

IMPACT OF EMIGRATION ON KERALA'S ECONOMIC DEVELOPMENT

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Abstract

After independence emigration from Kerala to countries outside India has become a way of life to a large number of educated youths. The hike in the oil prices during 1973-74 and afterwards led to considerable increase in the revenue of Gulf region. The heavy investment to build social and economic infrastructure facilities in these countries generated great demand for skilled and unskilled workers from abroad. In order to take suitable policy measures for the welfare of emigrants and returnees government needs reliable official statistics of emigrants. So the Kerala Government authorized the Department of Economics and Statistics to conduct a census of emigrants along with the 6th round of Economic census. Migrants to the rest of India are known as out-migrants and those outside the country is known as Emigrants. Emigration from Kerala has become so rampant that its impact is felt in every field of life. Thus it is seen that emigration from the state has become all-pervasive in all respects.

Key words : Emigration, emigrants, Kerala's economic development, infrastructure, foreign remittance

Introduction

Very recently the state of Kerala was mainly known for internal migration than for external migration. After its integration with the Union of India, the rate of out-migration of Kerala has increased. Here a large number of Keralites have moved to Indian cities like Kolkata, Chennai, Mumbai, Delhi and other major cities of India. In the historical trend in migration experience of Kerala, there are two distant phases.

Objectives of the study

- 1.** To identify the economic impact of external migration
- 2** To assess the trend of foreign remittance
- 3** To identify important socio-economic issues of external migration in Kerala.

Phases of migration

In the historical trend in migration experience of Kerala, there are two distant phases. The first turn has occurred around the 1940 when Kerala became closely integrated with other states of India. It was around the time of World War II and Indian independence. Till that time Kerala was a net in-migration state with more number of people flew to Kerala than the movement of people from Kerala to other states.

Stages of emigration

Emigration during the modern period of history of Kerala consisted of four stages: the first showing emigration of the indebted labour to British colonies such as Malaysia, Singapore, Burma, and Sri Lanka for work in plantations and emigration to these countries and other countries as artists, traders, manufacturers, contractors, etc. When these traditional destinations were inaccessible due to ban or nationalist policies of the newly independent countries, attraction of educated Malayalis turned to other British colonies. After its integration with the Union of India, the rate of out-migration of Kerala has increased. Here a large number of Keralites have moved to Indian cities like Kolkata, Chennai, Mumbai, Delhi and other major cities of India.

The second turn of migration has taken place around the 1970s when Kerala became a major emigration state. Until then international migration from Kerala was relatively small, compared to internal migration. But after the oil boom of 1970s the relative position of emigrants and out migrants changed drastically. In the 1981-91 period net emigration was about 555 thousand persons during this period. The loss of people from Kerala through emigration has grown much more over the years. This constituted the second stage where the emigrants went to Africa mostly as school and college teachers. As expected this migration soon met with resistance and fresh emigration.

A new type of migration is represented in the third stage which was developed in the 1960s with the emergence of a shortage of labour in the developed countries in North America and Western Europe. So these countries went for strict visa restrictions and a large number of Kerala professionals like nurses, doctors, engineers, college professors, etc. Have made use of this opportunity. At present there is a large pool of emigrants in the West especially in the United Kingdom, Germany, and the United States of America. The destination of emigrants from Kerala underwent a major change during the fourth stage in the early 1970s with the oil boom in the Gulf countries. Emigration to the Gulf countries has now surpassed migration to all other destinations, including destinations within the country though it started as a trickle. At present almost all families in Kerala seem to have been affected by Gulf migration in one way or the other.

The new economic reforms were the cause of another turning point with respect to the migration trend of Kerala as with globalization many people of Kerala began to fly abroad to multiple countries in search of jobs. As compared to 1991 it is seen that a large number of people of Kerala are still working in different foreign countries. It is widely seen that scarcity of both skilled and unskilled labour is felt in many regions of the state of Kerala. Such scarcity has its impact upon multiple facets of life.

In what way can emigration be encouraged in such a way that it does not adversely affect the supply of man power with required skills and development of our state is still a question which could not find its answer. Kerala Migration Survey 2011 conducted by Centre for Development Studies has estimated that there are more than 22.33 lakh Malayalis living in various countries and their remittances to the state gross domestic product is more than 22%. The Non-Resident Malayali Census 2013 of Economics and Statistics Dept., Government of Kerala, claimed that there are only 16.25 lakh Non-Resident Malayalis in the State.

