CHAPTER-3

RESEARCH METHODOLOGY

The methodology adopted for the research study has been illustrated in this chapter. The study adopts an analytical research design with sample survey approach. Beginning with the research questions that emerged after the review of literature on remittances in section 3.1, the chapter focuses on to the objectives of the study, hypotheses tested in the study, the theoretical framework and the operational definitions of key terms used in the study. The chapter then unfolds the research design of the study.

3.1 Research Questions

1. Which are the main source regions of remittances in India and what can be inferred about the migration streams from that?
2. What is the importance of international remittances in India with respect to other foreign capital flows at the macro level?
3. What is the profile of migrants and their households at the origin?
4. What modes of transfer are used by the migrants to send remittances and for what purposes are they sent?
5. What are the end uses of such remittances? Are remittances mostly used for conspicuous consumption in India or do the households receiving remittances also save and invest a part of remittances?
6. What are the factors that determine the size of remittances at the household level in India?
7. What impact do remittances have on the economic and social well being of the migrant households?
8. Whether impact of remittances differs across states according to type of migration and personal and household characteristics of migrants and uses of remittances?
9. Is there any spill over effect of the remittances received by the migrant households to the non migrant households and the village community?

10. Are remittances sent by migrants limited to only that used for family maintenance or do migrants also send money for development of their village communities? In other words, is there a presence and impact of only individual remittances or do collective remittances from migrant communities from India also exist and play a role in the development of the villages?

3.2 Objectives of the Study

Broad objective:

The study seeks to assess and compare the impact of remittances in two highly emigrating and remittance receiving areas that belong to the same country but are geographically distant. Adopting a multilevel approach, the broad objectives of the study was to understand the flow of remittances to India and compare it with other components of India’s Balance of Payments (BOP) at macro level. To study the impact of remittances on the economic and social well being of the migrant households receiving them at the micro level and to assess the impact of both individual as well as collective remittances on the village development at the meso level.

Specific Objectives:

1. To assess the relative importance of remittances compared to other external flows to India: At the first stage, it was imperative to understand the flow of remittances to India and its relative importance at a macro level over the years. Also the components of remittances or ‘private transfers’ and ‘NRI deposits’ needs to be understood.

2. To study the socioeconomic profile of the migrant households in the two high emigrating and remittance receiving villages in the two high remittances receiving states of Gujarat and Kerala in India: The socioeconomic profile of the migrant households is an important feature to investigate as purpose of remittances and size of remittances have been found to be dependant on the characteristics of the households at the origin by previous studies. Also
remittance related aspects such as size, modes of transfer and frequency of transfer to the migrant households, exclusively, needed to be understood.

3. **To study the pattern of migration and countries of destination of the migrants in the two villages:** Reasons and types of migration become an important factor in determining the size of remittances. Countries of destination, educational and occupational profile of migrants were studied to understand the flow and impact of remittances to the villages.

4. **To investigate the quantum, methods of transfer and end use of remittances received by the households in both the villages:** The size, modes of transfer, purposes of sending and the end use of remittances is a major determining factor to analyse the existence of differential impact of remittances on the economic and social lives of migrant households and the villages to which they belong. A cross state study of high remittance receiving states such as this would provided greater insights on the different ways in which remittances were used.

5. **To analyze the impact of remittances on the migrant households:** Firstly, the factors determining the size of remittances received by the migrant households needed to be understood. Secondly, the impact of remittances on the economic and social well being of the migrant households was assessed. Economic well being of the households was assessed in terms of how the respondents perceived economic well being through consumption smoothing (basic minimum needs of the family for subsistence), elimination of credit constraints (for instance, for setting up a microenterprise), repayment of loans and other family debts and also philanthropy. Social well being assessment encompassed the accessibility of the households to better schooling and health care facilities, for instance, access to schooling and colleges for those households who otherwise could not afford and hospitals with modern heath care systems.

6. **To investigate the spill over or multiplier effect of remittances received by the households to the non migrant households and the village economy:** A rise in the aggregate demand for good by remittances receiving households after covering for the basic needs is understood to have a spill over effect in the village economy in terms of employment generation, increased trade activities and philanthropy.
7. To explore whether the Diaspora communities contribute in the form of collective remittances to the development of the villages: There are a wide range of Indian Diaspora communities in various countries, especially concentrated in North America, United Kingdom and Gulf countries. In the process of analysis, the study explored and analyzed their existence and role in the development of the villages studied.

8. To identify key areas that have policy implications for effective channelization of remittances for productive and investment uses: The comparative study of villages in two high remittance receiving states that had differential pattern of migration and usage of remittances helped identify areas for policy recommendations to possibly channelize remittances for more productive uses and investment that would benefit both the households as well as the village communities.

3.3 Hypotheses

Some of the hypotheses tested in the study are as follows:

1. Socio economic and demographic characteristics of the migrant households significantly influence the size of remittances and it differs across the migrant households in Gujarat and Kerala.

