

## POVERTY ALLEVIATION THROUGH MIGRATION IN PAKISTAN

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This study was designed to measure the poverty alleviation in migrants' families through migration at origin and destination. Two main indicators were used for poverty reduction in the present study i.e. income and social capital. Financial and human capital transfer occurring through return migration which has a positive impact as they help to improve the quality of life back home and promote the socio-economic development. Moreover, the remittances and interaction between migrant and non-migrant were the important tools for poverty reduction and remove the misconception between the migrants and local people. The study was carried out in two research areas i.e. Faisalabad city and four Tehsils of Faisalabad District. Three hundred interviews were conducted from eight circle areas of the city and three hundred respondents were taken from the eight villages, two villages from each Tehsil selected by simple random sampling technique. Probit estimation technique was used to test the three hypotheses that need to be refuted and or accepted for meaningful policy imperatives to arrest the increasing trend of the internal migration. Probit model analysis proved that the migrants' families had significantly improved the socio-economic status, social capital and adopted the modern values in the urban as well as the rural areas of Pakistan.

**Keywords:** Migration, development, probit, poverty alleviation

### INTRODUCTION

Human Labour force is the most important factor contributing towards National Development in any country around the world. Pakistan is a developing country with 67.7% of its population living in the rural areas and has its main source of income from agriculture farming (Government of Pakistan, 1998). Lack of family planning facilities, education, and strong religious approach are the main factors which have kept our population growth rate remained high. Due to this rapid multiplication of population, the division and fragmentation of land left no charm in cultivation and pushed many farms families into landless class. This change has forced the farming community to adopt other professions. The surplus labour in agriculture and poor economic opportunities at origin has compelled them to migrate towards the big cities within the country and overseas. Some scholars views that remittances can contribute to cultural renaissance and community level economic improvements in sending communities, and increased economic and educational opportunities for migrants themselves (Cohen 2001; Massey et al 1998; Trager 2005). Moreover, an other study reflects that migration can lead to improvements in the environmental circumstances that translate to greater growth and improved nutritional status for migrant children (Boas, 1912; Bogin 1999). A study was conducted by Khawaja (2002) shows that the villagers have a strong desire to migrate for better income and job in the cities, owing disparities in wage levels and job opportunities between the city and countryside in

Syria. However, the migration may help in reducing pressure on agricultural land, provide opportunities for the rural unemployed and underemployed, and is associated with rising living standards and livelihood prospects at the household and community levels in urban as well as rural areas of Pakistan. In this way, migration can alleviate some of the problems being faced by developing countries. Migration may relieve labour market pressure and generate remittances that constitute an important source of foreign exchange and income for migrants' families. Financial and human capital transfer occurring through return migration can have a positive impact as they help in improving the quality of life and promote socioeconomic development. The rural people normally are engaged with hard jobs because they are healthy. Therefore, migrants in the city are involved mainly in service jobs, marginal workers and public sectors, and hence migration means transplanting surplus labour to the cities. This is commonly referred to as the "healthy migrant effect," which may exist because those in good health can better cope with the difficulties and uncertainties associated with migration (Trager 2005). The determinants of migration and its impacts, both on migrant-sending areas and on the urban communities that receive them, have been the subject of a prolific and growing literature in social, economic and agricultural development, a centerpiece of public-policy debates. Poverty reduction through migration from rural to urban areas and its impacts on urban areas as well as on rural areas were the focus of this study.

## **MATERIALS AND METHODS**

The present research was conducted in two research areas i.e. Faisalabad city and four Tehsils of Faisalabad District (Faisalabad, Jaranwala, Thandlianwala and Samundri). This choice was preceded by exploratory visits to ensure that these areas were the representatives of the studied issues. Both urban and rural areas consisted of eight circle areas from the city and eight villages from four tehsils, respectively. In order to draw the sample from the Faisalabad city, a survey list maintained by Excise and Taxation Department was used as the sampling frame. A multi-stage sampling technique was used to draw the sample (Nachmias and Nachmias, 1992). At the first stage, Faisalabad city was selected which had already been divided into three Rating zones and thirty-eight circle areas by the Excise and Taxation Department on the basis of economic stratification. At the second stage, eight circle areas were selected through random sampling technique to measure the poverty alleviation through migration. At the third stage, households were selected with the help of interviewers who had visited the research areas but the required information was collected wherever the migrants were living. Three hundred households were selected through random sampling technique. The respondents included the urban migrants who had migrated before 1990. Three hundred respondents were taken from the eight villages, two villages from each Tehsil selected by simple random sampling technique. Subject to their availability, thirty five to forty respondents were interviewed from each village. Moreover, all the respondents were the head of household who were empowered to make the decisions. In order to get a comprehensive range of information, the present study had used variety of resources and methods i.e. the Census report 1998, District Faisalabad census report and Economic survey 2002-03. To get the information from the respondents, a well-designed questionnaire containing qualitative and quantitative questions was used. The Probit Analysis technique was used to draw the inferences.

