CHAPTER – II
THEORETICAL BACKGROUND
WITH REVIEW OF LITERATURE
2.1 Introduction

Migration is one such phenomenon whose causes and consequences are diversified and complex and it is very difficult to create any general theory of migration. Many efforts were made in the past decades to create a separate theory for migration. Up to 1980, there was a polarized opinion about migration. With the influence of post modernism the debate become less polarized. Now migration has taken link with many disciplines and is connected to the overall process of development.

The theories of migration are broadly classified into following categories:

- The Neo- Classical Equilibrium Perspective
- Historical –structural theory and asymmetric growth
- Push pull model
- World systems theory
- Network theory
- Institutional theory

International migration has been discussed by many and they are trying to put forth theoretical models to explain why, where and how questions of migration. Neo classical economists focused on the wage difference, difference in the employment conditions and on migration cost, whereas the new economics of migration use migration as the household decision which concentrates on family production activities. Dual labour market theory and world systems theory focus on those forces which are acting at macro level neglecting any micro level decision process. For the former emigration is structural requirement and for the later emigration is a natural consequence of economic globalization.

Given the fact that theories cannot be assume inherently compatible it is quite possible that decision taken at individual level may not be good for the national and international level.

2.2 General Migration Theories

Following are some of the migration theories used for the theoretical base:
2.2.1 The Neo-Classical Equilibrium theory:

The first law of migration was formulated by geographer Ravestein (1885, 1889). He saw migration as a part and parcel of development and treats economic reasons as one of the major causes of migration. Population density and distance were also taken note of in his study. This perspective of expecting low income people moving from low income to high income areas and from densely populated to scarcely populated area. It was believed that they are the underlying assumptions of push and pull theories. Though there is no significant place given to migration in the basic economic theories, it is quite obvious to have economic explanations on the study of migration. At macro level Neo-classical economic theory explains migration by geographic difference. The differentials in wages cause workers to move from low wage labour to (surplus region) to high wage labour (scarce regions). While migration takes the labour from one place to another capital moves in the opposite direction. In neo classical world this process of factor price equalization will eventuality result in growing convergence between wages in both the countries. (Rains and Fei 1961: Schiff 1994; Harris and Todoro 1970).

Neo classical migration theory treat migrants as individual actor who is rational and make any movement based on cost benefit analysis. He has the perfect knowledge of wage type of work productivity and makes a decision to migrate to that place which is a need of his skill and also have high wages.

Neo-classical migration theory considers rural-urban migration as an inevitable part of development process. This allows the surplus labour prevalent in rural areas to shift over to urban industrial economy (Lewis,1954). Neo classical migration theory firmly believes in development through modernization and technical changes.

Harris-Todaro model has been the basis of Neo classical migration theory. Around 1970s the original model actually contradicts with rural urban migration. Harris and Todaro argue that in order to understand this phenomenon it is necessary to modify and extend the simple wage differential approach.

Some times more than the prevailing income differentials, it is the expected income differentials which are important to find a job in urban area (Todaro 1969:138). The expected income in the destination area depends on actual earning at
the dentation and also at the probability of employment. As long as the difference is high enough, there will be study flow of migrants from rural to urban areas. Later Harris-Todaro refined and modified the model which includes other factors like cost of travel, opportunity cost of migration and physiological cost to make it very clear in explaining why poorest does not migrate and why social networks are so crucial in lowering material and physiological thresholds to migration. Although the Harris-Todaro model was initially developed as internal migration model later Harris and Maruszko (1987), developed a model for international migration to which Harris-Todaro model is a base.

Further extension of the model can be made by interpreting this model with in a human capital framework. This will consider migration as an investment decision. In the present day economic theory human capital is gaining recognition; this human capital theory also helps us to explain theoretically the selectivity of migration beyond cost. As a person from diverse background do migration it is expected to have diverging returns on their migration investment.

According to Bauer and Zimmermann (1998:99) differences in returns on investment is partly due to diverging inter individual propensities to migrate. Migrants select job according to their skill but it is very essential for researchers to consider other causes of wage difference taking into account internal structure and segmentation of labour markets.