2. Personal characteristics of migrants significantly affect the size of remittances received by migrant households in Gujarat and Kerala with differential influences in both states.

3. Economic well being of the migrant households was positively affected by the duration of receipts of remittances by the migrant households.

4. Economic well being of the migrant households was positively affected by the size of remittances received by them.

5. Economic well being of the migrant households was positively affected by the end uses of remittances for different economic purposes.

6. Social well being assessed separately in terms of access to better education and health care by the migrant households, were positively affected by the duration of receipts of remittances.

7. Social well being assessed separately in terms of access to better education and health care by the migrant households, were positively affected by the size of remittances.

8. Social well being assessed separately in terms of access to better education and health care by the migrant households, were positively affected by the end uses of remittances for education and health related purposes.

3.4 Theoretical Framework

On the basis of theoretical approaches to remittances as studies on remittances reviewed, the following theoretical framework was constructed (Figure 3.1):

1. Various push-pull factors at the origin and destination leads to movement of people from any particular area to other economically favourable destinations. The push-pull factors can vary from ‘income differentials’ to ‘capital constraints of a household’ to ‘debt burden of the families’ to ‘co insurance between the migrant and his/her family with a promise of remitting money’ to ‘just the lure of living a better life’ as perceived by the households in a foreign destination.

2. After and initial period of settlement of the migrant at the destination, he/she starts remitting to the family. Depending on factors like knowledge about different forms of transfer and feasibility of the options at both origin as well as destination, the migrant chooses a particular channel or channels for transferring the money. The channels may be formal (bank to bank transfer, money transfer operators, draft/cheque or exchange houses) or informal (carried by migrant themselves, carried by relatives or friends, hawala or hundi, other informal agents).

3. Remittances may take different forms. Prevalent form is individual migrants remitting to their families. Additionally, collective forms of remitting may co exist. Group of migrants in any particular destination belonging to a common origin may collectively remit to their community for certain causes that may be developmental or otherwise. Remittances may also be in the form of non monetary transfers like electronic devices, gold, clothes or other items.
4. These remittances sent to the households are used mainly not only for subsistence but also for savings, investment and other purposes. After paying for the initial costs of migration and loan repayment and settling in the destination country, the migrant remittances contribute to family income. This income helps reduce the budget constraints of the households and leads to consumption smoothing. This also helps families attain better living standards and access to better educational and health resources hence, having a substantial impact both economically as well as socially.

5. The usage pattern of remittances by the migrant households receiving them leads to a multiplier effect to the non migrant households and to the village community through generation of trade and economic activities.

6. The individual remittances received by the migrant households, paired with the multiplier effect of the remittances leads to an overall economic and social development of the villages from where emigration occurs. Additionally, if a flow of collective remittances co exists, it further enhances development of the sending community as a whole.
Figure 3.1: Theoretical Framework

Reasons, Types, Networks and Countries of Migration

- Remittances by individual migrant
- Collective remittances by migrant associations (If exists)

Amount and Frequency of transfers

Uses of Remittances

- End use of remittances by recipient households
- End use of collective remittances by receiving community

Impact of Remittances

- Development at household level
- Multiplier Effects
- Development at village level
- Development at the place of origin

Development at the place of origin

Amount and Frequency of transfers

Uses of Remittances

End use of remittances by recipient households

End use of collective remittances by receiving community

Impact of Remittances

Development at household level

Multiplier Effects

Development at village level

45
3.6 Operational Definitions

1. **Migration**: Migration, in this study, refers to mainly economic migration of people who move in search of a livelihood and betterment of their lives, to another country or place other than their native place.

2. **Migrant**: A migrant is defined as a person who decides to move voluntarily from his country of origin to another country in search of employment or better prospects either due to push or pull factors. That is, only cross border migrants are considered for this study.

3. **International Remittances**: All unidirectional monetary as well as non monetary transfers (including gold and other durable goods brought in kind) by migrants residing in foreign destinations irrespective of their residential status in those countries. Hence, in this study, ‘remittances’ stand for only international remittances.

4. **Migrant Household**: Migrant households in this study are defined as group of persons living together and taking their meals from a common kitchen and having at least one migrant member residing in a foreign country.

5. **Respondents**: Any adult male or female member of a household (may or may not be the household head), who mainly receives the remittances transferred by the migrant member residing abroad.

6. **Temporary Migration**: Those migrants who moved either on contractual basis or with no intention to permanently settle at the country of destination and have to return to their country of origin, irrespective of their legal or illegal status in the destination country (World Migration Report, 2008).

7. **Permanent Migration**: Those migrants who have no intention to return (live and work in the destination country on a permanent basis) to their origin country, irrespective of their legal status in the country of destination other than India and have settled in the country.

