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Education, male gender preference and migrants' remittances: Interactions in rural Morocco

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ABSTRACT

The paper seeks to analyze the relationship between migrants' remittances and educational attendance in rural areas of southern Morocco. We perform a probit model to assess whether children who live in recipient households are more likely to attend school than their counterparts in other types of households. We find that the receipt of remittances has a significant positive effect on school attendance, especially for boys. The findings may be of interest to other developing countries and to the relevant policy makers, as the results suggest that migrants' remittance may serve as a channel for investing in human capital in such recipient countries and that the gains are much greater for boys, contributing to higher gender inequalities in access to education in rural areas.

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1. Introduction

It is well known that the education plays a crucial role in socio-economic development of countries. It has become a major concern for national policymakers and various international organizations (UNESCO, UNDP, etc.). The United Nations Development Program (PNUD) has since 1990 introduced Human Development Index (HDI) that measures the progress made by the countries in human development, by taking into account the essential dimensions of well-being such as the education and literacy levels. In this context, in many developing countries, governments have opted for a multidimensional approach when developing anti-poverty and human development strategies, combining income support and job creation with expanded access to healthcare and education. This real trend has been accompanied by a substantial interest by the micro-economics literature to empirically investigate the factors that shape household expenditure patterns and specifically households' schooling decisions. On the household-level, early researches on the determinants of education have placed a particular emphasis on the role of family characteristics such as the level of education and income on schooling decisions. They are, not surprisingly, very interested in the economic benefits of education measured in terms of rate of return to education, i.e. parents invest in the education and skills of their own children because such investment is presumed to generate a higher rate of return than the return on savings (Becker, 1993). Of course, parents in low-income and impoverished households invest too little in their own children because it seems difficult to finance educational investments regardless of such

returns. In other words, families financially constrained cannot bear the expenses related to the education of their children. This indicates that reduction of these constraints will make access to education possible for poorer (Bredl, 2011; Grootaert, 1999) and rural people (Edmonds, 2006¹). In this regard, financial transfers from public sector and other family members can encourage parents to invest in the education of their children.² By providing an additional and predictable support, they can have a decisive influence on educational outcomes. Recently, there has been a growing number of studies that have meticulously analyzed the development impact of migrants' remittances along various dimensions, including education, poverty, inequality, growth, financial development and investment (see Adams and Cuecuecha, 2010; Ahmed et al., 2011; Beyene, 2014; Bouoiyour and Miftah, 2014; Coulibaly, 2015; Driffield and Jones, 2013; Le, 2011 among others).³ The education-related impacts of remittances at the household-level are available from surveys of a limited number of

¹ Edmonds (2006) has found that receiving large cash transfers in the form of pensions has led to a large increase in child schooling in South Africa. Furthermore, rural children age 13–17 living with a person who is pension eligible are 8 percentage points or nearly 10% more likely to attend school than a child who is nearly eligible.

² We can mention here the example of cash transfers programs which provide grants directly to poor households in Mexico and Brazil (see López-Calva and Lustig, 2010). The one example that's really interesting is the Mexico's Progresa program which consists of transferring public resources directly to poor families, allowing them to invest in their children's human capital.

³ In general, foreign inflows can help developing countries to overcome the classical growth challenge by providing additional funds for investment in physical and human capital and improving the productivity of physical capital. In this regard, existing literature encourages promoting the foreign inflows namely foreign direct investment and remittances by improving investment conditions in their recipient countries (see for example, Driffield and Jones, 2013).

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countries. The “positive effects” hypothesis has received empirical support in a variety of settings. Conversely, other evidence suggests that the migration process itself can influence children’s education in very different ways. For example, the prospect of migrating in the future may lead people to compare education returns in the origin and destination countries (McKenzie and Rapoport, 2011), thereby reducing the educational investment if the possibility of moving abroad to find a job not require educational credentials from the origin country. It may also be the case that migrants’ remittances are used to pay the migration costs instead of child education. Evidence also indicates the great importance of households’ socio-economic status in determining to what extent the household mitigates the harmful effects of migration on their children’s educational outcomes (Berker, 2009).

