Chapter V

Theoretical Underpinnings of Migration and the Contemporary Dynamics of Migration from Kerala

Although humankind has always been migratory, large intercontinental migrations were set in motion only in the sixteenth century during the age of European expansion. The settlement of the colonies required the relocation of significant numbers of subjects of the colonial powers. This process gained momentum during the eighteenth century as the British Empire expanded and the settlement of overseas colonies accelerated (UN, 2004). During the period, migration was driven by Europe’s mercantile needs and centered on the establishment of plantations for the large scale cultivation of sugar, cotton, coffee and tobacco (Dyrness & Karkkainen, 2008). As the plantation economy was labour intensive, and the insatiable demand for cheap labour became the motivational force for the organized and wholesale transfer of millions of people in the Atlantic slave trade (ibid).

Many contemporary movements have antecedents in the migration associated with colonialism (Stalker, 1994). With the gradual dismantling of slave trade, other methods of securing needed labour were developed. Known under the general terms of the coolie system, they involved the transportation of workers, often over long distances, to perform agricultural or infrastructure work at destination under a variety of binding contract arrangements, all of which involved the obligation to work for the contractors for a period of time (Potts, 1990). The magnitude of migration episodes - most of them were involuntary in nature - over different period has been estimated by a number of researchers in different fields. But one cannot fully rely on such figures as it is practically impossible to ascertain, with any degree of accuracy, the number of migrants at any point in history, and such an endeavor is beyond the purview of the present study. The purpose of this chapter is to look at the meaning and a range of concepts associated with ‘migration’ and its theoretical underpinning, and also to explore the present-day dynamics and dimension of international migration in the Kerala setting so as to give an idea about the background of the problem under investigation.

5.1. Meaning of Migration

The contemporary connotation of migration differs fundamentally from its usage in the past and “there is no unanimity over the meaning of migration” (Clarke, 1965, p.123),
as the term ‘migration’ is conceptualized differently by different people depending on which discipline they belong to. However, everyone, regardless of the school of thought, must agree that “migration is a form of geographical mobility or spatial mobility between one geographical unit and another, generally involving a change in residence from the place of origin or place of departure to the place of destination or place of arrival” (UN, 1958, p.46). People have always migrated across the face of earth. They probably moved from one location to another for a variety of reasons, such as climate changes, glaciations, natural disasters, the growth of population relative to available resources, or threats from other humans or animals (Bodvarsson & Berg, 2009). There is no disagreement among experts in the field of migration research on these historical facts.

However, an ingredient of disagreement starts with the rationalization of the causes and motives of migration since no element of coercion by a mighty force is attached to many migratory movements in the modern-day world. At the same time, one cannot deny the occurrence of massive migration by refugees and asylum seekers in some parts of the world. Very often individuals are not forced out of their country, but leave because of unfavourable situations such as warfare, political problems, or religious persecutions. In some regions, natural disasters displace thousands of people from their place of dwelling. In this case migration is imposed, though not forced, and is not chosen voluntarily. In fact, such migrations assume alarming proportions leading to grave policy problems around the globe. The circumstances leading to involuntary migratory movements seem quite comprehensible, but the factors contributing toward voluntary movements, especially during apparently normal circumstances, seem quite obscure. Economists, geographers, historians and sociologists among other academics have undertaken the challenging task of conceptualizing the causes, goals and effects of voluntary migration from one region to another. Voluntary migrants choose to move; forced migrants do not. Forced migration exists when people are moved against their will. Notwithstanding the proliferation of explanations, the motives of migration are overwhelmingly economic. An economically motivated potential arises when varying levels of economic development exist between countries. More specifically we can identify push factors and pull factors in the countries involved. Migration is driven by push factors in the sending country and pull factors in the receiving country.
5.2. The Push and Pull Factors of Migration

The push factors are those life situations that give one reason to be dissatisfied with one’s present locale; the pull factors are those attributes of distant places that make them appear appealing (Dorigo & Tobler, 1983). Push factors normally relate to poor living conditions exemplified by lack of job opportunities. Pull factors usually relate to job and other economic opportunities. There are a number of non-economic elements contributing, sometimes reinforcing, to the push-pull forces.