8. **Return Migration**: Voluntary or involuntary return of a migrant to the country of origin who had lived for at least two years in the destination country irrespective of their migration status.

9. **Village development**: Development, in this study, was intended to be assessed in two ways, economic and social development. Economic development for
households was assessed by observing betterment in the economic status of migrant households due to elimination of credit constraints. Social development was assessed by observing the access of the migrant households to modern health and educational facilities. For village development, impact of remittances in terms of multiplier effects pertaining to employment, financial services such as banks and money transfer operators and increase in trade activities was analysed. Additionally, the existence and contribution of migrant associations towards the development of their origin communities/villages were explored and analyzed.

10. Micro, Meso and Macro levels: In this study micro level denotes household level, meso level denotes the village or the community level which is an intermediary level and macro level denotes the national level.

3.7 Research Design

The study is a cross state comparative study of two high emigrating and high remittance receiving villages belonging to two high remittance receiving states of Gujarat and Kerala in India\textsuperscript{16}. In this context it is essential to elaborate on the comparative nature of the study. By comparative study, keeping in mind the distinctive features of the two states of Gujarat and Kerala in terms of cultural and migration patterns related aspects, the researcher aimed to study the uses and impact of remittances in two different situations. One in which high emigration took place with more contractual or temporary nature of employment of migrants (Kerala) and the other in which high emigration took place with more permanent nature of residence in foreign lands (Gujarat).

The study is primarily an analytical research study with a sample survey approach. Both secondary as well as primary data were utilized in the study. To understand the flow of remittances to India at a macro level and compare that with other capital flows in the India’s BOP, secondary data sources such as RBI data was used and analyzed.

\textsuperscript{16} A similar study of comparison of two villages belonging to two different states has also been attempted by Parikh and Thorbecke (1996).
To study the impact on remittances on migrant households in two most highly remittance receiving states of Gujarat and Kerala in India, a survey of migrant households in two particularly high remittance receiving villages each in the states of Gujarat and Kerala was attempted. The approach is explained as follows:

**a) Identification of Areas of Study**

For a cross state study of two villages each in the states of Gujarat and Kerala respectively, receiving high remittances, the villages had to be identified with the help of data on districts receiving highest amount of remittances and then subsequently, villages receiving high remittances within those districts. For this, a multi stage method was adopted to identify the villages for study. In the first stage, states receiving highest amount of remittances were identified with the help of RBI data and studies by Zachariah and Rajan (2007), Sasikumar and Hussain (2007). While Zachariah and Rajan’s study mention that on the basis of Non Resident External (NRE) deposits in the state, amount of remittances were ₹24,525 crores. The State Level Banking Committee Report as reported by Financial Express in 2007 and Economic Times, 2008\(^7\), mentions that the state of Gujarat received ₹17,456 crores as total Non Resident Indian (NRI) deposits. Hence, Kerala and Gujarat were identified as the states receiving maximum amount of remittances.

In the second stage, districts receiving highest amount of remittances were identified within the states of Kerala and Gujarat. Zachariah and Rajan, 2007 in their study identify Malappuram district in Kerala as the highest recipient of remittances in terms of size (Zachariah and Rajan, 2007), hence a village with high incidence of emigration and remittance receipts had to be identified from Malappuram district. But in case of Gujarat, identifying a district with high remittances was not simplistic as there was no appropriate evidence or any published disaggregated data on remittances for the state. The State Level Banking Committee (SLBC) report mentioned in Financial Times (2007) (Appendix III) identified four districts in

\(^7\)http://economictimes.indiatimes.com/NRIs_deposits_surge_in_leading_nationalised_banks/articleshow/3753261.cms
Gujarat receiving maximum amount of NRI deposits. The districts that received the most as mentioned by the report were Kutch, Ahmedabad, Anand and Vadodara. Since, a village had to be identified for the study; a predominantly rural district of Anand was identified as the district for study. Figures 3.2a and 3.2b and also Figures 3.3a and 3.3b illustrate the selected study areas in Gujarat and Kerala respectively.
Research Methodology

Figure- 3.2 a: Map of Gujarat and Anand District

![Map of Gujarat and Anand District](image1)

The selected district for study: ANAND

Figure- 3.2b: Map of Anand District and the Study Village

![Map of Anand District and the Study Village](image2)

The selected village for study: DHARMAJ
The selected district for study: MALAPPURAM

The selected village for study: MANGALAM
The selection of villages in the third stage\(^\text{18}\), in both the states was based mostly on anecdotal evidence rather than empirical. The villages Mangalam in Tirur taluka of Malappuram district in Kerala and Dharmaj in Petlad taluka of Anand district in Gujarat were identified for the household survey after field based evidence were obtained from migration research experts in Centre for Development Studies, Trivandrum and Block Development Officer of Tirur Taluka in Malappuram district in case of Kerala and District Development Officer of Anand district in case of Gujarat. Field based evidences in case of Dharmaj were also obtained in the form of various news articles in the internet editions of The Times of India and The Indian Express\(^\text{19}\) (Appendix III).

