

IMPACT OF EDUCATION ON SOCIO-ECONOMIC STATUS OF VILLAGERS LIFE: A CASE STUDY OF SHRIEN WALA VILLAGE OF FAISALABAD DISTRICT

ZAHOOR HUSSAIN JAVED, BASHIR AHMAD KHILJI
and MUHAMMAD MUJAHID*

Abstract. This research paper investigates impact of education on socio-economic status of rural life in Faisalabad district. Empirical results show that economic growth of any economy not only depends on physical capital but also on the human capital. Education is most the important and valuable factor on overall environment of society, but primary education has fewer effects on the behavior of rural residents in a selected village of Punjab.

I. INTRODUCTION

Economic growth of any country is not only dependent on the physical capital but also on the human capital. Developed human capital has a positive effect on the economic growth, political stability and social environment. Education is the most important variable, which plays an important role in the development of human capitals. A number of empirical studies have shown it that the pace of economic growth of the developed countries could not be achieved without the stock of human capital.

Among all stages of education, primary education has a central place. Notwithstanding, primary schooling provides basic principle to society. It may also improve living standard, develop industrial projects, which gives high financial rates of return. By taking measures to extend and improve primary schooling and expenditures on the poorest population groups,

*The authors are affiliated with the Department of Economics, Government College University, Faisalabad (Pakistan). For correspondence: zahoorthj@yahoo.com.

wherein these expenditures subsequently increase the productivity of such people and tackling the poverty problems directly. It represents not only a more attractive in many countries but also a less risky means of increasing the income of poorest people (Coldwell *et al.*, 1979).

In recent years, the government of Pakistan has started nation-wide survey; Pakistan integrated household survey (PIHS), to address the imbalances in the social sector. This survey provides rich information on the above-mentioned variables that were missing in the earlier household surveys. This study uses the data of PIHS to examine the returns to education by using Mincerian-earning function and thus aims to fill the vacuum that, due to the lack of appropriate data exists in the literature in the Pakistan. We will first estimate the earning function with continuous school years with the assumption of uniform rate of returns for all school years. It is argued that different school years impart different skills, therefore, we extend our analysis to level of education, *i.e.* How much increase in earnings takes place with an extra year of schooling at different levels, such as, primary, middle, matric, intermediate, bachelors and masters.

The overall literacy rate in 1997-98 was estimated at 40%; 51% for males and 28% for females; 60% in urban areas and 30% in rural areas. These rates are still among the lowest in the world due to various measures taken by the government in recent years, the enrolment rates have increased considerably (Economic Survey, 1998).

Due to low levels of educational attainment and lack of technical and vocational education, Pakistan's labor market is dominated by less educated and unskilled labor. A considerable rise in the number of educational institutions and enrolment after 1980s is not yet reflected in Pakistan's labor market. This might be because most of the bachelor's and master's degree programs emphasize only on academic education without developing specific skill. The sluggish demand for the graduates of these programs in the job markets leads to unemployment among the educated and the job market remains dominated by the less educated. In this scenario, it becomes important to explore the role of education for the economic benefit of the individuals.

The remaining layout of this paper is as follows: After this introductory section, Section II shows framework of literature review, Section III presents methods, procedures and the impact of education on socio-economic status, Section IV provides results and discussion, and, finally, Section V concludes the paper.

II. REVIEW OF LITERATURE

Goodwin *et al.* (1984) viewed the primary factors affecting settlement patterns in rural areas of the United States using factor analysis of survey responses from 1,156 households in Oklahoma. Their results indicate that quality of services, age of home and availability of services; rural atmosphere and job and family considerations impact are most important factors.

Von *et al.* (1992) studied that gender differences in education in Muslim developing countries are related to the prevalence of Islam, but this decomposition model says otherwise.

Bhuyan *et al.* (1996) examined that the differential fertility in 16 contiguous villages of both Savar and Dhamrai Upazila in Dhaka district, Bangladesh and find fertility between working and nonworking women did not differ significantly. Deccache *et al.* (1997) reported health promotion and health education have limited to evaluation of the effectiveness of actions and programmes. Wirakartakusumah *et al.* (1998) examined the effects of public health, family planning, education, electrification, and water supply programs on fertility, child mortality, and school enrollment decisions of rural households positively in East Java, Indonesia. Rath *et al.* (1998) reported that the impact of educational status, income, indicate that a combination of these factors are associated with reduced fertility, longer birth intervals, and lower levels of infant mortality.