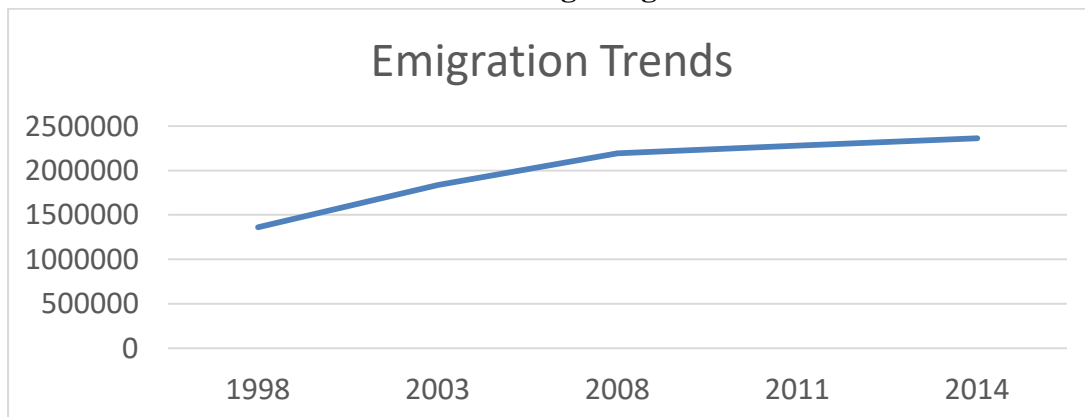
Determinants of emigration from Kerala

- Rapid decline in mortality
- Stagnation in agricultural sector
- Development in education
- Failure of the State to provide employment opportunities to its people
- Growing opportunities for employment in foreign nations

Emigration flow/ trends, 1998-2014 (kms)

- 1998: 1,361,919
- 2003: 1,838,478 (- 476,559)
- 2008: 2,193,412 (- 354,934)
- 2011: 2,280,543(- 87,131)
- 2014: 2,363,611 (- 82,768)
- 2008-2014 (-169,899)

Trend Line showing Emigration from Kerala



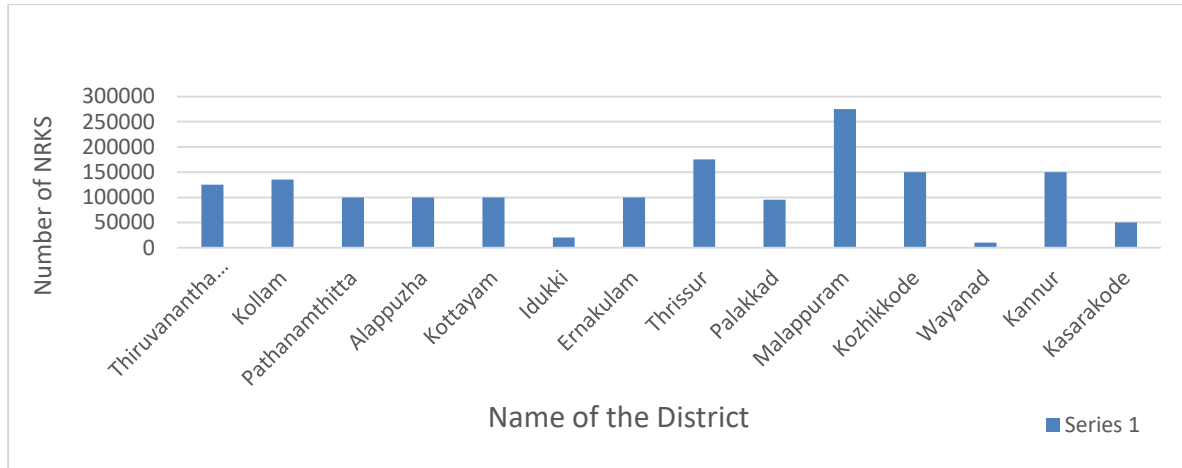
Source: Kerala Migration Survey (2014)

Pattern of Emigration

Sex Composition: Census report says Kerala has an excess of females over males (1084/1000). Emigration from Kerala is however dominated by males. In 2004, 83% of emigrants were males. In 2014, the share of males has gone up to 93% as per the Economic Review.

Religion: According to KMS the majority of emigrants are from Kerala are Muslims- 43.7% in 2008.

District-wise Non-Resident Keralites



Source: Economic Review 2014

Age Distribution

KMS	Percent of Emigrants in the Age-Group 20-40 at the Time of Emigration
KMS 1998	85.9
KMS 2003	86.7
KMS 2008	84.2
KMS 2011	80.0
KMS 2014	82.6

Source: Kerala Migration Survey

Number of Non-Resident Keralites

As per the survey conducted by Economic and Statistics Department of Government of Kerala, the highest number of nrks hail from Malappuram district and their proportion to the total nrks is 18 %. Thrissur is the second largest nrks concentrated district with 10.73 %, followed by Kannur as with 10% share of nrks population. Idukki and Wayanad are the two low nrks reported districts and their share to the total nrks are 0.90 and 1.05 % respectively shows the district wise proportion of nrks in Kerala.

Working Non-Resident Keralites

Out of the total Non-Resident Keralites, 87.77 % are working in different areas. Among the working nrks, 93.04 % are men and 6.96 % are women. District wise, Malappuram has the highest proportion of 19.51 % of working nrks which is followed by Thrissur and Kozhikkode as 10.50 and 10.37 % respectively. Gender wise, even though Idukki district reported the lowest share of working nrks the female working nrks is 32.83 % of their total working nrks. Second highest female working nrks is identified from Kottayam district with 31.68 %.

