K emigrants are prefer to go abroad to improve their standard of living, firstly fulfilling their basic consumption, construction and renewing houses, and establish businesses. The majority of emigrants preferred Middle Eastern countries for earning their livelihood.

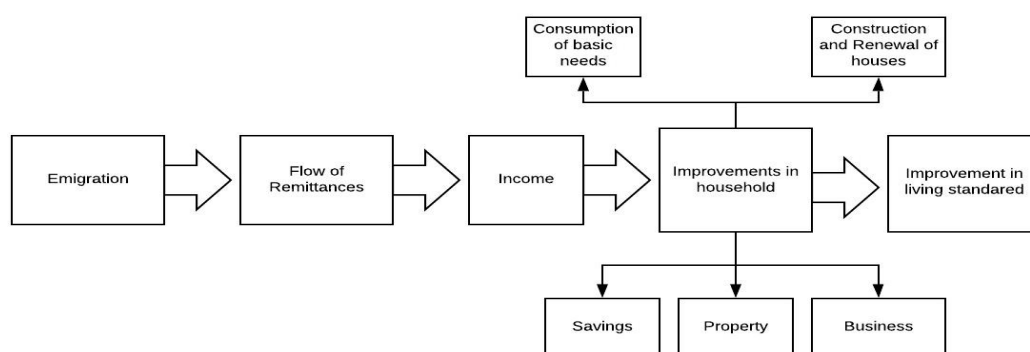


Figure 1 Research Framework

Literature Review

Córdova (2013) studies and noted that foreign remittances could decrease child illiteracy, enhance attendance in schools and decrease infant mortality in the case of Mexico. Similarly, (Sattar and Iqbal 2005) investigated that Pakistan has a significant number of remittances received from the

emigrants (from other countries), and these have a very positive impact on economic growth of the country. These remittances reduced the external borrowing from the other countries. Another study by (Khan, Israr et al. 2011) analysed the impact of worker remittances on socio-economic situations of rural families of District Poonch AJ&K. The result of the survey-based study showed that foreign remittances have a significant positive impact on the people in the study area.

Kumar (2019) examined the remittances, poverty and welfare in Bangladesh. The study shows the effect of remittances from emigrants on households and wellbeing in Bangladesh. The study is based on primary data collected from 360 household from the Camilla district of Bangladesh. To obtain the result, this study used Foster Greer Thornback (FGT) index and ANOVA test. The result of the study showed that 6% of remittance recipients were under the poverty line, while for non-recipients, this was about forty-eight percent. Results as well show remittances have a significant effect on household welfare.

Ullah (2015) discover the impact of foreign remittances on the socio-economic conditions of rural families in Peshawar. This study was conducted to examine the impact of remittances on the local population in three towns of Peshawar. Data was collected through questionnaire 300 respondents were randomly selected from three towns in Peshawar. To find out the effect of foreign remittances on socio-economic conditions Ordinary Least Square estimation technique was used. The result of this study shows that the literacy level of the emigrant's household positively impacts children's probability to move to private education. Result also shows that recipient invests 4% of their income as a form of purchasing property while educated people appear not to be interested in investment.

Khan, et al. (2010) revealed the impact of emigrants on the social security of households left behind the emigrants in their home country Pakistan. For this study, Multistage sampling techniques was carried out for evaluation of the results. For the selection of a sample of 120 respondents snowball sampling technique was used. In the light of our objective, a comprehensive interview schedule was developed. Data were analysed by using the (SPSS) through inferential statistical technique and descriptive method. This study showed the number of emigrants from the local region and socio-economic study of that area has a very positive relationship. About 76.7% of wives of emigrants from this area were very satisfied with their socio-economic security after the immigration of their husbands. However, the majority of wives and children felt lowness and insecurity due to the migration of their family heads.

Adida and Girod (2011) found that remittances fund household access to basic utilities which improve the family's well-being. In Pakistan, there was a rapid decrease in child labour with the increase in numbers of remittances from the emigrants, and it has a positive impact on education. In some cases, there was a negative impact on emigrant children to get education or schooling of kids. And in some cases, when a father or guardian go abroad for jobs, there is a terrible effect on children left behind by the emigrants (Nasir, et al. 2011). To obtain the results, this study uses longitudinal household survey data.