Many of the refinements of neo classical migration theory mainly related to selectivity of migration. It was agreed that wage differentials do play an important role in emigration but the costs and risks of migration and individual human capital characteristics are also play an important role in deciding migration. The combination of such factors may explain the heterogeneity and dynamism of migration.

In most of the developing countries, factor markets are typically far from perfect making access to financial services and capital difficult for marginalized groups. This makes actual migration pattern difficult to explain under the frame work of Neo classical theory. This theory fails to deal with constraints like government restrictions. Other main criticism of this theory is because of its euro centric nature. This has failed the theory to explain the contemporary migration in and from developing countries (Skeldon, 1997).
2.2.2 Historical-structural theory and asymmetric growth:

Contemporary historical-structural theory has emerged in response to neo classical theory. It has its roots in Marxists political economy. This theory postulates that economic and political power is unequally distributed among developed and underdeveloped countries. Instead of modernizing, underdeveloped countries were trapped by their disadvantaged position within the geopolitical structure. This research which took place between 1970 and 80s was actually not a theory on migration but considers migration as a natural outgrowth of dispersion and dislocation that are intrinsic to the process of accumulation of capital. They treat migration as one of the ways of capitalist to penetrate and increase unequal terms of trade between developed and developing countries (Massey et al 1998:36).

Another important theory namely **Dependency theory** was given by Andre Gunder Frank. This theory considers capitalism as the main cause of classifying the countries into developed and underdeveloped. This theory treats migration not just detrimental to the economies of underdeveloped countries, but also as cause of underdevelopment. According to this view migration spoiled the peasant economy to the core.

**World system theory** given by Emmanuel Wallerstein classified countries as capitalist, core, semi peripheral and isolated areas as external areas. In this perspective the incorporation of peripheral into the capitalist economy is associated with migration. Exactly the opposite presumed by neo classical theory.

**Historical structuralists** have criticized neo classical migration theory stating that individuals do not have a free choice and they are constrained by structural forces. Through this process rural population become increasingly deprived of their traditional livelihood. People are increasingly becoming aware of the fact that capitalism is not responsible for under development. Incorporation into global capitalism can have both positive and negative effect. Migration cannot be interpreted as a desperate flight from misery.

2.2.3 Push Pull Model:

Spatial models become relevant in explaining some crucial questions like why some people migrate and others do not, and why the migration in a clustered typically nonrandom passion? Which were not answered by both neo classical and
historical structural theories, Lee (1996) revised Ravenstein’s 19th century laws on migration and proposed a new analytical frame work for migration. He listed out many factors responsible for migration and argues migration tends to take place within well-defined streams from specific places at origin to specific places at destinations. He also states that migration is selective and depends on individual characteristics. Therefore according to him migrants are rarely representatives of their community of origin.

Though Lee did not invent the term Push Pull models himself his analytical framework is commonly referred as Push-Pull model. The push pull models are basically an individual choice and individual equilibrium model. It gains enormous popularity and become one of the dominant migration models. Many researchers have applied push pull framework and they come out with good results.

2.2.4 World systems theory:

Since the sixteenth century the world market has developed and expanded influenced by Wallerstein. Many sociologists started to link migration to the structure of the world rather than bifurcation of labour market with in the national economies. (Hein de Haas 2008). According to this no capitalist society creates mobile population that is prone to migrate but driven by desire for higher wage and greater wealth. Capitalist firms enter poor countries of the world economy, in search for cheap land, raw material and new consumers in these countries. In olden days this market penetration was done by colonial regimes, but now the neo colonial governments multinational companies do this work for profit. According to world system theory it is a natural outgrowth of disruption and dislocation that inevitably occurs in the process of capitalist development. World system thus argues that international migration follows political and economic organization of an expanding global market.

It hypothesized that global migration is natural consequences of capitalist market formation. It also claims that, once the goods and capital are exchanged internationally labour also follows them. It claims that international migration might have happened during the post-colonial period which has led to the formation of specific transnational markets. The theory declares that only by governmental activities and policies, it is possible to have control on international migration. At the
end this theory claims that international migration has little to do with wage rate or employment differentials. It mainly follows from dynamics of market creation and structure of global economy.