## **RESULTS AND DISCUSSIONS**

Empirical analysis of migration and its impacts were presented by implying maximum likelihood estimate by using the cross sectional data collected during the year 2003-04. This paper is focusing on the migration and its impacts on migrants and their families at destination as well as rural areas of Pakistan. Empirical studies about poverty reduction through migration are rare in Pakistan. Most of the available evidences rely on

limited migration data from censuses and small scale survey. To date, this is the comprehensive study which provides the empirical evidences, to establish the causal relationship of migration in order to provide meaningful information for policy imperatives. Probit estimation technique was used to test the three hypotheses that need to be refuted and or accepted for meaningful policy imperatives to arrest the increasing trend of the internal and international migration. Under this analysis an advance econometric model was used (the statistical information of this manuscript has given as table in appendix).

### **Hypotheses**

- H-1. Higher the rate of poverty reduction among the migrants' families in the urban areas of Pakistan, greater will be the rural out migration
- H-2. Higher the rate of poverty reduction among the migrants' families in the rural areas of Pakistan, greater will be the individual migration from the rural areas

The likelihood estimates method confirmed that a large majority of the migrants' families had improved their monthly household income in the urban as well as in the rural areas. The coefficient of monthly income after migration was significant at 1% level in the urban migrants. The marginal effect of an additional increase in the income by one unit, the probability of poverty reduction was enhanced by .000552. The result showed that better economic opportunities were the major source of attraction to the migrants in the rural areas, which had fascinated the rural people toward the act of migration. While individual migrants whose families left behind in the rural areas had improved their monthly household by sending the remittances because the coefficient of the household monthly income after migration was significant at 10% level in the rural areas. The additional increase in the income by one unit, the probability of poverty reduction was enhanced by .038180. Probit model result showed that rural out-migration was positively associated with objective of poverty reduction in the urban as well as rural communities. These findings are countering to a micro-level wages differentiate model study which acknowledge migration is more likely if an individual's expected destination-area income, the expected wage timing, the probability of employment, are higher than current origin-area income (Harris and Todaro 1970; Todaro 1969). Thus, migration in majority cases does alleviate the poverty, but it can also increase inequality because remittance allows the migrants and their families to improve their assets and 'human capital.' Studies were undertaken by the International Labour Organization (Bohning, 1984), there is overwhelming

evidence of the positive contribution of migration, including its alleviation of rural poverty. These findings are coinciding with those of Gardner (1995) and others who documented a positive relationship between out-migration and rural incomes. Just as rural out-migration appears to have resolved the poverty associated with "too many farmers." Thus, migration improved the migrants' life and their families' socio-economic status which was major indicator for poverty alleviation.

H-3. The higher the rate of improvement of the social capital at destination and origin, the greater will be the impact of migration on the family

The likelihood estimates confirmed that the migrants' families in both communities had concentrated on the schooling of their children in order to improve the social capital. Probit model showed that the coefficient was significant at 5% and 1% level in the urban as well as rural migrants. As the schooling of the children increased by one unit in the urban community, the probability to improve the social capital is .037276. In case of rural community, as the schooling of the children increased by one unit in the urban community, the probability to improve the social capital is .001971. These figures coincide with the findings of Kuhn (2006) showed that the emigration of fathers and male siblings often resulted in improvements in the education of children left behind in some rural areas in Bangladesh. It is concluded that migrants' families had paid maximum attention on the schooling of their children with regard to elevate the position of their families in the society.

## **RECOMMENDATIONS**

Migration is usually associated with general economic and social development. In many of the developing countries, high population growth and mass migration to the cities put pressure on economic sectors which can not cope people's demand. Consequently slow economic growth rates occurring that has kept mean that per capita income has increased relatively slowly. A set of policies is needed to address the migrants' problems and check the migration to urban centre. Therefore, migration should be given the central importance, and policies should aim at enhancing its contribution to people's livelihoods. Policies should support the settlement of immigrants, enabling the development of their resources. Such policies can be included by providing information and communication channels, facilitating the integration of migrant populations in areas of destination, minimising tensions and environmental damages, and enhancing welfare of both the migrants and the host population. Therefore, migrants' settled areas either origin or destination,

potentially promising measures include ways of facilitating remittances, and channels to invest in order to productive and sustainable production should be launched by the government and the NGOs. Beside this, the living conditions of the villagers are improving in terms of civic amenities, housing conditions and infrastructure. But there are also evident negative consequences of urbanization for the conditions in which residents live and work. However, in some of the peripheries, the dense mix of industrial land use with residential areas poses a threat to the health. The labour-class migrants living in slums, at or near the industrial sites, or in crowded conditions in the peripheral areas, are more vulnerable than the original village population. Government and NGOs should provide the basic facilities in these areas in order to reduce the difficulties of its dwellers.

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