Dubois *et al.* (2003) described the source and the scope of social inequalities in infant feeding practices. They examine the extent to which different recommendations are followed in different social groups and highlight the main factors influencing the total adherence to these recommendations at the population level. The study follows a representative sample ($n = 2103$) of the children born in 1998 in the province of Quebec (Canada). Detailed information on breast-feeding and complementary feeding was collected at 5 and 17 months by face-to-face interviews with the mother. The independent variables were mother's age, mother's education level, poverty level, family type, socio-economic status (SES) and living area. Odds ratios (adjusted for baby's rank in the family, birth weight and premature birth) are presented for breast-feeding, and for formula and cows' milk consumption, at different ages.

Ansari *et al.* (2003) reported that Ambulatory Care Sensitive Conditions (ACSCs) are those for which hospitalization is thought to be avoidable with the application of preventive care and early disease management, usually delivered in the ambulatory setting. This study presents detailed analyses of

ACSCs as a measure of health outcome that might vary with access to primary health care in rural and urban regions of Victoria.

III. THEORETICAL MODEL AND ESTIMATION METHODOLOGY

Human capital model developed by Becker (1964) and Mincer (1974) is hereby used to find the relationship between social economic status of people of Shrien Wala village at different level of schooling. In version of mathematical, the equation can be expressed as:

$$\ln SES_t = \beta_0 + \beta_1 Edu_t + \epsilon_t \quad (1)$$

In SES represents socio economic status. The nomenclature of SES is given under:

- S_F = Size of family,
- I_F = Family income,
- S_H = Structure of the house (1 for paka and 0 for otherwise),
- N_R = Number of rooms,
- W_E = Women education (1 if they like it, 0 otherwise),
- W_H = Women health facility (1 if they visit the doctor, 0 otherwise),
- F_P = Family planning (1 if they use contraceptives, 0 otherwise),
- V = Vaccination (1 if yes, 0 otherwise),
- P_A = Production per acre,
- N_D = Diet (1 if they take egg, meat or milk daily, 0 otherwise), and
- Edu = represents level of education like primary, middle, matric, intermediate and above and ϵ_t is the error term.

In order to find the returns to education at different level of education, we estimate the following equation:

$$\ln SES_t = \beta_0 + \beta_1 E_1 + \beta_2 E_2 + \beta_3 E_3 + \beta_4 E_4 + \beta_5 E_5 + \epsilon_t \quad (2)$$

Where E_1 = Primary education, where $\beta_1 = 1$ if $0 < Edu \leq 5$

E_2 = Primary education, where $\beta_2 = 1$ if $5 < Edu \leq 8$

E_3 = Primary education, where $\beta_3 = 1$ if $8 < Edu \leq 10$

E_4 = Primary education, where $\beta_4 = 1$ if $10 < Edu \leq 12$

E_5 = Primary education, where $\beta_5 = 1$ if $12 < Edu \leq$ higher education

The coefficients associated with E_1 , E_2 , E_3 , E_4 and E_5 in equation (2) show an increase in socio-economic status of people of Shrien Wala village with one year increase in education at respective levels.

The returns to education can be computed at each level as:

$$\text{Return to Primary} = 5\beta_1 E_1 + \beta_2 E_2 + \beta_3 E_3 + \beta_4 E_4 + E_5 \beta_5$$

$$\text{Returns to Middle} = 5\beta_1 + 3\beta_2$$

$$\text{Returns to Matric} = 5\beta_1 + 3\beta_2 + 2\beta_3$$

$$\text{Returns to Intermediate} = 5\beta_1 + 3\beta_2 + 2\beta_3 + 2\beta_4$$

$$\text{Returns to higher education} = 5\beta_1 + 3\beta_2 + 2\beta_3 + 2\beta_4 + 2\beta_5$$

The data used in this study are collected from the Shrien Wala village of District Faisalabad. The collection of data in this study was a field survey. To do so, an open-ended and close-ended questions questionnaire was designed. In this study, roundabout 100 households were interviewed. To measure differences, a dummy variable is used that takes the value 1 for yes and zero otherwise.

The main source of collecting information about change in life style and performance of respondents with education level is one to one interview, for which approximately 30 brief questions were set in questionnaire. In each sample household, the interview was started after formal discussion about his/her name, caste and address of house. Further, after asking respondent's educational level, family size, family income, structure of house and number of rooms, source of income, types of sanitation, and method of solid waste were asked in order to get some information about his/her life style.