2.2.5 Network theory:

Network theory highlights significance of social networking based on interpersonal relation which acts as crucial factors in deciding international migration. The former migrants and non-migrants in origin country through the ties of kingship, friendship and shared community origin have a tendency to migrate internationally with lower cost and risks and increased expected net returns. Once the number of migrants reached the critical threshold, the expansion of network costs and risks of movements causing the probability of migration to rise (Hugo, 1981; Taylor, 1986, Massey and Garcia Eapana, 1987). The first migrants who leave for new destination have relatively higher cost of migration because they have no one in the destination countries to support. But for the one who follows them with network all these costs will reduce. Once number of network connections in an origin country reaches a critical threshold migration becomes self-perpetuating.

Network also makes international migration risk free when a migrant’s network is well developed. He will become aware of the situation abroad and get prepared to face the situation. Every new migrant expand the network reduces the risks of movements all those who follow him. This dynamic theory treats international migration as an individual decision. To conceptualize migration is a self-sustaining diffusion process and its implications are quite different from those derived from general equilibrium analyses.

2.2.6 Institutional theory:

To treat the legal and undocumented migrants who are conducive to exploitation and victimization, voluntary humanitarian organizations arising their heads in developed countries in the origin countries. There are good number of voluntary organizations and private institutions arising to satisfy the demand created by an imbalance created between large number of potential emigrants to capital rich countries and limited number of emigrant visa these countries offer.

There are profits making organizations which extend their services to migrants in exchange for fee set on underground market, whereas humanitarian
groups help migrants by providing counseling, social service, shelter, legal advice and whatever required for migration. With this organized support and help international labour migration is becoming more and more institutionalized and independent.

Cumulative causation:

In addition to the growth of networking and developing of voluntary organization who are the supporters of migrant’s international migration sustain itself in many other ways which makes additional movements progressively over the years. This process is what Myrdal called cumulative causation. “Causation is cumulative in that each act of migration alters the social context within which subsequent migration decision are made.” The distribution of income land organization of agriculture, culture, regional distribution of human capital and social meaning of work are some of the socio economic factors listed as potential factors which affect migration in a cumulative way. (Stark, Taylor and Yitzhaki, 1986,1992).

Distribution of Income:

Most of the time, migration is motivated by not only increase in absolute income but also improve their income relatively. In a household or community income disparity will be visible and remittance influences their income in such a way that their income status drastically improves in comparison with others. This improvement some time influences the others in the community to take up the migration. People with rural background mainly spend that money in purchase of land. More the out migration more will be the people having access to the fund necessary to buy land. Once they purchase the land, it is likely that families tend to use capital intensive methods, since they have access to capital to finance these inputs. Higher the migration, greater will be the capitalization of agriculture and greater will be the displacement of agrarian labourers leading to still greater migration.

As migration grows, it changes values and cultural perceptions among the migrants, who are settled in industrialized countries; there is a big change in their taste and motivations. At community level also this brings a deep change in people’s behavior because values associated with migration become a part of community value.
Migration is a selective process that tends to draw relatively well educated, skilled, productive, and highly motivated people. Sustained out migration thus leads to the depletion of human capital in sending countries and accumulation in receiving countries. Educational expansion in turn helps the sending areas reinforce this cumulative migration process.

Once the emigrants are recruited into a particular occupation in significant number these jobs are culturally labeled as emigrant’s jobs. The native workers become reluctant to fill these jobs leading to social labeling (Bohning, 1972; Piore, 1979). This stigmatization comes from the presence of emigrants not from the characteristics of job.

Viewing international migration in dynamic terms as a cumulative social process yields a set of propositions broadly consistent with those derived from network theory. Social, economic, and cultural changes brought about in sending and receiving countries by international migration give the movement of people a powerful internal momentum resistant to easy control or regulation. Since the feedback mechanisms of cumulative causation largely lie outside the reach of government.

2.3 Review of Literature

The review of literature is a prime and significant part of any research work, which helps in formulating the objectives of the study. Hence, it was considered desirable to make a study of the findings of some of the earlier research studies and the methods adopted there in. Therefore, in this chapter an extensive review of literature is made of the previous studies on migration and related issues. The forgoing review makes an effort to throw sufficient light on various aspects of migration.

The review of literature has been classified into four groups, based on themes.