\textit{b) Profile of the Study Areas}

\textit{i) Socio demographic Profile of Dharmaj and Mangalam Villages:}

Gujarat is one of the most highly emigrating states in India which is also characterized by huge inflow of remittances (Sasikumar and Hussain, 2007). Dharmaj is a village in Petlad taluka of Anand district in the state of Gujarat in India. This village was representative due to its high emigration and huge inflows of remittances (Times of India, 2006). Lying in the Saurashtra region of Gujarat it is 90 kilometres from Ahmedabad city and 35 kilometres from Anand town. The total land area of the village is 1445.6 hectares. The total population of the village according to census 2001 was 11,334 persons. Total number of households in the village is 2,249. All households in the village followed to the Hinduism during the survey and no households in the village that followed any other religion. A high percentage (71\%) of the population belong to the ‘General category’ Hindus out of which almost 88 per cent belonged to the ‘Patel’ community. Twenty eight per cent of the population belong to the scheduled castes (SC), scheduled tribes (ST) and other backward classes. According to the village panchayat sources, 10 to 12 per cent of households belonged to Below Poverty Line

\(^{18}\) Here it needs to be mentioned that stages of selection of the study areas moving from state level to district level to the village level ought to have included block level before the village level as well. But, since no evidence such as which block or taluka receives more remittances, existed in any data or literature, the researcher considered moving to the next level that is, the village level.

\(^{19}\) http://timesofindia.indiatimes.com/articleshow/2695609.cms?frm,
http://timesofindia.indiatimes.com/articleshow/1460916.cms,
http://www.indianexpress.com/oldStory/67611/,
Research Methodology

(BPL). The main agricultural produce of the village was tobacco (almost 85% of the total arable land), others being paddy and banana which constituted not more than 12-15 per cent of the total arable land. Table 3.1 gives the basic socio economic and demographic profile of the villages.
Figure – 3.4 a: View of Dharmaj Village in Gujarat

Source: www.googleearth.com. Note: Houses in Dharmaj are clearly seen to be clustered in a central area of the village with mainly tobacco fields all around.

Figure – 3.4 b: View of Mangalam Village in Kerala

Source: www.googleearth.com. Note: With sharp contrast, houses in the coastal village of Mangalam, as seen, is much more scattered in the whole village area.
Table 3.1\textsuperscript{20}: Basic Profile of Dharmaj and Mangalam at a Glance

<table>
<thead>
<tr>
<th>General Socio Demographic Profile of the Villages</th>
<th>Dharmaj</th>
<th>Mangalam</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total population</td>
<td>11,334</td>
<td>34,864</td>
</tr>
<tr>
<td>Total no. of males</td>
<td>5,898</td>
<td>16,892</td>
</tr>
<tr>
<td>Total no. of females</td>
<td>5,436</td>
<td>17,882</td>
</tr>
<tr>
<td>Sex ratio</td>
<td>1084 males to 1000 females</td>
<td>944 males to 1000 females</td>
</tr>
<tr>
<td>Total General caste population</td>
<td>8,073</td>
<td>8,648</td>
</tr>
<tr>
<td>Total SC/ST/OBC population</td>
<td>3,221</td>
<td>26,216 (24,405 Muslim-OBC and 1,811 Hindu SC and OBC)</td>
</tr>
<tr>
<td>Total households</td>
<td>2,249</td>
<td>4,650</td>
</tr>
<tr>
<td>Average family size</td>
<td>4</td>
<td>7</td>
</tr>
<tr>
<td>Religion of households</td>
<td>Hindu (100%)</td>
<td>Muslim (70%), Hindu (30%)</td>
</tr>
<tr>
<td>Total BPL households</td>
<td>10-12%</td>
<td>40-45%</td>
</tr>
<tr>
<td>Total land area</td>
<td>1,444.93 h.a.</td>
<td>1,277.11 h.a.</td>
</tr>
<tr>
<td>Total Land Area under cultivation</td>
<td>1,275.52 h.a.</td>
<td>1,148 h.a.</td>
</tr>
<tr>
<td>Average rainfall</td>
<td>25-30 inches</td>
<td>117.32 inches</td>
</tr>
<tr>
<td>Average temperatures</td>
<td>45-46°C (max.), 10-15°C (min.)</td>
<td>33°C (max.), 23°C (min.)</td>
</tr>
<tr>
<td>Main agricultural crop</td>
<td>Tobacco</td>
<td>Coconut</td>
</tr>
<tr>
<td>Other crops</td>
<td>Paddy, Banana</td>
<td>Paddy, Banana</td>
</tr>
<tr>
<td>Main occupation</td>
<td>Farming</td>
<td>Farming</td>
</tr>
<tr>
<td>Literates</td>
<td>-</td>
<td>27891</td>
</tr>
</tbody>
</table>