Country of residents of Kerala emigrants

Country	1999	2004
UAE	421758	670150
Saudia Arabia	510652	489988
Oman	132443	152865
Kuwait	68130	113967
Baharein	74619	108507
Quatar	70001	98953
USA	29848	98271
Other Countries	54504	105777
Kerala	1361955	1838478

Source: Kerala Migration Survey (2004)

Destination Trends, 1998-2014 (KMS)

Gulf: 94 % in 1998 to 86 % in 2014

UAE: 31 % in 1998, 42 % in 2008 and 38 % in 2014

SA: 38 % in 1998, 23 % in 2008 and 22 % in 2014

USA, UK, New Zealand and Australia – new destinations.

Remittances Flow / Trends, 2014

- 1998: 13652 crores
- 2003: 18465 crores
- 2008: 43,288 crores
- 2011: 49,695 crores
- 2014: 72,680 crores

Remittances

The inflow of this money definitely has considerable impact. The NSDP of Kerala for 2003 is reported to be Rs. 83782 crore. The remittances thus form about 22% of NSDP. The percapita state domestic income was Rs.25764 in 2003. The modified NSDP including remittances is Rs. 102248 crore and the modified per capita income including remittances would be Rs. 31422. Remittances were sufficient to wipe out 60% of State's debt in 2003.

Macro-Economic Impact of Remittances

Indicators	1998	2014
Remittances	13652crores	72680 crores
NSDP	53552 crores	196077 crores
Modified NSDP	67204 crores	268757 crores
Per Capita Income	16062	63491
Modified Per Capita Income	20157	67994
State Debt	15700 crores	114121 crores
Remittances as percent of NSDP (%)	25.5	37.1
Remittances as ratio of Revenue Receipt	1.9	3.4
Remittances as ratio of State Debt	0.9	0.5

Source: Kerala Migration Survey (2014)

Utilisation of remittances

Housing: One of the inevitable consequences of emigration is the substantial increase in disposable income at household level. This had considerable impact on consumption pattern. Remittances are used to acquire a variety of consumer goods as well as land , houses,

vehicles and household accessories. As per the KMS 2004 17.2 % of Non Resident Kerlates houses were found to be luxurious. The 1992 case was only 2.4%.

Possession of consumer durables

In 2004, 60% of Kerala households possessed television set, 45% had telephone connection, 30% had refrigerators. In all other items of consumer durables also increases were markedly higher among migrant households.

Economic impact of emigration

Fall in Unemployment

Educated unemployment in the state of Kerala is increasing as a result of remittances. Construction industry and travel-related service sectors improved to provide employment opportunities.

Reduction on poverty

Significant impact upon population below poverty line in Kerala during the 1990s the proportion has declined by 3% points as a result of remittances received from Kerala emigrants.-K C Zachariah & S irudayarajan (2009). Emigration and subsequent remittances reduced inequality and increased standard of living, K V Velayudan (2010)

Income distribution

In 1999 households with well-educated emigrants received 54.8 per cent of the total share of remittances. By 2004, the share of well-educated emigrants increased to 64.2%.

Consumerism: Kerala households have ended up in possessing all necessary and even unnecessary items much of which is not produced in Kerala.

Problems of emigration

Emigration is a costly venture. An average emigrant from Kerala spent Rs. 44,000 for going abroad (for tickets, visa fees, and agent's commission). In some cases cost arises from cheating. The average cost of ticket was Rs. 13,000, visa fee was Rs.32, 000 and commission given to agent was Rs. 14,000. Those who were defrauded suffers an average loss of Rupees 22,000.

Skill composition of labour out flows from Kerala

Category	1984	1985	1986
Unskilled	43	34.2	40.1
Semi-skilled	41.8	52.8	47.0
White-collar	3.6	3.5	6.5
High –skilled	3.2	4.5	5.2
Others	8.4	5.0	1.2
Total	100	100	100

Source: Joseph Tharamangalam (2006)

Problems of Emigrants

1. Lack of promotional prospects
2. Heavy work load
3. Inadequate living conditions
4. Declining health
5. High levels of violence

Nitaquat

This law is a part of the Saudi government's policy to expand job avenues for its nationals. Under the policy, 10 per cent of the jobs are reserved for Saudi nationals. In the context of the policy measures of "Saudization" and "Nitaqat" to increase the proportion of native workers in the labour force of Saudi Arabia large number of Keralites were forced to return to Kerala. State Minister for Culture and NRK, K C Joseph said since April last about 13,000 people had returned from Saudi Arabia.

CONCLUSION

Migration has been the single most dynamic factor in an otherwise dreary development scenario in Kerala during the last quarter of the twentieth century. Kerala is approaching the end of the millennium with a little cheer in many people's homes as a result of migration which has contributed more to poverty alleviation than any other factor, including agrarian reforms, trade union activities and social welfare legislation. Migration in Kerala began with demographic expansion, but it will not end up with demographic contraction. Kerala has still to develop into an internally self-sustaining economy.

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