



The Role of Foreign Remittances in Old Age Security of Emigrants' Parents

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ABSTRACT- The study was undertaken to examine the role of foreign remittances in old age security of emigrants' parents. Scope of the study was limited to three selected villages of union council Doag dara, district Dir upper, KPK Pakistan. Enquiry was made from parents of emigrant, therefore, a sample size of 278 respondents was investigated through simple random sampling technique. The data was analyzed through univariate and bivariate level, which indicated old age security of emigrants' parents was linked with foreign remittances. It was found that they fulfill their basic needs from remittances, get proper care and consult qualified medical doctor for check up. They considered remittance is a direct source of income and valued in decision-making process when it managed and invest surplus money to get maximum benefits. Educating old age group, to create profitable income opportunities from the investment of saving, and communication of modern agricultural intervention were major study recommendations.

Keywords: International labor Migration, Foreign Remittances, Emigrant's Parents, Old age security.

I. INTRODUCTION

The migration of people from one country to another country in search of livelihood opportunities is known as international labor migration (Reyes, 2007). It is a politico-economic and social process (Sattar, 2009), that effects the lives of migrants, their families, home countries as well as the people of hosting countries (Reyes, 2007). The balance of payments or transaction of statistical statements that exist between migrants and non-migrants is called remittances (Alessadra, 2006). It is the flow of goods, services, knowledge, skills and financial substances, which exist between foreign and home country (Ivo, 2006). Since 1960 to 2005, international labor migration has witnessed an increase from 2.5 to 2.9 percent (International Organization for migration, 2011), and a major factor behind this was rapid industrialization in core countries on one hand and rising unemployment ratio in developing countries on other hand (Robert, 2008).

Review of relevant literature on foreign remittances found that, since 2000-2006, Asia produced 135 million labor forces, which is the largest number in all continents (Hugo, 2006). The remittances from international migration increased from \$ 49 billion to \$ 105 billion in 1988-99 and reached \$150 billion in the year 2003 (Sawada and Estudino, 2005). During the year 2011, 180 million labor force migrated to different parts of the world, which earned US\$ 440 billion and a major portion of this amount (US\$ 350 billion) was transferred to developing countries including Pakistan (International Organization for migration, 2011).

In Pakistan, the process of migration for livelihood purpose was systematically started in 1970s, which kept on growing with changing policies adding to national economy (Bureau of Emigration, 2008). Studies showed that, in home countries the foreign remittances were utilized to meet basic needs of life like food security, clean drinking water, electricity and hygienically safe residencies (Hogu, 2006), day to day expenses (Taylor & Yatzhaki, 1986) health care facilities including excess to medical check up by qualified doctors in hygiene prone clinics (Reyes, 2007), educational expenses of children (Ijaz, 2007) and expenses for maintenance of home (Dean, 2004). It is also invested to reduce social and economic risks to bring about desirable change in living standard (Dean, 2004; Ijaz, 2008; Sattar, 2009), to establish small scale industries (Sattar, 2009) and in real estate enterprises (Wu, 2006; Orozco, 2008). Because of foreign remittances dependency on home countries was reduced (Sawad and Estudino, 2005), agriculture and livestock got betterment (Dean, 2004; Wu, 2006), domestic savings increased (Ijaz, 2008) and old family members were stabilized and empowered in decision making process (Ive, 2006; Izhar, 2008; Ijaz, 2008). Foreign remittance has a good role to play in the lives of the left behind families, but still some areas which are affected by it are untouched. The present study therefore aims at exploring its affects in old age security of emigrants' parents.

II. MATERIALS AND METHODS

A quantitative study was undertaken to investigate the role of foreign remittances in old age security of emigrants' parents in district Dir upper Khyber Pakhtunkhwa, Pakistan. Data were collected by survey questionnaire from randomly selected 278 respondents through Sekaran (2003) criteria. Questions were asked from respondents through the nominal dichotomous form of scale. Data was analyzed through descriptive and inferential statistics. In descriptive statistics the responses were calculated through frequency and percentage distribution at univariate level, while in inferential statistics was used to check the association between the variables at bivariate level. At bivariate level, the dependent variable (old age security of parents) was indexed and cross tabulated with independent variable (Foreign remittances). Chi-square test outlined by Tai (1978) was used at bi-variate level to test significance of association between variable:

$$\chi^2 = \sum_{i=1}^r \sum_{j=1}^c \frac{(O_{ij} - e_{ij})^2}{e_{ij}}$$

Table: 1. Conceptual framework.

