

Nature of Development Caused by Remittances in the Education sector of Bangladesh

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Abstract: *Since remittances contribute a lot to the economic growth of a country, it can be hypothesized that there is a positive relation between the remittances and development in the education sector, but how the relationship is occurring? Which socio-economic phenomena are influencing this development? Is the relationship such proportional? What is the future of this ongoing development? How will it be a contributor to sustain the development? This paper will try to deal with the above mentioned questions and thus the nature and in some cases dynamics of the development will be analyzed and afterwards it's hoped that the analysis will contribute to the knowledge of the micro-level impacts of remittances.*

Keywords: *development, education sector, micro-level impacts, nature of development*

I. Introduction

Although a number of studies about the relationship between economic growth and remittance have done in Bangladesh [1]. And a number of studies showed positive relation between remittance and economic growth [2], few studies have been done on the impact of remittance on expenditure of the recipient households. Most of the studies focused on the macro level impact of remittance; of course macro level impacts have larger importance than micro level impacts, but micro level impacts may help the policy makers to make policies to ensure maximum possible development.

This paper focuses on analyzing some of the aspects of the background and nature of development caused by remittances in education sector on the household level in Bangladesh. This analysis is done by studying the impacts of remittances mostly on the household expenditure of the recipients on education issues and how these contribute to sustain the development of the country. Besides that other socio-economic influences are also considered. There can be several arguments that there is a distant relation between the development in education sector of a country and remittances. Even if the relation is distant, when dealing with the development discussing this relationship is relevant. This is due to the fact that a country is not considered developed unless development in the education sector occurs. Since education is a powerful driver of development and is one of the strongest instruments for reducing poverty and improving health, gender equality, peace, and stability [3], to sustain the development education has a role to play. Besides countries like Bangladesh will be able to send skilled labors if there is a significant development in education sector. Remittances are also invested in businesses, and these investments are often on private educational institutions. These investments contribute to the development of the education sector.

II. Methodology

Sources of Data

In this study, no primary data have been used, only secondary data have been used. Secondary data have been collected from various sources. Maximum effort has been given to keep the sources relevant, that's why data have been taken from the websites of the international organizations like World Bank, IMF, WHO, ILO, IOM etc. Data have also been taken from the studies done by the organizations in Bangladesh (i.e. CPD, BIDS, etc.). Many studies on the chosen field have been done by the professors and post graduate students of the home and foreign universities, some of the studies had been published on internationally recognized journals, data and information have also been taken from those journals.

Method of analysis

Now it should be discussed how the analysis has been done. The analysis is mostly qualitative in nature. As the study is not based on primary observations, data from secondary sources are mainly discussed; and then after the synthesis of the various studies (data) some findings are expected to be found. The study starts with the primary assumption that there is a positive relation between remittances and development in education sector and there may be a proportional relation between them. So, the aim of this study is not to find out the validity of the hypothesis, rather a farther analysis of the nature of the development process by observing various papers and surveys. Thus this study aims to come to some new findings in this individual topic.

III. Limitations

The first and foremost limitation is inadequacy of studies and surveys. Few studies have been done in this particular topic. Secondly, although some surveys by BBS and other international organizations have been done, maximum of them are inaccessible, that's why sometimes chronological order has been broken in this study due to unavailability of data. As the whole study is qualitative in nature some of the findings may seem to be ambiguous.

IV. Review Of Literature

Studies done on countries other than Bangladesh

One of the studies done by Dorentes and Pozo(2010)[4] tells that in the Dominican Republic the remittances encourage the education of children and this effect is more noticeable among the children attending secondary school. According to the authors, the developing countries which have a high level of migration do undergo positive impacts from the remittances they get, on the education of their children. Another study conducted on this topic in Ecuador is from Calero, Bedi and Sparrow (2009)[5]. In this study, the effects of remittances on school enrolment and child work in Ecuador, tells that remittances increase school enrolment, especially for girls and in rural areas. Studies based on household surveys in El Salvador and Sri Lanka found that children of remittance-recipient households have lower school dropout rates and these households spend more on private tuition for their children[6].For the 'Kosovo Remittance study 2010'[7] ,4000 households in Kosovo have been questioned. The survey data found that about one fifth (19.6%) of Kosovo houses receive remittances. From the study, it was also found that households which get remittances spent on average 67 Euros per month for education while household which are not getting remittances spent on average 62 Euros per month for education, that is households receiving remittances on average spent 7% more on education than households that do not receive remittances.

Studies done on Bangladesh

From the study done by Bureau of Manpower Employment and Training [8] it can be known that a major share of remittances (36 %) is used to meet consumption which includes education, health care and food and the study also presented a chart where it shows that 2.75% of the remittances are used on the purpose of child education.[9].But the study didn't give any comparative analysis whether recipient families of remittances are spending more on education or not. Another study done by the project sponsored by Royal Danish Embassy in Dhaka[10], mentioned in their study that the potential of using remittances as an instrument of community transformation cannot be ruled out and the community improvements have tremendous potential in improving education (such as building new schools, or appointing more teachers). From another study done by the authors: Selim Raihan, Bazlul H. khondoker, Guntur Sugiyarto Shikha Jha (2009)[11], we get an analysis of the impact of remittance on the education of the recipient families, they found that about 9 % of the total sampled households of 2005 HIES are receiving remittances, and it's clearly seen that the migrants households spend more on education than the non migrants. They have showed it with the help of a table. The table is shown on the following.