Material and Methods

This portion includes the complete methodology of work done for this study. To keep order, the subject matter in its appropriate order and sequences of methodology are sustaining: study's universe; sample design; selecting the emigrant's village sample; selection procedure of sample households, the data collection and analysis; and other appropriate information.

Study Universe

Universe refers to the geographical area from which the data is collected to describe the particular phenomenon. District Bagh is one of the populated and important districts of Azad Jammu and Kashmir. This district is selected because it is most appropriate because District Bagh do not have any industry and large cultivated land, so people migrate abroad or to other cities of Pakistan for earning

their bread and butter. So migration may be the bigger source of earning here. Different villages of District Bagh are selected for this study where people are migrated to other countries for jobs and other services. The present study area consists of three Tehsils (Bagh, Harighel and Dhirkot) with 140 villages. About 120 villages (85%) are reported with overseas workers in other countries. Data of these 140 villages in relation to numbers of overseas workers and other information is given in Table-3.2.1.

Sample Design for Survey

A stratified sampling approach is practised for respondent selections (Cochran 1977). Selection of villages for sample collection is the second most important step for the present study after the selection of sub-division for surveys. For this purpose, Subdivisions are further categorised into 34 union councils to give a representation of all the villages of Bagh district with different socio-economic backgrounds. This is helpful to capture the impact of socio-economic facts on the study. About six villages were selected for the collection of data for this purpose.

Table 1
Total emigration information about District Bagh Azad Jammu & Kashmir

Name of Union council	Name of villages	No of households	Total emigrants (households)	Households selected for the sample	Total emigrants selected
Bagh	Sewar Kalo	325	88	66	77
	Koteri Qandeel	400	78	66	89
Rawali	Kothian	400	73	66	76
	Badyar Baisarah	350	115	66	75
Mallot	Chanat	300	93	66	75
	Mallot	310	125	70	70
Total		2085	572	400	462

Source: (Statistics 2012)

Size and Distribution of Emigrants' Households Sample

According to the sampling technique of (Cochran 1977), 400 samples of households are selected from six selected villages. All the 400 samples are distributed in six villages by using the Probability Proportional to Size (PPS) technique.

Selection Procedure of Sample Households

A simple random sampling technique is used for the selection of sample households. Data about the emigrants of each village is collected from the village councillors and from the local people. Lists of emigrants for each village are made according to the collected information. To ensure accuracy, all the data and lists were double-checked.

Analytical Technique

The research tool was found reliable through pilot testing; twenty households were selected randomly for a pilot test. Questionnaires were distributed among the 20 respondents. The entire questionnaire was conducted with the male heads or adults of the emigrant's family. All the data of the questionnaire were recorded and kept it for further study. The respondents generally found the questionnaire too long to complete and one or two questions repetitive. However, in order to obtain precise and valid data, none of the questions was omitted. For analysing the data, descriptive statistics technique and Ordinary Least Square (OLS) econometric estimation were used to estimate the impact

remittances on socio-economic conditions of rural families of district Bagh AJ&K; both MS Excel and Statistical Packages for Social Sciences (SPSS) has been used for the estimation of econometric models.

Model Description

To achieve the objectives of the data analysing, these following models were used to determine of income of the emigrants.

Model for Estimating Income Leve

The following mathematical model was used to complete the objectives of the conducted study

$$Y_i = f(\text{Education, Age, Training, Skills, Experience in Abroad})$$

Where:

Y_i : Income level of emigrant (PKR per year).

Education	Education of emigrant (Years)
Age	Age of emigrant (Years)
Training	Training of emigrant dummy variables is used (1 if any training from the recognised or vocational institution and have a certificate/diploma or degree and 0 have no training).
Skill	Skills of emigrant like driving, tailoring, carpeting, painting, mechanic, technician, Welder, Barber, Meson, Plumber, Electrician, Blacksmith, etc. It is also a dummy variable. (1 if any skill and 0 otherwise).
Experience	Duration in living abroad (Years).