Independent variable	Dependent variable
Foreign Remittances	Old age security of parents

To overcome violation of Chi-square assumption, the Fisher Exact test, which is also known as Exact Chi-square test was used instead of simple chi-square test as devised by (Baily, 1982);

$$\text{Fisher Exact Test Probability} = \frac{(a + b)! (c + d)! (a + c)! (b + d)!}{N! a! b! c! d!}$$

Fisher Exact Test Probability =

Results at Univariate Level

Table 2 represent the responses about foreign remittances which indicated that (79.1 %) of the respondents fulfilled their basic needs from remittances, while 20.0 % disagreed this statements. Similarly, (74.4 %) of the respondents got proper care of family members through remittances, while 21.6 respondents refuted this statement. Further, (52.5 %) of the respondents had accessed to qualified medical doctor for cheek up due to remittances and 47.5 % respondents had not accessed. Furthermore, (91.7 %) of the respondents agreed that remittance a direct source of income, while the remaining 8.3 % disagreed with this statement. Although, (93.9 %) the respondents agreed that they managed foreign remittances while, 6.1 % of the respondents disagreed with this statements. Similarly, (96.0 %) of the respondents invested surplus money for maximum benefits, while 4.0 % respondents did not invested. Moreover, (55.8 %) of the respondents agreed that remittances valued in decision-making process while, 44.2 % respondents disagreed.

Table: 2. Frequency and percentage distribution of the respondents

Foreign Remittances	Yes	No	Total
Do you fulfill basic needs of life from remittances	220 (79.1)	58 (20.9)	278 (100.0)
Do you get proper care from family members?	218 (74.4)	60 (21.6)	278 (100.0)
Have you access to qualified medical doctor for cheek up?	146 (52.5)	132 (47.5)	278 (100.0)
Is remittance a direct source of your income?	255 (91.7)	23 (8.3)	278 (100.0)
Do you manage foreign remittances of children?	17 (6.1)	261 (93.9)	278 (100.0)
Do you invest surplus money to get maximum benefits?	267 (96.0)	11 (4.0)	278 (100.0)
Are you valued in decision-making process?	155 (55.8)	132 (44.2)	278 (100.0)

Results at Bivariate level

Table No 3 indicated the association between remittances and old age security of emigrants' parents. The results show that fulfillment basic needs from remittances was highly and significantly ($p = 0.000$) associated with old age security of emigrants' parents. Similarly, the old age security of emigrants' parents was found highly and significantly related with receiving proper care from remittances ($p = 0.000$), accessing to qualified medical doctor for cheek up ($p = 0.001$) and remittance is a direct source of your income ($p = 0.018$). Further, management of foreign remittances of their children ($p = 0.000$), investments

surplus money to get maximum benefits ($p = 0.042$) and the importance of remittances in decision-making process ($p = 0.001$) was found significantly associated with old age security of emigrants' parents.

Table: 3. Association between foreign Remittances and old age security of parents at Bi-Variate analysis