2.3.1 Review of Studies on Trends, Flows and Composition of International Labour Migration:

Gary D. Sandefur (1986) examines interstate migration and labour force participation among white American Indians and intermarried Indian white couples. This result shows that endogenous American Indian couples are much less to change states of residence than are the other two groups of couples. The effects of interstates
migration on labour force participation does not vary across the three groups of couples. The implications of these results for the assimilation and internal colonial models of race relations and for federal Indian policy are discussed.

Allan Findlay, (1989) examines two important mechanisms governing skilled international migration and identifies the problems of studying these mechanisms using available secondary data sources. Policy implications and geographical impacts of the shift from settler to skilled transient migration are explored. Finally a list of specific research problems related to skilled international migration is presented.

Borjas (1995) finds that the level of migration generated economic surplus enjoyed by the native population (immigration surplus) is proportion to the elasticity of factor price for labour. Theoretically, He finds that, if the increases in labour supply greatly reduces the wages (relatively large elasticity of factors prices), the immigration surplus is large but, if the native wage rate is not very sensitive to immigration. (Relatively low elasticity of factors price), the immigration surplus is nearly zero. The elasticity of factors price is greater for skilled workers than for unskilled. And therefore, immigration surplus is larger and the native population has more to gain, with the immigration of skilled workers. This result rests on the complimentary relationship between skilled immigrant labour and native owned capital and is reinforced when the total gains of immigration to the native population are relatively small. There is a sizeable redistribution of native wealth between labour and capital.

Coleman (1995) asserts that, as the age structure of immigrants is often younger than that of the host population, there is a popular belief that a large influx of immigrants makes the population of the host country significantly increase the size of the working age population and helps to reduce markedly the dependency costs of the elderly. However, analyses of the migration flows of recent decades in the developed countries have provided scant evidence to support these conclusions. In the United Kingdom after the Second World War, immigration neutralized the previously dominant pattern of emigration. Thus, without new commonwealth immigration and the contribution of births from immigrations, the population of the country would have been smaller by three million than what it was in the early 1990s. However, the cumulative effects of migration alone on the age structures of the country have been limited, because the age structures of immigration and emigration flows are similar and the level of migration is relatively small in relation to natural change.
Ian Gordon (1995), analyses patterns of labour migration within Great Britain in the context of labour market processes. This paper has sought to go rather further in linking the empirical analyses more explicitly to labour-market theories, particularly through the use of theoretically grounded disaggregation of survey data on job-related movers. Although the empirical focus in this paper has been on examining ways in which segmentation conditions labour mobility, the relationship between labour market structuring and processes of spatial-mobility processes ought to be seen as interactive.

Borjas, (1996) reveals that, the effect of the increasing demand for foreign work force can also be seen in migration policies. The American migration policy is based on quota system that based on national origin essence. It was separating the ones coming from Germany and United Kingdom, and applying quota to others. This system was cancelled in 1965. Some changes were made and family unions were facilitated.

Yeoh et al (1999) study the perceptions which are negative about the foreigners which prevalent in Singapore and the public blame them for the adverse consequence of social and moral values. The locals always treat immigrants as the other and feel uncomfortable about their presences. In a country like Singapore more than one third regards these emigrants as social nuisance. This report brings about the basic resentment which is expressed by the natives about the migrants but also gives a clue about the sensitive situation in which the emigrants live in destination country.

Straubhaar, (2000) writes that, “with regard to highly skilled human migrations, with a comparison of EU (European Union) countries to US, the EU countries stayed behind in this competition. It can be stated as causes of this situation that the EU countries have rigid migration policies and their universities are restrictive to students who come from outside. The EU countries generally received the big amount of brain drain”. Sidiqqui (2001) in his work on female migration came out with a positive result showing an improvement in the economic status (56%) of the female migration.

Acemoglu, Daron and Angrist (2001), revealed that, it has even been hypothesized that the concentration of highly-skilled persons in one location may enhance the productivity and pay of each worker, thus, immigration of highly –skilled professionals could raise the productivity of their native colleagues. Yet there is little evidence to support such positive spillover effects.
Manon Domingues, Dos Santos and Fabien Postel-Vinay (2001) analyses the process of migratory flows as well as growth of migration in developing countries. According to him workers who choose their location freely will accumulate certain amount of knowledge. The paper highlights the expansionary effect of labour mobility on developing economies.