The major push factors in the source country that encourage emigration are: famine, poverty, low wages, unemployment, overpopulation, high taxes, discrimination, religious persecution, civil war, violence and crime, forced military service and social immobility. These push factors, however, cannot help decide the destination to which the emigrants move in seeking better opportunities. This will, of course, be decided by the pull forces in the destination, constrained by the cost of moving such as transport cost, time of travel and lost income during move. The major pull factors are: high wages, employment, property rights, personal freedom, economic freedom, law and order, peace, religious freedom, educational opportunity, social mobility, low taxes and family reunion (Bodvarsson & Berg, 2009).

The cost of moving impedes migration, especially of the poor, to faraway locations. Although migration evidently emanates from the desire to improve one’s livelihood, it is rarely the poorest who migrate (Skeldon, 1997). This explains why the people in certain areas, in spite of being in absolute poverty, are not moving away in order to escape the perils of penury. “Most migrants do not belong to the poorest of the poor, but are individuals who have access to some resources” (Usher, 2005, p.31). Rather than absolute poverty, certain level of socioeconomic development, combined with relative deprivation in the form of global inequality in development opportunities seems to be the most important cause of migration (Skeldon, 1997). Some analysts, however, suggest the opposite. In rural Pakistan, for instance, “it was primarily the very poorest, the bottom 20 per cent, that contributed to the stream of international migration to the Middle East” (Burki, 1984, p.679).

The operation of the push and pull forces, definitely, lead to migration – both internal and international – provided the counter forces that hamper the mobility of people are
either absent or negligible. This, categorically, proposes the existence of a definite path, rather than a haphazard trail, through which the process of migration takes place.

An earliest study of migration (see Farr, 1876), conversely, pointed out that migration appeared to go without any definite law or logic. In sharp reaction to this, Ernst George Ravenstein postulated his laws of migration (Ravenstein, 1885; 1889). These laws of migration, proposed in the form of generalizations, can be thought of as the precursor of theoretical expositions in the field. Several theoretical models, both economic and non-economic, have since been developed in an attempt to explain the intricacies of migration. Although theoretical expositions galore as scholars across the social science spectrum venture into the arena of theoretical formulation, systematic scholarly thinking on migration has been dominated by economic explanations. “The economic theory of migration seeks to explain why people leave one country and go and live and work in another country” (Bodvarsson, 2009, p.21). The neoclassical economic theory is the forerunner of such theoretical framework that offers rationalization on labour migration.

5.3. The Neoclassical Theory of Migration

The neoclassical theory presumes an imbalance in the spatial distribution of resources (i.e. land, labour, capital), which through migration flows are adjusted until a new equilibrium has been reached (Lewis, 1954; Ranis & Fie, 1961; Harris & Todaro, 1970; Todaro, 1976). The theory posits that people move from regions characterized by abundant labour relative to capital stock and other resources, large scale unemployment and low wages to regions having abundant capital stock, greater demand for workers and the resultant higher wages. In the neoclassical theory, primary importance is given to the migrant as a person with rational thinking and individual decision making. The decision to migrate is assumed to be voluntary and grounded in a rational, individual decision taking into account the expected income differentials and employment opportunities (Harris & Todaro, 1970). The individual compares the present value of the expected present and future costs and returns of migration (Sjaastad, 1962). Migration would be prudent if the proceeds of it are expected to exceed the costs. Migration is envisaged as permanent change in one’s location and “return migration seems to be viewed as the outcome of a failed migration experience which did not yield the expected benefits” (Cassarino, 2004, p.255).
The neoclassical theory, nevertheless, could not explain “why so few people move, given the large differences in income, wages and levels of welfare that exist among countries” (Joaquin, 2004, p.19), and did not foresee the large scale temporary migration involving contract workers. Again, the theory failed to make it clear “why some countries have relatively high emigration rates and others, structurally similar, do not” (ibid, p.20). These shortcomings, perceptibly, paved the way for an alternative economic approach provided by the new economics of labour migration.