According to Ministry of Overseas Indian Affairs Annual Reports (2006-07 to 2008-2009), Kerala maintains its position as the state with the highest number of emigrants granted Emigration Clearance. Emigrants from Kerala have mostly been low skilled to semi skilled workers (Khadria, 2009). Malappuram district, lying in the north of Kerala is a coastal district which receives the maximum amount of remittances (Zachariah and Rajan, 2007). Mangalam is a coastal village belonging to Tirur taluka of Malappuram district. Lying in the Malabar Coast of Kerala, Mangalam is approximately 36 kilometres from Malappuram town and 9 kilometres from Tirur town. The total population of the village is 34,864 people with women (51.2%) outnumbering men (48.4%), as indicated by the sex ratio. However, unlike Dharmaj,
both Hindus as well as Muslims co exist in the village, though Muslims form a majority (70%). Muslims in this village are categorized under Other Backward Classes (OBC). Total BPL households (40-45%) in this village exceed that in Dharmaj (10-12%). The total land area under cultivation is 1,148 hectares with coconut being the main crop. There was a sharp contrast observed in the number of banks present in both the villages.

ii) A Brief Historical Context of Migration from Dharmaj and Mangalam Villages:

**Dharmaj:** International migration from Dharmaj started as early as late 19th century. The whole process can be divided into two stages. In the first stage, the initial flow of migration took place sometime during 1895 to 1916 A.D which was during the British rule. This flow was mainly to East African countries like Kenya, Uganda and Tanzania and also Fiji. During this period, migrants travelled to these African countries usually by ‘sailboats’ from the ports of Khambhat and Badalpur in Gujarat, with and sometimes without passports. Patel (2008) points out that there had been instances when these migrants would travel to Nairobi on foot after alighting in Mombasa. Many of such migrants were also transferred from Dharmaj and many other villages in Gujarat to Mombasa as indentured labour. Patel also highlights that the travel tickets to Mombasa during those years is said to have been available in Anand Railway Station itself and no custom permit were required for entering Africa. Later on, however, a custom permit was introduced. The British Government, during that period were engaged in construction of railway routes in African countries and both skilled as well as unskilled manpower was required. Many skilled migrants during that era migrated in search of better livelihoods to these East African countries and most of the unskilled labour was brought in by the British from India, especially Gujarat. Hence, the early group of migrants from Dharmaj had been engaged in successful jobs, businesses and many other trade activities in East African countries.

Though travelling to England for higher education was also prevalent during that era, another interesting historical movement during late 1960’s and early 1970’s, led to the second stage of migration for the first generation migrants from Dharmaj who were already settled in the East African countries to United Kingdom and other western countries like United States of America and Canada. The mass migration of
the Asians including those from the village of Dharmaj from Kenya and Uganda and other East African countries happened post 1966-68. These African countries had gained independence during that era and had started adopting the policy of ‘Africanisation’ which created a climate of uncertainty for the Asians settled there. There was a growing resentment amongst the ‘Black Ugandan’ community against the Indians due to their dominance over the economy. Gradually, there was a large influx of Asian immigrants from the East African countries to The United Kingdom as it accepted these immigrants and also offered them easy loans to set up businesses in the country. An excerpt from Dharmaj Society of London Directory 2009 explains the initial settlement in The United Kingdom:

“...In those days for just the head of family to arrive first and establish footings, secure employment and accommodation etc. before calling over rest of the family. The majority of these initial migrants accepted whatever jobs that were offered to them and were typically restricted to blue collar employments. A new arrival would normally stay with friends/relatives who would also help in finding employment and accommodation…...The seventies saw larger influx of Indians especially following the extreme policies of Ugandan dictator...”.

Hence, they gradually began settling in countries like U. K., U. S. and Canada. Recent destinations also include countries like Australia and New Zealand due to changes in immigration policies in these countries. Most of the current destination of student migrants has been Australia and New Zealand due to visa restrictions especially in the U. S. However, alongside there exists continuous flow of non student migration from the village in search of better prospects in foreign countries.

Mangalam: Emigration from Mangalam was aligned to mass migrations from Kerala to the Gulf countries during the oil boom in 1970’s. However, it is said that trade relations between the Arabs and their Indian counterparts existed even before the oil boom in 1970’s leading to the mass migration from India. Reportedly some 3000 merchant families lived in Dubai before 1970 of which majority were Keralites (Nair, 1983). Also, Mathew and Nair (1978) mention that during the early 20th centuries, large scale ‘indentured labour’ with ‘little’ education were recruited by the British to far off destinations like Ceylon, Singapore, Malaya, etc. the recruiting centres were located in mainly Madras Presidency, but also included places like Tirur and Palghat.