Econometric model for the above model is given below:

$$Y_i = \beta_0 + \beta_1 EE + \beta_2 A + \beta_3 Trg + \beta_4 Skl + \beta_5 Exp + \mu_i \dots \dots \dots (1)$$

Where:

Y_i : Income level of emigrant (PKR per Year)

β_0 : The intercept of the Model

$\beta_1, \beta_2, \dots \beta_5$: Corresponding slope co-efficient/parameters of the independent variables, i.e., (A, EE, Exp, Trg, Skl)

EE : Education of emigrant (Years)

A : Age of emigrant (Years)

Exp : Experience of emigrant (In abroad in years)

Trg : Any training of emigrant from recognised institute (dummy variable: 1.

If training from a recognised institution is taken and otherwise 0)

Skl: Skills of emigrant (dummy variable: 1 if doing some skilled work abroad and otherwise 0).

μ_i : Disturbance is a random (stochastic) variable. It represents all those factors That affects the dependent variable Y but is not considered (Gujarati and Porter 1995).

Results and Discussions

First, we have estimated model (1) by OLS, and the estimated results are reported in Table NO-01. Results show that OLS regression analysis in which the value of R Square is .548 shows that about 54% independent variables are explained by the dependent variables. All the variables have significance at the conventional probability level. Results also show that there is a positive and significant relationship between constant and dependent variables. The relationship of skill, training, education and experience with income is positive and of high significance.

Table 2
Empirical Results of Model I (OLS Estimates)

Model	Coefficients	Std. Error	t-test	p-values
(Constant)	.580	.124	4.691	.000
Skills	.081	.099	.818	.004
Training	.569	.058	9.892	.000
Education	.180	.024	7.588	.000
Experience	.026	.033	-.805	.041
Age	-.131	.025	5.331	.000

Unstandardised Coefficients

Table 3
Descriptive Analysis, Distribution of Emigration According to Age

Age Group	Frequency	Percentage
18-28	60	12.98
29-38	206	44.58
39-48	143	30.95
49-58	44	9.52
59-68	8	1.73
Above	1	0.21
Total	462	100

The above table shows the age of emigration. Total of 462 emigrants of six different age groups was found from the study. The sample size was 400, but emigrants were found 462. The reason beyond that there were mostly households in which two or three persons were out of the country. Results about the age of emigrant's show that maximum emigrants (44.58 %) have age between 29-38 years following by the age group 39-48 years with 30.95%. Minimum emigrants were found with (0.21%) age group of above 68 years followed by age group of 59-68 years with 1.73%. The outcome of the table shows that the single largest consistent figure, 44%, is accounted for by the age bracket of 29-38.

Table 4
Literacy Status/Education (Aged6+) of Sample Households

Literacy Status	Percentage
Literate	80
Illiterate	20
Total	100

Data about the literacy rate of emigrants shows that 80% of emigrants belong to literate family background and only 20% belong to illiterate families. But it is reliable with the work pattern of emigrants from this district.

Table 5
Level of education of literate emigrants of sample villages

Education	Frequency	Percentage
Primary	52	16.25
Middle	116	36.25
Secondary	65	20.31
Graduation	49	15.13
Above	38	11.87
Total	320	99.99

Results about the education level of emigrant's show that a maximum (36.25%) emigrants have education up to middle level while minimum (11.87%) emigrants who have education above the graduation level. About 20.31% were found with secondary education, and 16.25% were found with primary education. Fifteen percent of emigrants were observed with a graduation background. Hence overall findings show that the majority of emigrants have education up to a middle level that was 36%.

Table 6
Distribution of respondents according to the causes of migration

Reasons of migration	Frequency	Percentage
Poor Economic condition	215	46.53
Unemployment	219	47.41
Competition	28	6.06
Total	462	100

Results about the reason behind the emigration tells that maximum (47.41%) emigrants go to abroad due to unemployment and while minimum (6.06%) were due to competition for jobs. About 46.53 % emigrants got emigration because they were with poor economic conditions. Poor economic conditions and unemployment are interconnected due to the economic unemployment conditions of people who want to improve their stander of living by getting employment. For this reason, they prefer to go abroad to earn a higher income. The results show that unemployment and poverty was the main reason behind emigration.