5.4. The New Economics of Labour Migration

The new economics of labour migration, pioneered by Oded Stark (Stark, 1991), “presents a number of improvements over neoclassical theory” (Joaquin, 2004, p.23); an important of this theory is the role of remittances that is absent in the neoclassical theory. The theory could well incorporate migration decision making with migrant’s remittances behaviour and households remittances use. The theory argues that migrants go abroad with a view to increasing their earnings, for a limited period of time, before returning home. Migrants, according to the theory, have a reservation target in their mind and as soon as this target is achieved, by working abroad for fixed period of time, an eventual return to the country of origin takes place. There is an aspect of extensiveness in view of the fact that “the new economics of migration focuses on the household or family, rather than the individual, as relevant decision-making unit” (Massey et al., 2002, p. 53). Migration is viewed as a crucial constituent of the migrant household’s risk minimization strategy. Household risk minimization, especially in the absence of collective and social insurance systems and of credit systems, takes the form of a diversification of household resources, such as enabling one family member to receive advanced education, while sending another abroad to work and bring in remittances.

Some analysts (see for instance Joaquin, 2004) observed that the new economics of labour migration is only a variant of the neoclassical theory, as it simply refines and enriches the neoclassical theory with a number of amendments and additions. The striking difference is that “the actor who seeks to enhance its utility is more the family or the household than the individual migrant (Joaquin, 2004, p.22) and, the return migration to the country of origin is viewed as “the logical outcome of a calculated strategy, defined at the level of the migrant’s household, and resulting from the successful achievement of goals or targets” (Cassarino, 2004, p.255). The theoretical frameworks of the neoclassical
theory of migration and the new economics of labour migration focus primarily on the rational decision making of individuals and households respectively. However, these supply side factors alone cannot cause movement of people from the origin to the destination. The demand side forces play an equally essential role and, therefore, must be taken into account in any theoretical elucidation. Some rationalizations, in this regard, pitch on the reality of dual markets in destination countries that attract migrants.

5.5. The Dual Labour Market Theory of Migration

The dual labour market theory posits that international migration results from a permanent demand for foreign labour that is inherent to the economic structure of the developed countries (Piore, 1979). The theory envisages the existence of dual labour market in the developed regions. These economies generate both primary sector jobs (i.e., jobs characterized as having high wages, good fringe benefits, job security, and promotion opportunities) and secondary sector jobs (i.e., jobs characterized as having low wages, few fringe benefits, little security, and are of dead-end nature) (Briggs, 1993). The secondary sector jobs can be conceived as bottom level jobs. The demand for workers from abroad, in such setting, arises from the disinclination of native workers in accepting the bottom level jobs. The social status and prestige of native people work against their entry into such low paid jobs (Piore, 1979). Employers, instead of raising wages, take recourse to cheap foreign workers who do not mind their status symbol in an alien land since their low wages, through currency conversion, will be several times higher in the place of origin. Once placed in the secondary labour market, migrants find it difficult to escape from their outsider status. This, in no way, affects the potential migrants’ passion for foreign employment. “From the perspective of migrant, the work is essentially asocial: it is purely a means to an end.

Even though the dual market theory of labour migration did succeed, to a great extent, in clarifying the causes of migration on the demand side, it did not get into the specifics of migrant characteristics that would, definitely, have a bearing on migration decisions. This downside, in some measure, can be amended by the human capital theory of migration introduced much before the new economics of labour migration and the dual market theory of labour migration.
5.6. The Human Capital Theory of Migration

The essence of human capital theory is its assumption of productive capacities as dependent on the levels of education, skill, and physical capability of the individuals. The human capital theory of migration (Sjaastad, 1962) regards migration as investment that entails costs now in the hope of benefits in the future. Migrant weighs benefits and costs on the basis of his own human capital, which is an incontrovertible element of one’s personal wealth. “While he cannot usually sell this wealth, as he would sell a machine or farm that he owned, he can increase its future earning power by investment in schooling, on the job training, and occupational and regional mobility” (Grubel & Scott, 1977).

The theory envisages that each individual, based on his skills, calculates the present value of expected proceeds from employment in different locations. If the expected net proceeds from a particular region are greater, migrants, no doubt, will move to that region. Since future earnings from moving to a different location strongly affect the migration decision, the opportunities for career advancement also play an important role (Hercog, 2008). In addition to this, living conditions do influence the attractiveness of a country. Immigration can occur even when earnings in a receiving country are not higher if the living conditions look positively attractive (Massey et al., 1993). An important element of this theory is the inclusion of psychological costs, due to separation from family and friends, along with monetary costs of travel and opportunity costs of moving.