In second section, the respondents engaged in agriculture sector were asked about their landholdings, method of cultivation, credit facilities and use of fertilizers and seeds. These two sections were based on the quantities measurements. In the third and last section, some behavioral questions were asked for qualitative measurements of different educational level, which contains 10 different questions like decision power, types of communication, assessment of women education, family planning and most important child caring activities like their diet, vaccination and medicines in case of their illness.

Out of 13 families living in the kacha houses, 9 live in one room houses. They have no toilet, kitchen, store and cattle-shed for themselves and livestock. About 30% of population of village live in one room house, 33% live in two-room houses and 22% live in three room houses. The source of

drinking water is hand pumps. A typical two room dwelling in the rural areas has 16 ft × 10 ft and 10 ft × 12 ft rooms having a veranda. They have water pumps and small bathrooms. The size of smaller room is 10 ft × 12 ft.

IV. RESULTS AND DISCUSSIONS

There are two types of results such as Quantitative Results and Qualitative Results. Out of total 100 respondents, there were 64 males and 36 females. Among them 85 were married and 15 were single. 88 respondents were engaged with informal sector, 9 with formal sector and 3 were doing no job.

TABLE 1

List of Different Age Group Respondents

Age Group (Years)	Number
18 - 30	31
31 - 40	24
41 - 50	15
51 - 60	23
61 - 70	06
71 - 80	01

Source: Computed by the author on the basis of the results obtained in the survey.

Table 1 shows that 31 respondents have age between 18-30 years, 24 having age 31-40, 15 falling between 41-50 years, 23 respondents have the age between 50-60 while only 7 are 60 years of age

TABLE 2

Percentage of Respondents by Their Education Level

Education Level	Percentage
No Schooling	53
Primary	18
Middle	11
Matric	5
Above	13

Source: Computed by the author on the basis of the results obtained in the survey.

Table 2 shows that out of 100 interviewed respondents, 53 were uneducated and 47 were educated. Within 47 educated respondents, there were 18 primary educated, 11 middle, 5 matriculate, 11 having college education while 2 were university educated respondents.

TABLE 3
Distribution of Income

Education Level	Average Respondent's Monthly Income (Rs.)	Average Family Monthly Income (Rs.)	Per Capita Income (Rs.)
No Schooling	2945.00	7765.60	2021
Primary	3323.50	8694.00	2343
Middle	4495.50	10541.00	2253
Matric	3300.00	10320.00	2943
Above	8254.00	11923.00	2428

Table 3 describes the relation of education level and the monthly income. In the 2nd column, average respondent income is calculated. There is positive relationship between education level and average income of respondents. The average income increases as the educational level increases except in the case of matriculated people. In the 3rd column the average family income is calculated. This shows a relationship that the average family income increases with the increase in the education level. Per capita income, calculated in the 4th column also shows a positive relationship with the education level.

TABLE 4
Use of Source of Communication by Different Educational Levels

Education Level	VCR	Phone	Radio	Satellite	News Papers
No Schooling	75	14	43	7	4
Primary	92	15	38	8	23
Middle	100	50	62	0	25
Matric	80	40	40	0	20
Above	92	70	62	0	62

Table 4 shows the relationship between education level and the use of different type of communication devices. In 2nd column the relationship between the education level and the use of Television is discussed. Interestingly, there is a positive relationship between the two variables, *i.e.* with the increase in the education level the demand for TV sets also increase. The main cause of this increase is the awareness regarding the world issues, the national problems and favorite programs. Similar is the case with the use of telephone. The use of telephone increases with the increase in the education level. The only exception in the case of use of telephone is in the matriculated group, this may be due to the sample error because only 5 matriculated respondents were interviewed among the sample of 100. In the fourth column the relationship between the use of Radio and education level is presented. There is a positive relationship between the use of Satellite Dish Antenna and the education level. Surprisingly, there is no clear relationship observed between the use of Dish and the education level. Among the set of respondents only a small percentage of people belonging to no education and primary education use dish antenna while respondents from all other groups do not use the device. While the last column shows the relationship between the education level and the reading of newspaper. There exists a positive relationship between the education level and the reading of newspaper.