---

21 Detailed analysis of the economic and political situation in East African countries during that period is explicitly discussed in Ghai and Ghai (1967), Patel H. H. (1972) and Naujoks (2009).
in Kerala. This labour consisted of mainly Muslims and lower caste Hindus. This large scale emigration had come to a halt during the World Wars and The Great Depression but again surged after Independence. The surge in emigration from India to the Gulf had accelerated during and after the price hike of oil in 1973 which lead to massive industrialization process in the Gulf countries. As a result of which there was a huge increase in labour requirement in these countries, leading to massive migration process from India during 1970’s and 80’s. It is said that this stream of labour from India constituted more than 50 per cent from Kerala alone (Mathew and Nair, 1978; Nayyar, 1994; Prakash, 1998). This mass migration from the state had more low skilled and unemployed people from mainly the northern districts of Malappuram, Kasaragod and Thrissur who were and continue to be employed in the gulf countries on a contractual basis hence these northern districts would experience greater impact of migration compared to those of south Kerala (Prakash, 1998). During those years Thrissur was the highest migrant exporting district which is however, surpassed by Malappuram in recent years (Zachariah and Rajan, 2007). But remittances as a percentage of Net State Domestic Product (NSDP) was still higher for Malappuram (61.9%) compared to Thrissur (47.0%) (Prakash,1998). These groups of migrant labour, who were mostly low and semi skilled, were mainly Muslims who were experiencing high unemployment rates during those years. The Muslims of Kerala in general are said to have had easier access to the Gulf countries for ‘a variety of historical and religious reasons’ as stated by Mathew and Nair (1978). Once successful, these migrants proved to be ‘role models’ for others to migrate from their own villages and districts (Naukjos, 2009). The total number of migrant labour from India to the Gulf increased from 160,000 to 777,000 persons, mainly comprising workers from Kerala (Naukjos, 2009 and Prakash, 1998). Hence, emigrants from Mangalam, a village belonging to Malappuram district, were just one of those groups of workers that belonged to that stream.

c) Sampling Frame and Sample Size for Household Survey

As we have seen above that a multi stage sampling strategy was adopted where in the first three stages, purposive sampling was done to select the states.

---

22 In this regard it needs to be mentioned that in most of the previous studies (Mathew and Nair, 1978, Prakash, 1978 and Kurian, 1979) on emigration and remittances in Kerala adopted the purposive
districts and villages for the study of impact of remittances. However, in the fourth and final stage, identification of sample households for survey was carried out with the help of a sampling frame obtained from the panchayat officials in both the villages, migrant households being the unit of analysis. In Mangalam, the block office in Tirur had an Above Poverty Line (APL) and BPL list of households having at least one migrant member abroad. The list had information on households having at least one migrant member residing in Gulf or any other country abroad. In Dharmaj, however, such a relevant list was not available; hence, migrant households were identified from a general list of all households in the village provided by the Dharmaj panchayat officials who had proper information on the households. The total population of both the villages and total number of households were already known from the census data (Table 3.1). After the house listing exercise, a sampling frame was obtained from the lists.

A sample size of around 10 per cent of the total population of migrant households from each of the villages without replacement was decided. The universe of the study was all migrant households receiving remittances from at least one migrant member residing in another country. The total migrant households in Dharmaj were around 70 per cent of the total number of households (2,249-obtained from Census, 2001), i.e. 1,574 migrant households; and total migrant households in Mangalam according to their APL and BPL survey list was around 30 per cent of the total number of households (4,650-obtained from Census, 2001) i.e. 1,488 migrant households. However, the number of households within the migrant households that were receiving remittances for at least two years was not known. Hence all the migrant households had to be included. Therefore, 10 per cent of sample migrant households from each of the villages were 157 and 148 respectively. Hence, considering that a survey of this nature was conducted for the first time in a village like Dharmaj and from the pre testing experience, it was expected that there would be a possibility of incomplete responses or refusals, a round figure of 200 migrant households (12.7% of the total number of migrant households) was fixed for the survey in Dharmaj in Gujarat. Since, surveys of this nature including an APL and BPL survey had already been conducted in Mangalam village in Kerala, 150 migrant

sampling method where areas of study were selected on the basis of regions experiencing high emigration.
households (10% of the total number of migrant households) were finalized as the sample size in the village. The sample households for the interviews in both the villages, irrespective of wards were obtained using the technique of systematic random sampling keeping in view the inclusion and exclusion criteria of the study. Therefore for systematic random sampling, the value of

$$k = \frac{N}{n},$$

where, $k =$ sampling unit,

$N =$ Total number of migrant households

and $n =$ Sample size,

in case of Dharmaj,

$$k = \frac{1574}{200} = 7.8 \approx 8$$

Hence, every 8th household from the list was approached and the first sample was chosen by random sampling using random numbers table. Similarly in case of Mangalam,

$$k = \frac{1488}{150} = 9.9 \approx 10$$

Here, every 10th household was approached from the list and the first household was selected through random sampling using random number table.
Figure 3.5: Multi-Stage Sampling Procedure