The main contribution of the human capital approach is that one should not only pay attention to aggregate labour market variables like wage and unemployment differences, but should also consider the importance of the heterogeneity of individuals in the migration decision (Bauer & Zimmermann, 1995). Propensity to migration, for instance, will be higher among youth and well educated people. Migration patterns were further assumed to be influenced by factors such as distance and population densities (Skeldon, 1997). Distance between the place of origin and destination is supposed to be a determinant variable since costs and risks associated with mobility are expected to rise with distance. The human capital approach concludes that the probability to obtain a job in the destination country depends on the skill levels of the migrants and their incentives to invest in destination specific human capital (Bauer & Zimmermann, 1995).
The absolute reliance on human attributes like education, skill level and age, in total disregard to the perceived or relative material wealth of the prospective migrants, seems quite unconvincing as an explanation of the impetus for migratory movements. Theoretical expositions intended to calibrate on the initiation and sustenance of international migration ought to consider the relative economic status of the individuals constituting the potential army of migrants. The relative deprivation theory seeks to address this particular aspect and attempts to explain migratory movements along this track.

5.7. The Relative Deprivation Theory

The relative deprivation theories model migration from one reference group to another as a response to relative deprivation. Relative deprivation is defined as a sense of deprivation; one individual may be relatively but not objectively deprived. The necessary conditions for a person to be relatively deprived of something (say, x) are: (i) he does not have x; (ii) he sees some person or persons having x; (iii) he wants x; and (iv) he sees having x as being feasible (Runciman, 1966). All these conditions imply existence of relative or perceived inequality in every society regardless of the stage of its development. Individuals belonging to the societies that experience much higher economic inequality will have greater incentive to emigrate (Stark & Taylor, 1989). “The individuals migrate not necessarily to increase their household’s absolute income, but rather to improve the household’s position with respect to a certain reference group” (Bhandari, 2004, p.479). Income remittances from household members who migrate have a dual impact on the household’s wellbeing: first, by contributing to its absolute income; second, by improving its income position relative to that of others (Stark & Taylor, 1991). Seeing some families vastly improve their income through migration makes families lower in the income distribution feel relatively deprived, inducing some of them to migrate, which further exacerbate income inequality and increases the sense of relative deprivation among non-migrants, inducing still more families to migrate, and so on (Massey et al., 1998).

The concept of relative deprivation is somewhat similar to the concept of ‘relative income’ as expounded by James Duesenberry (Duesenberry, 1949) in order to provide an answer to the inconsistency in the empirical findings on consumer behaviour. There is empirical evidence that supports the view that relative deprivation in the reference group plays a significant role in migration of people from one, especially rural, location to another, probably urban (see Stark & Taylor, 1989). A major inadequacy of the theories
discussed so far stems from their inability to explain why people migrate to specific destinations, in large numbers, while regions with similar features, in all respects, do not attract migrants. A limited validation of this phenomenon is being provided by the ‘network’ explanation of migration.

5.8. The Network Theory of Migration

Migrant networks are sets of interpersonal ties that connect migrants, former migrants, and non-migrants in origin and destination areas through ties of kinship, friendship, and shared community origin (Massey et al., 1998). Network effects are often found to be one of the most important influences on migration at the micro level (Munshi, 2003). Network connections constitute a form of social capital that people can draw upon to gain access to various kinds of financial capital, foreign employment, high wages and the possibility of accumulating savings and sending remittances. Remittances break the shackles of poverty and provide economic capital. The desire to migrate does not induce migration if no funds are available to cover the expenses of migration. Network effects may serve to ease this poverty constraint, through remittances for travel and support at the destination (Hatton & Williamson, 2009).

Also, migration facilitates the flow of information back from the place of destination to the origin, which facilitates the passage for later migrants (Lee, 1966). Movement of people towards unknown locations seems implausible as some sort of information about the destination is a prerequisite to attract migrants. The choice of the country of destination is often dictated by the existence of a network of family and friends that have previously migrated to that specific country. Many international migratory movements, ancient as well as modern, lend testimony to the argument that “the majority of movers move along well-trodden paths which, even if they have not travelled them before themselves, have been traversed earlier by family members and friends” (Hugo, 1994, p.11). This implies that the formation of an established migrant community at one particular destination will increase the likelihood of subsequent migration to that particular place (Appleyard, 1992).