Against this background, this study contributes to this debate by presenting an analysis of the impacts of remittances on children’s school attendance in the case of Morocco. It is motivated by the potential educational challenges induced by a continuous increase in remittance inflows to this country over the past two decades. Morocco, which is the third largest remittance-recipient country in the MENA region, has witnessed significant increase in remittance flows, from \$US 0.849 billion in 1982, to almost \$US 6.88 billion in 2013. In recent years, these financial flows have also surpassing the volume of foreign direct investment and official development assistance that the country receives. In 2013, remittance flows from Moroccan migrants represent about 6.62% of the country’s Gross Domestic Product. These observations lead to a more fundamental development question: do remittances to Morocco contribute to higher investment in human capital? This research examines this important question by identifying the major factors influencing school attendance, and analyzes the role of migrants’ remittances in increasing demand for education in a less-wealthy country like Morocco. The choice of human development path becomes an increasingly relevant issue for this country as it is striving to become a middle-income country and sustain human progress. On the whole, Morocco is among the countries that have long placed education at the top of their list of priorities for development. In the 1980s, a transient but significant decrease in the number of school children was observed following the introduction of the Structural Adjustment Program (SAP). Certainly, the decline was caught, but the country still suffers from the delay in terms of education, compared with its Maghreb neighbors. Indeed, Morocco has one of the highest rates of illiteracy in the Arab world. According to the recent national data, the literacy rate of the population aged 10 years and older did not exceed 60% with high disparities between urban (71.6%) and rural (44.4%) and between girls (49.2%) and boys (71.9%). Although there were experiments with various education programs (such as the Emergency Plan launched in 2008/2009) for the illiterates, national illiteracy rate remains very high. The measures taken in the past within the SAP framework and the failures and significant wastages affecting the educational system may explain this situation but the individual, household and community level characteristics can also play a significant role in explaining the current low levels of education in the country.

Despite the importance of education in the development of Morocco, there is little evidence to date on the determinants of children’s education in rural areas. This is mainly due to data restrictions. In this paper, we try to address three main questions: What are the main determinants of children’s schooling in rural Morocco? How the remittances from Moroccan migrants can improve access to education for children of remittance-recipient households in terms of school attendance? If the remittances can actually influence the children’s school attendance of young people, is there a difference between the sexes? Answering these questions seems crucial to any attempt to evaluate the overall effect of international migration on Morocco.

In the next section, we present a brief literature review on the effects of migrants’ remittances on children’s education. Our estimation strategy and the data from rural Morocco are presented in Section 3. The main

results are discussed in Section 4 which also assesses their robustness, while the following section constitutes the conclusion.

2. Literature review

In the economics literature, studies on educational investment found that child schooling is influenced by a wide range of considerations. First, education has a value of consumption and its demand will depend in this case, like that of other goods, on its own price, prices of other goods, and household income. Second, it should not only look at the monetary gains of the educational investment. In other words, education can provide non-monetary benefits such as personal well-being, general knowledge and emancipation (see Belfield, 2000). Third, in developing countries, some factors can be a source of increasing non-enrolment and demand for child labor such as the quality of education and cultural heritage. Fourth, since the education of children is the result of a family decision, it will depend on a number of microeconomic factors such as family structure, income, household size and parental education.

The literature on migrant remittances effects in developing countries has explored, among others, the impact of these funds on human capital investment among children. Given the high income elasticity of education, these funds by increasing family income can improve a priori the educational outcomes of children of recipient households. However, no significant effect or a negative effect would be expected if these remittances were insubstantial. Antman (2012) pointed out that the migration of parents could increase the responsibility of the older children by forcing them to enter the labor force and leave school (or reduce the time invested in education). In general, while some researches hold the view that these sums transferred, by lifting liquidity constraints, affect the investments of poor households in the education of their children, giving them the means to continue their education (Bredl, 2011; Calero et al., 2009), others provide evidence that paradoxically international migration can decrease investment in education (Hu, 2012; McKenzie and Rapoport, 2011). It should be noted that the response to the question whether remittances are used for educational investment may vary from one country to another and depending to community specifics (rural or urban, for example). In a study based on a large representative rural sample, McKenzie and Rapoport (2011) found that being in a migrant household is estimated to significantly lower the probability of attending school by 16 percentage points for 12- to 15-year-old males, 21 percentage points for 16 to 18-year-old males, and 20 percentage points for 16- to 18-year-old females. Going even further, Schiff (2007) announced that investment in education and international migration are substitutes. In contrast, Antman (2012) found a positive effect of paternal migration on education for girls, suggesting that pushing a father’s migration earlier in his daughter’s life can lead to an increase in her educational attainment of up to one year relative to delaying migration until after she has turned 20 years old. Consistent evidence that international remittances have positive effects on the accumulation of human capital among children is provided by many other empirical studies. A study by Mansuri (2006) on rural Pakistan, suggested that the potential positive effects of economic migration on human capital accumulation are much greater for girls, yielding a substantial reduction in gender inequalities in access to education. More precisely, the author found that enrollment has increased by 54% for girls and only by 7% for boys; interestingly, children of recipient households are more likely to continue their education at a level where the dropout rate is the highest. Mansuri (2006), by examining the role of recipient household structure in the education of children, supported the view that households headed by women tend to discourage the education of girls and their pursuit of a career, contrary to their attitude towards boys. Other empirical studies have properly predicted positive remittances effects on educational attainment in other developing countries. For example, for the Philippines, Yang (2008) showed that for children aged 17–21, a rise in remittances equal to 10% of initial household income leads to a 10.3 percentage

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