First Stage: Identification of states receiving high amount of remittances - Kerala and Gujarat

Second Stage: Identification of high remittance receiving districts - Malappuram (Kerala) and Anand (Gujarat)

Third Stage: Identification of high emigration and remittance receiving villages in the chosen districts - Mangalam (Malappuram-Kerala) and Dharmaj (Anand-Gujarat)

Fourth Stage: Identification of migrant households in the two villages and conducting the survey

**Sampling Method:** Systematic Random Sampling Technique
The **inclusion and exclusion** criteria of selection of households were as follows:

1. Only remittance receiving households were surveyed out of the total migrant households.
2. Households receiving foreign remittances for a minimum period of 2 years were surveyed.
3. Migrant households receiving remittances which were meant for donation services were also included even though the remittance money may not be used for the immediate family maintenance or investment purposes. As, the purpose of the study was to understand what were the uses of the money that was received by the household from foreign sources. However, such households were omitted from the analysis of impact of remittances on the households, but were included for understanding the impact of remittances on the village development.
4. Migrant households not receiving any form of remittances were excluded from the survey.
5. Households having only return migrants were excluded from the survey.

During the survey, however, certain households did not meet the inclusion criteria (5 in Dharmaj only), certain heads of the households refused to cooperate (8 households in Dharmaj only), certain households did not receive any remittances from their migrant members abroad as in most of those cases the migrant member was a student abroad (19 in Dharmaj only), certain households were found to be locked during the survey (8 in Dharmaj only), in certain households the household head was missing and other members did not have proper information leading to incomplete schedules (8 in Dharmaj only). Hence, the total number of completed schedules collected was 152 in Dharmaj out of which 120 met the inclusion criteria. Hence, the final sample obtained from Dharmaj in Gujarat was 120. However, in case of Mangalam village in Kerala all 150 households surveyed met the inclusion criteria. Therefore, the total number of sample households surveyed in the study including both the villages was 270. The total time taken for the complete primary data collection in the field took 8 months which took place during the period of October 2009 to June 2010.


d) Procedure of data collection for the meso level investigation

To understand the impact of remittances on the village development via multiplier effects arising from migrant households to the economy and the contribution of migrant associations for the development of the villages in terms of collective remittances, additional village based information was required for the study along with the household survey.

The key informants in the villages included panchayat members, the sarpanch in case of Dharmaj in Gujarat and Mangalam in Kerala. This was required to understand all the socio economic and demographic information of the villages along with a history of migration from the villages. For obtaining village profiles, the sarpanch in case of Dharmaj in Gujarat and the Village Extension Officer in case of Mangalam in Kerala were interviewed. Separate interview schedules were prepared for bank officers in order to get bank related data, building contractors (one in each village) and one member each from migrant association of the village and the NGOs related to the associations.

e) Tools for Data Collection

Survey of migrant households in both villages receiving high remittances, Dharmaj in Gujarat and Mangalam in Kerala, was carried out with the help of a structured interview schedule for the households (Appendix I). The schedule was prepared based on previous empirical studies on remittances (Zachariah and Rajan, 2007; Department of Economics and Statistics, Kerala, 1988; Sisenglath, 2009; Banerjee, 1984) and the research objectives listed for the study.

The interview schedule consisted of the following four sections:

i) The first section was of the socioeconomic and demographic profile of the household. This included socioeconomic characteristics of the household heads and then similar information on all the members of the households.

ii) Second section contained questions on household expenditure, income, land holdings, livestock and other socioeconomic features of the
household. The main intention of this section was to collect information required for the meso level analysis.

iii) The third section contained questions on the primary migrant. This included questions on demographics of the emigrant, reasons for migration, remittances and its transfer process.

iv) The fourth section contained questions on the uses and impact of remittances. This included questions on patterns of usage of remittances and perception of the household head about economic and social impact of remittances.

For assessment of impact of remittances for village development at the meso level, additional structured interview schedules, one with coded questions for village profiles and other interview schedules with open ended questions were prepared for key informants of each of the villages (Appendix I). The interview schedule prepared for village profile included not only the socio demographic profile of the villages but also included development indicators for instance, educational, health and infrastructure facilities of the village.

f) Field Experiences

1. The Start: The field survey for primary data first began in Dharmaj. Initially, the DDO of Dharmaj was contacted who in turn introduced the researcher to a key informant in the village who had authored a book titled 'Dharmaj: A Village to Emulate’. This book had all the preliminary information required for a researcher to start with. The book also contained certain statistics regarding Dharmaj. The key informant was also responsible for introducing the researcher with all concerned people in the panchayat office who had not only provided all the required information but also accompanied the researcher to visit certain households during the survey. Similarly, in case of Mangalam, the first contact person was the BDO of Tirur block who was responsible for providing the researcher with all necessary preliminary information about Mangalam and also introducing the researcher to concerned people in the village panchayat office. However, in Mangalam, since language to communicate with the local people in the households was a barrier, a research
assistant, who was well proficient in Malayalam, was appointed by the researcher to deal with this problem. Initial pre testing of the schedule as well as the main survey in Mangalam was carried out with the help of the assistant. In case of Dharmaj though, language of communication was not a problem as the people of the village were well proficient with Hindi. Hence, the questions from the schedule were communicated in Hindi by the researcher herself.