The discussion on the theoretical underpinnings of migration establishes, beyond doubt, that migration is diverse and multifaceted and thus cannot be explained by a single theory or discipline. Against the backdrop of these theoretical expositions, the remaining
part of this chapter traces the Indian scene of migration and the contemporary dynamics of international migration in Kerala.

5.9. The Indian Scenario of International Migration

While looking into the process of international migration of Indians to different destinations, the question that, naturally, comes to the forefront pertains to whether the ‘push’ factor or the ‘pull’ factor that is relatively dominant in determining these movements. As evidences supporting both the push and pull forces galore, a polemic decision seems unfounded. It is, in fact, the perceived attraction, rather than any absolute force, that direct many migratory movements from India. As Robert Lucas observed, “migration is comparable to a flow of water or electricity – an adjustment flow responding to pressure differentials at opposite ends of a pipeline. This view suggests that it is neither the absolute level of push nor pull factors which matter, but the existing differences in relative attraction elements” (Lucas, 1981, p.85). The dimension and direction of international migration from India corroborate, to some extent, this observation. The overseas Indian community spans the globe with a presence in 189 countries. Estimated at over 25 million, India has the world’s second largest overseas community, next only to China, but far more diverse (GOI, 2010). India is now blessed with a young and growing workforce and, therefore, in a few decades, India will be the largest supplier of emigrants in the world.

5.9.1. Migration in the Pre-Independence Period

The international migration from India during the pre-independence period was, absolutely, demand driven and, somewhat, imposed. “The phenomenal trade surpluses earned by the European mercantile class in the wake of geographical discoveries were invested in mines and plantations in Asia, Africa and elsewhere. This created an enormous demand for a cheap and regulated labour force” (Jayaram, 2004, p.20). It is estimated that British colonial authorities alone recruited over 30 million people from the Indian subcontinent to work on plantations, mines and railway construction projects in the Caribbean, Malaya, and East Africa (Appleyard, 1991). This process of migration came to an end with the departure of the British rulers and the post-independence period witnessed an entirely different pattern of international migration from India.
5.9.2. Migration in the Post-Independence Period

As we trace through the history of international migration from India during the post-independence period, we can, definitely, observe two phases having entirely different features.

5.9.2.1. Migration to the Industrial World

The first phase of this migration which began in the early 1950s was characterized by a movement of persons with technical skills and professional expertise to the industrialized countries (Nayyar, 1994; Sekher, 1997). In that case, migration was largely a one way affair and, “it was generally assumed that those who left the old world never returned” (Gmelch, 1980, p.135). For an overwhelming proportion of these migrants, the destinations were the United States, Canada, and the United Kingdom, possibly because of common ties with the English language (Nayyar, 1994). The second phase of international migration, largely to the oil exporting countries of the Middle East, began in the 1970s.

5.9.2.2. Migration to the Middle East

India occupied a pioneering position in the migration flows to the Middle East “due to the advantages she held for several centuries as a result of political and social and trade contacts with these countries” (Paul, 2008, p.439). The economic links between India and the Arab countries are older than those with many other regions of the world (Nair, 1986). However, the phase of Indian emigration to the Gulf that extends up to the oil price hike of 1973 is characterized by a slow expansion in the stock of Indian migrant workers in the Gulf (Isaac, 1997).

Development of the oil market, during the 1970s, led to a very rapid increase in revenues accruing to the oil producing Gulf countries. This sparked off a process of industrialization and social change in these countries, characterized by massive investment in social and economic infrastructure (ILO, 1995). The demand factor stimulated labour migration to the Gulf because neither the skill levels nor the size of the indigenous population were adequate for this export led growth (Willoughby, 2005). At first, workers were recruited from neighbouring Arab states, the labour catchment area gradually widened to include all of the countries of South Asia and some in East Asia (ILO, 1995).
Again, the exponential growth in per capital GDP, and the resultant greater demand for consumer durables, leisure services, educational and health services and information technology generated a powerful employment multiplier effect that pulled foreign workers into a broad array of occupations (Willoughby, 2005). South and South-East Asian migrant workers have replaced Arab migrants throughout the Gulf, over the last three decades, and constitute as much as 90 per cent of the foreign workforce in GCC countries (Kapiszewski, 2006). Indians were second to none in taking advantage of this grand opportunity and, unsurprisingly, emigration started on a regular format.