Table 7
Place of Migration of the of the Sample Respondents

Place of migration	Frequency	Percentage
Middle East	333	72.08
Europe	103	22.30
USA	26	5.62
Total	462	100

Data collected about the place of emigration shows that a maximum (72.08%) of emigrants have emigration in Middle East countries and minimum (5.62%) have USA emigration. About 22.23% of emigrants have emigration of European countries. The findings show that Middle East countries are the main market for our labour force. However, people prefer to go to the USA but with strict immigration rules and regulations, fewer people succeed in the USA. While in Islamic and Middle East countries, the law of immigrations was found relatively relaxed, which were in favour of our labour force.

Table 8
Source of Financial Resources for Sending Emigrants Abroad

Source of finance	Frequency	Percentage
Own resources	75	16.23
Households head	104	22.51
Borrowed friends/relatives	283	61.25
Total	462	144.99

In developing countries, migration is a common trend but dealing with finance for migration is very difficult. Most emigrants migrate with the help of company sponsor migration or commission agents for all these procedures of finance is required. The above table shows that 16% of emigrants have their own source of finance, 22 % of emigrants have household head while 61% emigrants have borrowed from relatives, friends. So the findings show that most people of rural areas go to foreign countries borrowed relatives and friends.

Table 9
Distribution of Emigrants According to Technical Skill Status

Technical Skill	Frequency	Percentage
Skilled	270	58.45
Unskilled	192	41.56
Total	462	100

A result about skills of overseas workers shows that 58.45% were skilled (like a driver, plumber, electrician and some with hotel skills) while 41.56% were unskilled. The result according to the above table shows that in six villages mostly emigrants were skilled.

Table 10
Distribution of Overseas Workers According to Training of Emigrants

Training	Frequency	Percentage
Trained	99	21.42
Untrained	363	78.57
Total	462	100

Data about the trained (any vocational training from a registered institute) and untrained emigrants show that about 78.57% of emigrants were untrained, and only 21.42 % were trained. According to the above table, results show that most emigrants were untrained.

Table 11
Distribution of Overseas Workers by Occupation Abroad

Occupations	Frequency	Percentage
Driver	155	33.54
Laborer	179	38.74
Technician	2	0.43
Welder	4	0.86
Engineer	0	0
Accountant	1	0.22
Carpenter	118	25.54
Doctor	3	0.64
Total	462	100

Results about the occupation of emigrants show that a maximum (38.54%) of emigrants were found laborers and a minimum (0.22%) were accountants. About 33.54% were found the driver, and

25.54% were the carpenter. There was no engineer, and only 0.64% was the doctor. Other emigrants were found with an occupation like welder (0.86%) and technician (0.43%).

Table 12
Distribution of Emigrants according to Experience Years Worked on Present Occupation in Abroad

Experience (In Years)	Frequency	Percentage
1 to 5	164	35.50
6 to 10	155	33.55
11 to above	143	30.95
Total	462	100

Data about year's spending in abroad shows that maximum (35.50%) were found who spend 01 to 05 years following with (33.55%) who spend 6 to 10 years. About 30.95% of emigrants were found who have been living abroad for more than 11 years.

Table 13
Distribution of Overseas Worker' Households in Pakistan by Monthly Remittances Received by them

Income (Pak Rupee)	Frequency	Percentage
Below 25000	213	53.25
25001 to 50000	145	36.25
50001 to 75000	25	6.25
Over 75000	17	4.25
Total	400	100

Data about the income of household members that work in different regions of Pakistan shows that maximum households (53.25 %) received an income below 25000. About 36.25% of households received remittances ranging from 25000 to 50000, and 6.25% of households received income from other countries between 50000 to 75000. Only 4.25% of households of emigrants received income above 75000 rupees. The above results conclude that maximum households received income from their members have below 25000.