TABLE-01
Table : Mean and Share of Household Expenditure by Category of Commodity and Migrant Status in Bangladesh, 2005

Category	Without Remittances		With Remittances	
	Mean Expenditure (Taka per month)	Expenditure Share (%)	Mean Expenditure (Taka per month)	Expenditure Share (%)
Food	3115.1480	52.19	3202.9430	53.20
Education	432.3034	7.24	479.6984	7.97
Healthcare	196.9039	3.30	243.4223	4.04
Durables	55.2831	0.93	61.1383	1.02
House rent and repair	602.9995	10.10	732.7704	12.17
Others	1566.6751	26.25	1301.1327	21.61
Total expenditure	5969.3130	100.00	6021.1050	100.00

Source: HIES (BBS 2005).

Another study was done by International Organization of Migration, Bangladesh (2013) [12], they also concluded that remittances have a positive impact on the level of education in the migrant households. 35% of respondents in their study mentioned using remittance for buying books, papers and other learning materials and 28 % mentioned using it to pay tuition fees/exam fees/ transportation costs, 15% mentioned using it to buy

uniforms and 21 % mentioned using it to pay for private tutors. They also found that about 9 of 10 respondents acknowledged that remittances increased educational opportunities, 73.7 % respondents stated that they could now afford to provide their children with adequate learning materials, while 47.8% mentioned they were able to afford private tutors for their children, 44.6 % mentioned that they are able to give children better education and 33.8 % mentioned that they can send their children to better school.

A Study On The Nature And Background Of The Development In The Education Sector Caused By Remittances

From the discussed studies it's quite clear that remittances contribute significantly to the education of the children of the recipient families. But a question can be asked why the families are spending on the education while the 50% of the migrant workers less skilled and only 3% are professional (highly educated) [Source: Bureau of Manpower, Employment & Training (BMET)], it should be logical to assume that the migrants worker would like to make their sons and daughters to be like them (by which means they had changed their luck). The answer lies on the social belief and promotion of education throughout 90s and 2000s by the government and the international organizations (i.e. UNICEF, UNESCO etc) and many NGOs. In 2010 school enrolment was 92% in Bangladesh; where as in 1990 was 72 % [13], so in these 20 years primary school enrolment has increased 20% but secondary school enrolment increased 30% as secondary school enrolment in 1990 was 20% and in 2010 it has increased to 50% [14] This radical increase in the school enrolment especially in high school enrolment has been possible by making the public opinion that education can make a change, education can ensure a stable and enriched future of the children. From the study of IOM- Bangladesh, this mentality of the remittance recipients is clearly seen; they are more prone to spending on children's education. Education has always been a vital indicator of development so such a positive increase in spending in education by the recipients of the remittances is obviously a positive indicator of sustaining the development. From study done by Md. Morshed Hossain [15] we know that skilled migrant have more poverty reducing impact than unskilled migrants. So, it can be said that Bangladesh through education will be able to make more skilled worker which would contribute to poverty reduction. So, in the upcoming decades this will also contribute in poverty reduction.

Some Findings

- 1) Spending on education of the households has a positive relation with the remittance not only due to the fact that remittance increases the capability of the households to increase spending on education but also the promotion throughout two decades done by the government and other nonprofit organizations has influenced a lot to change the perspective of the recipient households which has influenced them to spend on children's education instead of spending on other things.
- 2) Increase in education spending caused by remittance obviously has a positive impact on the poverty reduction. As the increase in remittance has a positive relation with education and skilled migrants have more poverty reduction capability, it can be easily guessed that in future this will help to reduce the poverty of the country.
- 3) Finally, it should be mentioned that education has always been a key indicator of a countries development, as the education spending on household level is increasing it can be speculated that it will contribute a lot to sustain the ongoing development of the country. As about one third of the population of Bangladesh is aged less than 15 years [16] this population will be considered demographic dividend if they are educated properly. So, it can be seen that the remittance is working as a contributor to sustain the ongoing development of Bangladesh.

V. Conclusion

Remittances have been playing a vital role contributing to economic growth and the development of the developing countries like Bangladesh. Development through remittances is not always an active process. Usually the money is sent to the families and the families are thus benefitted by it. Development in the education sector largely depends on the consumptions done by the families. In this essay, firstly various studies on the relevant field have been discussed, the discussion mostly tried to focus on the positive impact of remittances on education. Afterwards it was discussed from the socio-economic point of view why remittances helped to increase expense on education and health services and what were the driving forces to do so. Besides this, future impacts of these developments were discussed.

Remittances' impacts on the development in the education sector in the countries like Bangladesh (where remittances contribute a lot to the economy) are getting larger day by day. But to make the development process effective and efficient policies like changing the structure education system to make the future workforce more skilled and sustain the ongoing development should be provided accordingly.

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