Indian emigration to the Gulf during the last quarter of the twentieth century can well be divided, on the basis of magnitude, into four clearly distinguishable stages. The period between 1976 and 1979 marks the beginning of Indian emigration to the Gulf followed by a rapid growth during 1980–83; and a declining growth during 1984–1990. But the declining trend did not last long as there was revival and intensified growth during 199–94 (Prakash, 1998).

5.10. The Kerala Scene of International Migration

Kerala, in fact, is a later entrant into the arena of migration. “The census reports till the end of nineteenth century portrayed Keralites as a home-bound people who do not stir out of their village moorings” (Joseph, 2001, p.55). The people of Kerala were content with simple mode of life and, therefore, limited their economic activity to the attainment of bare subsistence needs. Social constraints coupled with limited needs act as deterrent factors standing in the way of mobility in any society. “Migration from Kerala was absent because the grip of the constraints were very strong” (Joseph, 2001, p.57). But with the passage of time, the forces of constraints weakened and the economy of the state entered into a new trajectory of development and “migration also ensued as a concomitant to the process of development” (ibid).

5.10.1. The Early Emigrants and their Destinations

The destinations of the early migrants included Singapore, Ceylon, Malaya and Burma. Migration was not so rampant in Kerala, especially until the 1970s but, “the positive gains of these pioneers constituted a major factor contributing to the acceleration of emigration from the state to the other regions of the world when opportunities emerged” (Zachariah; Mathew; & Rajan, 2003, p.383).
5.10.2. An Epoch of Widespread Emigration to the Gulf

Kerala entered into an age of extensive emigration during the 1970s and “most sections and communities in Kerala, except the poorest, the most educated, and yes, the most affluent, have participated in the migration process” (Nair, 1986, p.46). Migration has become widespread as is sufficiently substantiated by the trends in emigration from Kerala since 1982 (see table 5.1). At present, “Kerala is becoming too much dependent on migration for employment, sustenance, housing, household amenities, institution building and many other development activities” (Zachariah & Kannan, 2002, p.3).

### Table 5.1: Trends in Emigration from Kerala, 1982-2008

<table>
<thead>
<tr>
<th>Year</th>
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The number of emigrants in 2008 was 21.9 lakhs whereas there were only 2.3 lakh emigrants in 1982. This implies that the stock of Indian migrants abroad has increased by almost 851 per cent over a span of 27 years. From the beginning of accelerated emigration from Kerala in the 1970s, Gulf countries have been the principal destinations of Kerala emigrants. The Muslims of Kerala provided the major source of supply of labour, in the beginning, since they had for a variety of historical and religious reasons easy access to
this region. Later, other communities also joined the fray and the exodus of Keralites to this region is still going (Mathew & Nair, 1978). In 1998, 93.9 per cent of Kerala emigrants selected one of the Gulf countries as their destination (Zachariah & Rajan, 2009).

It was, indeed, the atypical characteristic of Kerala economy that worked as a catalyst in bringing about these migratory movements. To be precise, “high density of population, high rate of unemployment and low rate of growth of the productive sectors pushed the emigrants to the Gulf countries” (Misiriya, 2009, p.167). What Kerala lacked in terms of employment opportunities were readily available on a large scale at the destinations (Zachariah; Kannan; & Rajan, 2002). The high educational standards of Kerala population along with ‘network’ support and trustworthy information about these employment opportunities also played a major role in accelerating emigration.

5.10.3. The incipient Diaspora in the Gulf

An incipient diaspora can be defined as a relatively sizeable group of foreign workers in industrial or oil producing countries who are ethnically distinct from the host population and who are allowed to remain in their host country only to work but are not entitled to become citizens (Weiner, 1986).

The incipiency of the diaspora obtains from the fact that naturalization and citizenship laws in all the Persian Gulf Arab countries to which Indian migration has taken place are extremely stringent and it is almost impossible for the migrants to have permanent resident status (Jain, 2003).