Remittances	Attitude	social status		Total	Statistics (P Value)
		High status	low status		
Do you fulfill basic needs of life from remittances?	Yes	171 (61.5)	49 (17.6)	220 (79.1)	$\chi^2 = 49.146$ ($p = 0.000$)
	No	17 (6.1)	41 (14.7)	58 (20.9)	
Do you get proper care from family members?	Yes	162 (58.3)	56 (20.1)	218 (74.4)	$\chi^2 = 20.624$ ($p = 0.000$)
	No	26 (9.4)	34 (12.2)	60 (21.6)	
Have you access to qualified medical doctor for check up?	Yes	103 (37.1)	29 (10.4)	132 (47.5)	$\chi^2 = 12.428$ ($p = 0.001$)
	No	85 (30.6)	61 (21.9)	146 (52.5)	
Is remittance a direct source Of your income?	Yes	178 (64)	77 (27.7)	255 (91.7)	$\chi^2 = 6.678$ ($p = 0.018$)
	No	10 (3.6)	13 (7.4)	23 (8.3)	
Do you manage foreign remittances of children?	Yes	185 (66.5)	76 (27.3)	261 (93.9)	$\chi^2 = 20.659$ ($p = 0.000$)
	No	3 (1.1)	14 (5.0)	17 (6.1)	
Do you invest surplus money to get maximum benefits?	Yes	182 (65.5)	85 (30.6)	267 (96.0)	$\chi^2 = 0.895$ ($p = 0.042$)
	No	6 (2.2)	5 (1.8)	11 (4.0)	
Are you valued in decision making process?	Yes	96 (34.5)	27 (9.7)	132 (44.2)	$\chi^2 = 10.947$ ($p = 0.001$)
	No	27 (9.7)	92 (33.1)	155 (55.8)	

* Values in table represent frequencies and values in parenthesis represent percentage proportion of respondents

III. DISCUSSION

The motivational force behind this study was to collect data for old age security of parents and to investigate factors in the domain of foreign remittances which are associated to it. This will help to identify areas for further research, because of which suggestion can come to ameliorate the position of aged people in society.

The results found that some factors i-e- proper care done by family members to old age parents, giving proper time and respect, access to qualified doctors for medical checkup, availability of adequate money for purchasing medicines, meeting basic needs, proper and compatible accommodation inside the residence and food security were having highly significant association with old age security of emigrants' parents. This study found some other factors i-e. Availability of adequate money for health related issues, availability of transportation for aged parents, and giving value to their stance during decision making process as associated to old age security, because people in the studied locality were poor and old age parents who were unable to contribute to the income of family were considered to be burden on family.

This study found association between proper care done by family members and old age security of parents, which is determined in the works of (Amjad, 1986; Azhar, 2008; Pernia, 2008). It involved giving proper time and respect (Azhar, 2008; Gillani *et al.*, 1981; Sattar, 2009; Taboga, 2007), giving them proper and hygiene prone accommodation (Azhar, 2008; Dean, 2004), their access to registered and qualified medical doctor (Gillani, *et al.*, 1981; Hugo, 2006; Pernia, 2008; Reyes, 2007; Tabuga, 2007), and sufficient finance to get medicine and other medical facilities (Amjad, 1986; Bryant, 2005; Hugo, 2006; Taylor & Yitzhaki, 1986). The study found that old age security was associated with food security, clean drinking water, availability of electricity and proper transportation which are consistent with the study of (Arif, 1999). Foreign remittances as a direct source of income of old age parents made their position stabilized one and less dependent upon other family members, due to which they could select items of daily life according to their free will and choice.

The study found that old age security of emigrants' parents was significantly associated with management of foreign remittances by them. Bryant (2005) experienced that daughter in laws usually possess prejudiced and harsh behavior towards their old age parents in law, but respondents in the study

expressed that management of home affairs did not matter a lot and that they were having no problem with it. Management of foreign remittances by parents was considered a trust upon them and was an agent which kept the brothers in fraternity. It is also determined from the study that establishment of trade any local business by parents of emigrants was significantly associated with old age security of parents, whoever Tabuga (2007) mentioned that children considered it a matter of disrespect to indulge their parents in earning activities.

IV. CONCLUSIONS

It is concluded from the study that remittances sent by emigrants to home countries is a source of survival for the left behind families due to which the living standard rises and has a direct affect on the lives of parents. Because of it, the parents fulfill basic needs of their lives, avail health care facilities, and access to registered and qualified doctors for medical check up. It is recommended that GOs/NGOs should educate the people of such remote areas about wisely investment of money received from foreign remittances and its utilization even in small-scale industries which benefit the families in general and old age people in particular.

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