TABLE 6

Attitude of Respondents Having Different Education Groups

Education Level	Self	Mutual Opinion
No Schooling	58	42
Primary	33	67
Middle	45	55
Matric	40	60
Above	23	77

Table 6 describes the behavior of respondents about the decision making with different education level. It is observed that involvement in decision-making increases with the increase in the education level. One reason for this behavioral change is the fact that the educated man is relatively more liberal and open-minded. People think that the involvement of their family will make decision that is more positive and will be better for all. That is why; they accept the importance of their family members, *e.g.* wives, children and parent. From the table it is clear that 58% of uneducated people don't involve

their families in decision-making, probably, they feel insult to take any type of opinion from their families. 33% of primary, 45% of middle, 40% of matric and 23% of higher educated people do not involve their families in decision-making activity. The most involved family in the decision-making activity. The most involved family in the decision-making is the family with the highest educated respondents of College and University, *i.e.* 77%. From the above discussion, it can be concluded that the involvement of family members in decision-making increases as the education level of respondents increases.

TABLE 7
Use of Family Planning, and Health Care Activities

Education Level	Liking of Women Education (%)	Women's Health Facility (%)	Family Planning (%)	Vaccination (%)
No Schooling	52	82.60	51	27
Primary	88	88	82	50
Middle	91	91	82	57
Matric	100	100	75	75
Above	92	100	67	90

Table 7 shows the relationship of level of education with the liking of women's education, women's health facilities, role of family planning and vaccination. 2nd column shows the percentage of liking for female education, *i.e.* how many people like to educate their daughters. The attitude is very much visible from the table, *i.e.* as the respondents climbs the educational ladder, the more liberal behaviour towards female education they have. Sophistication, liberal attitude, broader vision can be among the reasons for such an attitude.

The 3rd column gives the availability of the female health facilities. The relationship is once again positive, *i.e.* the awareness about the female health increases with the increase in the education level. The 4th column shows the relationship between the education level and the use of contraceptives. The column depicts a positive relationship between the education level and the role of family planning. Only 51% uneducated respondents like the use of contraceptives, while 75% of higher and 67% of lower educated people like it. Here is a very interesting situation with the primary and middle education group. The 82% people from these age groups recognize the importance of

family planning. So, it is clear that 5 to 8 years of schooling have more positive effect on the use of contraceptive activities. The last column discusses the relation between the courses of vaccination with the different education levels. With the acquisition of more education, persons are more aware of the importance of vaccination.

TABLE 8
Daily Diet Taken by Different Educational Group

Education Level	Milk	Eggs	Fruit	Meet	Rice	Wheat
No Schooling	45	28	26	30	97	100
Primary	75	33	33	58	100	100
Middle	62	50	37	75	100	100
Matric	75	75	50	75	100	100
Above	90	80	40	90	100	100

Table 8 shows the daily diet of respondent's children. Usually small children need milk, eggs, fruit, beef, wheat and rice in their daily diet. More educated people are more aware of this daily diet chart. In the entire table it is clearly visible that with the increase in the education levels the use of milk, eggs, fruit, meet, rice and wheat increases. The most important fact is that wheat and rice are being used by almost all the members of all education groups. The reason may be that these two constitute a major portion of diets of people of Pakistan due to social, economic and geographic reasons.

TABLE 9
Use of Different Types of Sanitation Facilities

Educational Level	Govt. Provisions (%)	Village Community (%)	Own (%)	Any Other (%)
No Schooling	70.50	19.60	7.80	1.9
Primary	81.25	18.75	0	0
Middle	70.00	30.00	0	0
Matric	80.00	20.00	0	0
Above	92.30	76.00	0	0

Table 9 describes the different types of sanitation used by the respondents belonging to different education levels. 70.5% of uneducated

respondents get government service and it is almost same for the middle education persons. The condition is better for the primary and the high education group, *i.e.* 81.25% and 80% respectively, and it increases with the College and University achievers, *i.e.* 92.3%. All other respondents who do not get government professionals use source generated by their village community but about 10% of uneducated persons use other sources generated by their own or from any other source. It is clear from the table that as the education level increases there is less dependency on the village community and they rely on government services.