While the laws pertaining to residential status are equally inflexible in all the GCC countries, the perceived attraction element for emigration from Kerala varies, and keeps on varying over time, from country to country. There has been a discernible swing, over the years, in the direction of emigrants from Kerala to the Gulf (see Table 5.2). Saudi Arabia has lost some of its charm for the Kerala migrants and United Arab Emirates have emerged as the preferred destination (Zachariah & Rajan, 2009). This does not suggest that there has been decline in the absolute number of Kerala emigrants to Saudi Arabia and, in fact, there has been rise in absolute number over the period.
### Table 5.2: The Incipient Diaspora in the GCC Countries, 1998-2008

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Note: The figures in parentheses are percentages rounded off.
Source: Adapted and calculated from Migration Monitoring Study 2008 data; CDS, Thiruvananthapuram (2009)

### 5.11. International Remittances Transfer

Remittances are the portion of international migrant workers’ earnings sent back from the country of employment to the country of origin (Puri & Ritzema, 1999). Migration, through remittances, alters not only the lives of emigrants but also influences the lives of non-emigrants who are left behind in the home countries. Remittances remain the second largest financial flow to developing countries after foreign direct investment, more than double the size of net official finance (World Bank, 2004).

#### 5.11.1. Resilient Remittance Flows to the Developing World

Remittances flows to the developing countries reached US $ 316 billion in 2009, down 6 per cent from 336 billion in 2008. India, a developing country, attained the top position in the world in terms remittances with US $ 52 billion in 2008. It is “remarkable that remittances flows to the developing countries fell only by 6 per cent in 2009, proving to be...
rather resilient compared to the flows of private capital which declined precipitously (Ratha & Sirkeci, 2010). The relative resiliency of remittance flows to the developing world, especially during a global slowdown, guarantees economic growth and poverty reduction. On an average, a 10 per cent increase in the share of international remittances in a country’s GDP will lead to a 1.6 per cent decline in the share of people living in poverty (Adams & Page, 2003). There can be skepticism about the efficacy of remittances in any economy as a greater proportion of such funds may be spent on consumption and not on productive investment. But even when remittances are directed exclusively towards consumption, they generate multiplier effects, especially in poor countries with high unemployment (Ratha, 2003).

5.11.2. The Inimitable Inflow of Remittances to Kerala from the Gulf

In Kerala, migration might have contributed more to poverty alleviation than any other factor, including agrarian reforms, trade union activities and social welfare legislation (Zachariah et al., 2000). The limited evidence that is available suggests that remittances per capita from the migrant population in the Middle East were far higher than remittances per capita from the migrant population in the industrialized countries (Nayyar, 1994). The inimitable inflow of remittances over the years (see figure 5.1) from the Gulf enabled the state enter into a new trajectory of socioeconomic development.

Figure 5.1

Estimates of Remittances to Kerala 1983 – 2003

The total remittance to Kerala during 1998 was Rs 13,652 crores, and it rose to Rs 18,465 crores in the year 2003. There has been an incredible increase in the inflow since 2003. The total remittances to Kerala reached an amazing Rs 42,288 crores in 2008 (see Zachariah & Rajan, 2009). A number of factors such as accelerated emigration to the Gulf, appreciation of Indian currency, and the perception of migrant community on the security of investing at home, and of course, away from the conundrum of global recession and insecurity, might have contributed to the phenomenal increase in total remittances to Kerala during the period.

5.11.2.1 Impact of Remittances on housing in Kerala

Emigration brought in benefits beyond the wildest imagination of the emigrants themselves, not to speak of their families and their neighbours (Zachariah & Rajan, 2004). The most visible impact was in the housing sector. The impact of remittances on home ownership and housing is amazing. A large proportion of the remittances was used for the construction of palatial homes and buildings (Sekher, 1997), and acquisition of modern household gadgets and fancy household durables (GOI, 2008). However, the impact of remittances inflow on housing, as is the case with magnitude of emigration, is distributed unevenly among different communities in Kerala. Muslims had the highest emigration rate; they also had the highest proportion of ‘luxurious or very good’ houses back home (ibid).