Table 14
Distribution of Respondent's families by income before and after emigration

Income(R S)	After		Before		%Δ
	Frequency	Percentage	Frequency	Percentage	
Below 50000	125	32	245	61	-48.97
50000 to 100000	121	31	95	24	27.36
100001 to 150000	67	16	32	8	109.37
150001 to 200000	49	10	14	3	250
200000 to 250000	26	7	9	2	188
Above 250000	12	4	5	2	500
Total	400	100	400	100	

Results about household income before and after the emigration show that before emigration there were 32% families with income below 50000 and after the emigration, this data reduced to 32%. Because due to emigration their level of income increased. So the % change was -48. Before emigration, there were 24% families with income between 50 thousand to one lake and after emigration, there were 31% families with this income, so the % change was 27. Only 3% families were with the income

“between” 150000 to 200000 before emigration and this increased up to 10%. The minimum change was found in families with income above 250000.

Table 15
Housing Situation of Emigrant's households before and after emigration

Housing situation	Before (%)	After (%)	Difference	% Change
Own House	380(95)	400(100)	20	5.26
Pucca	295(73)	400(100)	105	35.60
>4 rooms	355(88)	400(100)	45	12.67
Covered Kitchen	135(33)	380(95)	245	181.48
Electrified	400(100)	400(100)	0	0
In house piped water	135(33)	250(62)	115	657.57

Results about the housing situation show that maximum change was found in families having covered kitchens; before emigration, 33% of families were with covered kitchens, and after emigration, this increased up to 95%. The minimum effect of emigration was found on landholding capacity; only a 5% increase was found in families having their own house. About a 12% increase was found in having more than four rooms and a 27% increase in having Pucca house. Hence outcomes show that there is a significant improvement in the housing situation of emigrant's households.

Table 16
Livestock Holding of Emigrant's

Item	Item name	Before	After	Difference	% Change
1	Livestock owner	25	40	15	60
2	Cow/Bufalos	35	75	40	115
3	Goat/sheep	42	105	63	150
4	Draft Animals	0	3	3	0.00

Results about the livestock holding capacity show that after the emigration, about 114.28% increase was found in having cows/bufalos and about 150% increase in having goat/sheep. There was no change found in having drafts animals. There was a huge effect of emigration on the number of animals.

Table 17
Impact of Remittances on Emigrant's Household Consumption Durables before and after Emigration

Item	Item Name	Before (%)	After (%)	Difference	% Change
1	Refrigerator	70 (17.5)	350(87.5)	280	400
2	Washing Machine	35(8.75)	380(95)	345	985.71
3	TV(RGB)/LCD/LED	235(59)	388(97)	153	65.11
4	Juicer/Grinder	250(63)	400(100)	150	60
5	Heater	45(11.25)	15(3.75)	-30	-66.66
6	Motor cycle	15(3.75)	339(84.75)	324	2160
7	Car	3(0.75)	7(1.75)	4	133.33
8	Water pump Machine	25(6.25)	313(78.25)	288	1152

Data about the impact of remittances on emigrants' household consumption now and before the migration shows that a maximum increase from 3.75% to 84.75% were found in case of having motorcycle before and after the emigration. So 2160% change was occurring. Minimum increase

(0.75% to 1.75%) was found in the case of having a car; hence 133.33% change has occurred after emigration while there was a decrease from 11.25 to 3.75 in heater capacity. There were a 58% to 97% increase in having TV/LCD/LED before and after the emigration and a 17.5 to 87.5% increase was found in the case of refrigerator. The outcomes of about table show that there was a great change occurred in emigrant respondent's families of consumer durable goods after emigration.

Table 18
Utilisation of remittances by the Sample Respondents

Nature of Utilisation	Frequency	Percentage
Purchase of plot	28	7
Housing Building Construction	380	95
Started Business	25	6.25
Repayment of Debt	388	97
Purchase of Vehicles of own purpose	35	8.75
Purchase of Animals	40	10
Expenditure on Health	400	100
Education Expenditure	400	100
Daily Expenses	400	100
Expenditure on Social Ceremonies	250	62.5

The above table shows the utilisation pattern of remittances. Remittances were utilised for different purposes in the sample area, as shown by the table that out of the total respondents, 7% households used foreign remittances for purchase of plots, 95% used remittances for construction and repair of houses, 6.25% used for started business 97% used for repayment of debt, 8.75% for purchase of vehicles of own purpose 10% households used remittances for purchase of animals and 100% households used remittances for fulfilling their daily expenditures, educational and medical expenditures in sample respondents. In contrast, 62.5% of households used foreign remittances for expenditure on social ceremonies. Hence due to foreign remittances, the living standard of respondent families of sample villages had significantly improved. They constructed new houses, started a business, purchased vehicles, animals, and ornaments, and improved their health, education, and social status by spending more money. So the remittances have overall had a positive impact on every aspect of their lives.