TABLE 10
Estimation of Child Care Facilities

Education Level	Doctor (%)	Hakims (%)	Dispensary	Taweez	House Tips
No Schooling	29.00	12.50	60.40	16.60	25.00
Primary	92.80	0	21.42	7.10	7.14
Middle	75.00	12.50	75.00	0	0
Matric	75.00	0	25.00	0	0
Above	90.00	10.00	20.00	0	0

Table 10 describes the relationship between the education level and the childcare activities. In 2nd column it is discussed that how many people of different education levels consult doctor during the illness of their children. Only 29% of uneducated people consult doctors and this ratio increases with the increase in the education level and it is highest in the primary education group where the ratio is 92.80%. In 3rd column the role of Hakim is discussed, 12.50% of uneducated and middle pass respondents consult Hakims during illness. 4th column shows that 60% of uneducated people get medicine from dispensary with out complete check up of their child. This tendency is being decreased with the increase of education level and there is quite an interesting situation in column 5, which shows that 16.60% of uneducated people and 7.10% of primary pass people believe in Taweez instead of doctor and similarly in column 6, it is clear that only uneducated and primary pass people rely on house tips. No other class is interested in Taweez and house tips. Therefore, it is clear that, with the spread of education people depend on doctors and medicine facilities rather on Hakims and house tips.

TABLE 11
Regression and Logit Model's Results

Independent Variables	OLS					Logit					R_1	
	Intercept	E_1	E_2	E_3	E_4	E_5	E_1	E_2	E_3	E_4		E_5
<i>SF</i>	2.37* (2.98)	0.23 (0.98)	0.44 (0.93)	0.33 (0.25)	0.42 (0.35)	0.39 (1.03)	-	-	-	-	-	92%
<i>IF</i>	2.42* (3.09)	0.42 (0.97)	0.59 (0.32)	0.63 (1.29)	0.72* (2.82)	0.88* (2.73)	-	-	-	-	-	93%
<i>SH</i>	2.49* (3.82)	-	-	-	-	-	0.74 (1.03)	0.88 (1.23)	0.90 (1.39)	1.02* (2.93)	1.05* (2.99)	78%
<i>NB</i>	4.79* (4.02)	1.02 (0.78)	2.05 (1.73)	3.56* (2.92)	4.42 (2.97)	3.79* (2.78)	-	-	-	-	-	90%
<i>WE</i>	2.82* (2.22)	-	-	-	-	-	0.92 (1.39)	0.79 (1.22)	0.88 (1.31)	1.03* (2.92)	1.09* (2.99)	72%
<i>WH</i>	2.95* (3.07)	-	-	-	-	-	0.02 (0.98)	0.17 (1.32)	1.39* (2.76)	1.38* (2.97)	1.44* (2.78)	69%
<i>FP</i>	2.82* (3.09)	-	-	-	-	-	0.83 (1.09)	0.32 (1.39)	0.88 (1.45)	1.39* (2.98)	1.82* (3.34)	71%
<i>PA</i>	2.07* (4.23)	2.39* (2.38)	1.32* (2.75)	1.22 1.30	1.82* (2.92)	1.89* (2.79)	-	-	-	-	-	89%
<i>ND</i>	2.09* (4.56)	-	-	-	-	-	0.89*** (2.32)	0.41* (2.24)	0.73* (2.95)	0.69* (2.77)	0.67* (2.87)	88%

Present study shows that village traditions look dominated in the decision of family size. All coefficients in this regard are insignificant. First three levels of education have insignificant effect whereas the other two levels have a significant effect on the per capita of income of the family. Nevertheless, all coefficients have positive signs. For the equation of structure house, Logit model is used. First three levels of education have insignificant effect on the structure of house, while last two equations have positive and significant impact. Because, more educated people generate more income. The relationship between number of living rooms and education is measured by Least square regression. The results show that only higher level of education have positive and significant impact on number of livings rooms. In the equations of women education, women health and family planning, the results indicate that higher education level has positive and significant impact on the education, health and family planning instead of low level of education. As the education level of the head of the family increases, the education standard of other family members also increases. The use of new technology, new crop varieties or access to sophisticated equipment are outcomes of education. Diet equation shows significant and positive results at all level of education. This may be due to cultural, social environment and pure foods of village.

V. CONCLUSIONS

This study suggests that role of primary education on rural's life is insignificant. This is so because educational system in Pakistan, especially in the rural areas, is insufficient to achieve its targets. However, partially it has some importance in the agricultural sector. It implies that primary schooling increases the income of the farmer and is a cause of reduction in the poverty. Similarly, primary education creates the good sense of diet. However, an important conclusion drawn in this study is that only 10 years of schooling has positive and significant impact on the all variables, so it may be concluded that in Pakistan, the minimum level of education that gives the individuals some sense about the life is Matriculation. This suggests that authorities should have to give proper attention towards primary and secondary agricultural based education and higher education, which enable someone to become the productive agent of the economy.

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