2. **Pre-testing of the household interview schedule:** In order to test and increase the efficiency of the interview schedule, a pre testing was done in both the villages prior to the actual survey. The test was conducted in a sample of ten households in each of the villages. It was during the pre testing in Dharmaj that some relevant differences were found. Hence, some of the questions had to be altered and some questions were added in the interview schedule. For instance, it was found that there were certain migrant households who did not receive any remittances directly for family maintenance but received remittances from their migrant members abroad that were meant to be donated for community development purposes. There were also certain households that received for both family maintenance as well as community purposes. Hence, some questions had to be modified. For instance, instead of asking ‘Did the household receive any money from the migrant members abroad within the past two years?’ it was pertinent to ask two different questions, ‘Did the household receive any remittances for household purposes within the past two years?’ and ‘Did the household receive any remittances for community development purposes within the past two years?’

Also, during the pre testing, it was found that the respondents were reluctant to speak in details about financial assets and remittances received in kind for instance, possession of assets in the form of gold, bank deposits, deposits in investment funds, etc. and also who were the owners of such assets and other goods that were brought or send by the migrants. Hence, a section of the schedule that had questions related to details of financial assets had to be dropped, a similar situation was experienced by Department of Economics and Statistics, Kerala (1988) on their survey on utilization of gulf remittances in Kerala. The pre tested cases were later on omitted from the main survey. The pre testing also helped calculate the time taken for interviews per household.
Initially more time was required during the start of the main survey (45 minutes), but as the researcher was accustomed, it took around roughly 30 minutes per household. But since it was impossible for the panchayat officials to say whether the emigrant households received remittances or not, the researcher had to omit those cases from the sample who although had a migrant member abroad but did not receive any remittances from them as mostly such migrants were only students studying abroad.

3. Other problems faced during interviews: It was slightly more difficult convincing households about the confidentiality of the survey in Dharmaj compared to that in Mangalam. Hence, the response rate was slightly better in Mangalam compared to Dharmaj. Also, cluster of houses in both villages were different. In Dharmaj, the houses were more centrally located and clustered; hence, shifting from one sample house to the next was not difficult. However, in case of Mangalam it was slightly more difficult as the houses in the village were more scattered. Hence, shifting from one sample house to the other took more time.

g) Data Analysis

Data obtained from household survey was analysed using statistical techniques and regression/econometric analysis using Statistical Package for Social Sciences (SPSS 15.0). Besides descriptive statistics, t-tests were also conducted to find out mean differences between important variables. To study the effect of variables related to household and migrant characteristics on the size of remittances, a multiple regression analysis was carried out. Again, to analyse the impact of remittances received by the migrant households on their economic and social well being through the perception of the respondents, an ordered logit regression analysis was carried out. To study the impact of both individual and collective remittances on village development, data from the household survey as well as the key informants of the village using separate structured interview schedules were analyzed with descriptive statistics. Additionally, data obtained from the key informants such as migrant association head and local NGOs related to developmental activities, especially that of a particular migrant association related to Dharmaj village in Gujarat was more open ended and qualitative in nature was analyzed and presented in the form of a case
study. This case study included an analysis of the activities of the particular migrant association and their contribution to development of the village through collective remittances.

3.8 Assumptions of the Study

1. Since relevant information on migrants was to be collected from the interviewees at the migrant households in the village, it was assumed that the respondents and other adult family members had information about migrant’s reasons for migration, education, occupation and other destination related characteristics.

2. In the absence of appropriate data on inward remittances for the state of Gujarat specifically, it was assumed that Ahmedabad which is one of the cities which receives most remittances (RBI, 2006), forms the main corridor for delivering remittances to interior areas of the state.

3. High emigration areas were assumed to also be high remittance receiving areas. Similar assumption was followed by Mathew and Nair (1978), Prakash (1978) and Kurian (1979) and Sisenglath (2009).

3.9 Limitations of the Study

1. Migrants could not be contacted directly as they reside in other countries. Hence, an important aspect of migrant’s income, determinants of remittances, decisions to remit, problems incurred by them, etc. could not be captured in the study.

2. Due to unavailability of data on both emigration as well as disaggregated data on remittances in India, a systematic state wise and district wise presentation of data on these aspects was not possible. A panel or longitudinal data on emigration and remittances would have been appropriate for providing more insights on a study of this nature.