Table 19
Correlation Between Remittances and Expenditures

	Income
Food	0.0622
Education	0.0684
Health	0.1729
Clothing	0.0144
Social ceremonies	- 0.0146

Results about the correlation between income and factors like food, education, health, clothing and social ceremonies show that there is a very strong positive relation (0.1729) between income and health. Food and education also have a positive correlation (0.0622 and 0.0684) with income, while clothing has a minimum correlation (0.0144) with income. Other factors social ceremonies have a negative (-0.0146) correlation with income which means sample households receiving remittances spent more and more to satisfy their basic needs. According to (Chmielewska 2013), in rural areas, the primary motive is to fulfil their basic needs whereas, needs in the field of education, culture, entertainment are secondary needs satisfied only after the basic needs are met to, at least, adequate degree. Hence there is a regularity, which shows that as the income increases, the share of expenditure

on food decreases, the share of expenditure on rent, fuel and clothing is relatively constant, while the share of secondary expenditure grows.

Conclusion

This work attempts to evaluate the impact of remittances on socio-economic conditions of rural families of district bagh AJ& K. Data is collected through questionnaires and personal interviews. To evaluate the relationship between determinants and income of emigrant's data is analysed on the basis of demographic responses. Secondly, descriptive analysis was used to assess the impacts of remittances sent from emigrants at household levels with the help of Excel, and SPSS was used. Data validity is checked by Cronbach's Alpha. Six villages from three Tehsils were selected. The findings and analysis show that there are fewer employment opportunities in selected villages due to these peoples prefer to go abroad for earning their livelihood. The financial background of selected villages is not sound; even some families prefer to take a loan from friends and relatives for meeting emigration costs. They prefer UAE and other Middle East countries for emigration because emigration in these countries is very economical.

Results show that education, skills, training, age and experience also affect the income of emigrants. If emigrant is uneducated, unskilled, untrained and less experienced, then they earn less in foreign countries. Another reason for the low earnings of the emigrants is they have less knowledge about labour market trends. It is concluded that most of the families have only one emigrant from the whole family due to this, their total income is very low, and they are hardly managing their basic needs such as food, shelter etc. Foreign emigration showed a significant positive impact on the socio-economic conditions of the respondent's families in the study area. The monthly income of households after emigration increased and they started firstly fulfilling their basic needs like food, shelter, health etc. It is very clear from findings that people are following Maslow's Hierarchy of needs.

Findings show that peoples also have some shelter problems. They prefer to construct houses then make an investment. When the earnings of respondents increases, they move from a normal lifestyle to a better one. The purchase home appliances more and more heaving advanced features such as purchases of Freezers increases, purchases of washing machine increase, respondents preferred Red, Green, Blue Television (RGB TV), LCD and LEDs. People preferred cars other than Motor Cycle.

Study shows that after that Emigrant's households sent their children to better schools. Some emigrant's households had invested in existing businesses and also started new businesses that increased the income level of emigrant's households and also created employment opportunities for other family members. Finally, we conclude that due to remittances, living standards and social status of respondents' families increased significantly. Data shows that remittances received from the emigrants are not only used on household's activities but also a significant portion used on socio-economic conditions.

Recommendations

This work focuses particularly on a specific district, Bagh. In view of the positive impact of remittances, work-oriented emigration should be encouraged and accelerated. Current governmental programs for skill and training development need to be continued and expanded. Counselling services for persons seeking a job abroad need to be provided larger. More rational use of remittances needs to be suggested and encouraged. In future related to this study, more research could be done in other districts of AJ&K and make compressions among them with different other variables. Remittances can also be studied with other variables, such as savings in different sectors. It can also be studied concerning professional education and academic education.

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