5.11.2.2. Impact of Remittances on Consumption and Saving

The remittances were intended “not only to support families while abroad but also as a once and for all repatriation of savings on their return home” (Nayyar, 1994, p.48). Remittances have made and continue to make considerable impact, than any other single economic variable, on saving and consumption. Average propensity to consume declined as income increased steadily. This helped saving rate to increase and reach high levels comparable to East and South-East Asian countries during the nineties (Kannan & Hari, 2002). However, an increase in saving rate does not imply a corresponding fall in per capita consumption, especially, when there is a rise in the inflow of remittances. Such remittance flows, particularly in the poorer districts of the state, “raised levels of per capita income and consumption to an extent that would not have been possible in the absence of migration” (Gulati & Mody, 1985, pp. 33-4). The per capita consumer expenditure in
Kerala was below the national average till 1977-78. Since then per capita consumer expenditure in Kerala exceed that of India – progressively reaching 41 per cent above the national average in 1999-2000 (Kannan & Hari, 2002).

5.11.2.4. Remittances and Human Resource Development

Migration brings in remittances, which result in increase in wealth of the family and consequent improvement in education and nutrition of the members of the household and greater use of hospital facilities during times of illness of the members of the family (Zachariah & Rajan, 2004). In this way remittance inflows impact, positively, on human resource development in Kerala. Evidences show that emigrant families spent much more on education of their children than non-emigrant families did (GOI, 2008).

5.11.2.5. Remittance inflow and Income Distribution

It is neither the most affluent nor the poorest, who move out of the state in search of job opportunities in the Gulf, but the relatively deprived sections who wanted to make their position better or at par with the reference group. As most of the emigrants of the late 1980s and the early 1990s came from relatively poor families, emigration and emigrants’ remittances reduced the gap between the rich and the poor, thus leading to a more egalitarian society in Kerala (Zachariah & Rajan, 2004).

5.11.2.6. Remittances and Conspicuous Consumption

The increase in disposable income brought about by increasing inflow of remittances also brought in the malevolence of consumerist tendencies among emigrant households with its concomitant demonstration effect on non-emigrant households. The ‘nouveau riche’ showed an inclination for ostentatious display of their wealth by various means (Sekher, 1997, p. 136). The Kerala Development Report, 2008 pointed out that the “people back home had no qualms to spend money, earned by their relatives abroad, on festival and celebrations, on ornaments and jewellery, on costly apparel and various other items of conspicuous consumption” (GOI, 2008, p.396). However, the remittance inflow can never be a perennial source of income for the households and, every breed of tight spot, in many instances, crop up on the eventual return of the emigrants.
5.12. Conclusion

This chapter attempted to look at the theoretical underpinnings of migration and, looked into the contemporary dynamics of international migration from Kerala. Everyone, regardless of the discipline, agrees with the definition of migration as a form of geographical mobility or spatial mobility between one geographical unit and another, generally, involving a change in residence from the place of origin or place of departure to the place of destination or place of arrival. A good number of pull and push factors activate and accelerate these movements. The explanations on these movements reveal the inherent inconsistencies and inadequacies of universally accepted theoretical framework. For instance, the neoclassical theory viewed migration as permanent and return migration as an outcome of failed migration experience, whereas, the new economics of labour migration viewed return as the logical outcome of a calculated strategy. The dual labour market theory presumes the existence of dual labour market as the root cause of migration while the human capital theory infers the skill level of migrants and their incentives to invest in destination specific human capital as prime determinant of migration. On the other hand, the network theory figures out social connections as the most important persuasive factors initiating and sustaining migration. Notwithstanding these explanations, the international migration from India during the pre-independence period was basically demand driven and somewhat imposed. The post-independence migration had two phases: the migration of persons, with technical skills and professional expertise, to the industrialized world and, migration to the Middle East. Kerala also entered into the arena of migration; social constraints coupled with limited human needs, during the nineteenth century, spell out Kerala’s late entry into the field of international migration. The weakening of the forces of constraints, along with ample opportunities, initiated and accelerated the migratory movements to the Gulf. The inimitable inflow of remittances from the Gulf enabled the State to enter into a new trajectory of socioeconomic development and the migrant households to attain a higher standard of living. As the emigration to the Gulf is absolutely temporary, return emigration, naturally, follows. The discussion in this chapter, firmly, provides a vivid background for an analytical examination of the migration episodes and socioeconomic dynamics of the return emigrants from the Gulf.
References


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