

ABSTRACT

Shock is an unpredictable or unexpected event which affects an economy, society or individual, either in positive or negative way. Precisely, it reflects to an irregular variation in exogenous factors, which may leads to effect endogenous economic variables. Variety of shocks affects the person at individual, household and at aggregate community levels. But these shocks have different affects at different age levels. During the initial phases of a child life, shocks might have a considerable impact over the creation of the wellbeing and human capital formation of a child including his/her education and/or health. If the shocks would lead to decline of household investment on human capital of children including education and health, then it may leads the next generation fallen into poverty for a greater period of time. Similarly households facing higher income insecurity and uncertainty may also result to revise their investment in human capital and hence might transfer the poverty to next generation.

This study evaluates the impact of shocks and other socioeconomic demographic factors that can affect the education status of children. Using the Pakistan Panel Household Survey (PPHS) – 2010 the study has estimated the impact of various types of shocks and poverty on child enrolment status between the ages of 6 – 15, whereas, to observe the potential impact of poverty movements on school enrollment status, the study has also utilized the Pakistan Rural Household Survey (PRHS)-2004 dataset which is the 2nd round of the Panel dataset. Both the bivariate and multivariate analysis has been carried out in which the cross tabulation was used for the former and Multinomial Logistic Regression technique has been used for the later.

The results show that the shocks have a significant impact on the children education and it serves as a deciding factor for children educational outcomes. Similarly, poverty status of the household also has convincing impact on children educational outcomes. While analyzing the impact of types of shock on education, four different categories were made that includes No shock faced, Natural shock, Business Shock and Inflationary Shocks, it was found that educational of the children from the families faced Business shock were highly affected, however other shocks were also having significant affects. Findings also showed that children belonging to poor families are found to lagging in educational outcomes as compared to non-poor families. Likewise, the dynamics of the poverty was also gauged which estimated the children who were never poor (non-poor in 2004 and in 2010), chronic poor (poor in 2004 and 2010), moved out of poverty (poor in 2004 and non-poor in 2010), and moved into poverty (non-poor in 2004 and poor in 2010). It was estimated that children belonging to the family who was poor in both rounds of data collection and who had fallen into poverty are seriously lagging behind in educational attainments and they have the highest percentage of Never Enrollment and Dropout, however children from the families who had managed to escape the poverty and those who remained non-poor are having higher percentages of currently enrollment. Similarly other socioeconomic and demographic factors including socio-status of family, parental education, and regional/provincial also influence the children educational status.