Rebeca Raijman and Silvinas Chammah-Gesse (2003) delineates the major dilemma and costs undocumented Latin America migrants face as they cross international borders looking for better economic opportunities that eluded them in their homelands, as well as the strategies they develop to cope with these dilemmas. Also states the migrant women role in personal and social life.

Abdurrahman Aydemir, and George J. Borjas (2005) studies the labour migration with reference to North America, which is unique compared to rest of the world using micro data drawn from the documents of different countries. He has tried to examine the impact of international labour migration on the labour market. He also came out with the result showing an inverse relationship between emigrations induce shift in labour supply and wages which is statistically significant. International migration is greatly influence wages in the middle of Mexican skill distribution and lower relative wages at the extremes.

Bridge, (2005) reports that, although the overwhelming majority of movements in search of work across the world continue to be internal, there has been a systematic increase in the actual numbers involved in international migration to a historically unprecedented scale, making it one of the most important drivers of globalization today. The number of people counted as living outside their country of birth has almost doubled in the last 50 years-increasing to around 191 million in 2005. One in every 35 persons was an international migrant in 2000.

Prakash Bhattarai (2005) evaluates Nepalese government policies and programmes related to emigrants professionals in Nepal. This study also takes into consideration issues and challenges, labour migration trend, socio-economic and demographic aspects related to migrants. The study concludes that the foreign labour migration needs proper management and regulation and proper implementation of government policies can rectify the mistakes and streamlines the immigration.
Ravi Srivastava and S K Shashi Kumar (2005), in their paper deals with some of the fundamental issues related to internal labour migration as well as international labour migration. It studies the trend and nature of overall labour migration and reviews the existing governmental and nongovernmental policies.

Radu Musetescu (2006) revels in his work which deals the human rights for migrants and also the migrant policies. He declares that temporary work migration is a reflection of a failure of political governance both in destination and home country.

Irudaya Rajan S. and U. S. Mishra (2007) reveals the significance of international labour migration in the Philippines economy and society. Paper highlights the lessons that India might learn from the Philippines experience and discusses the supportive role that the government of the Philippines plays in promoting labour migration. Author list out the benefits of international labourers received from the government of Philippines. Paper suggests India has several lessons to draw from the Philippines experiment in order to organize systematic flows of emigrants from India.

S. K. Shashi Kumar and Zakir Hussian (2008) reveal that the labour migration flows from India since 1990s. The paper not only addresses issues related to international labour migration from India. How to promote and sustain the same, but also deals with protection policies of migrant workers. This paper properly makes an effort to do a detail evaluation of Emigration Act 1983. It also makes an effort how the IT enabled industry in Indian is expanding during the previous decades. This paper makes a strong note on the need to strengthen multilateral cooperation to transform migration to efficient process.

Thimothy Rakkee and S K Shashi Kumar (2010) attempted to understand the gaps and challenges of existing policies and practices that influence regular and irregular labour migration process from the source country perspective of Bangladesh and Nepal. This study highlights the role of informal intermediaries who play vital yet unrecognized role in the migration process. The study found that the most productive years of labour migrant’s life is spent in the destination countries as relatively younger people, in both Bangladesh and Nepal tend to migrate for jobs abroad, and also shed light on migration decision-making process of skilled and unskilled labourers from Nepal and Bangladesh.
**Erik Von Uexkull (2012)** in his work made a study on the impact of regional trade in ECOWAS region, the finding of the paper suggests that exporting firm are larger relatively more productive and pay better wages. These findings stimulate the regional exporters to create more productive job.

**Vinay Fabien, Manon Domingues and Dos Santos (2012)** in their research researchers speak about dynamics of migration in a developing economy. They pointed out that worker mobility can have an expansionary effect on developing economy. It shows that in the long run with the growth of sending economies native prefer to stay back and work domestically reducing the likely number of emigrants.

**Adrian Otoiu, Emilia Titan and Remus Dumitrescu (2013)** attempts to seek out what are the theoretical and empirical relationships between domestic and international labour migration, and lays the foundations of unified based on the similarities of both domestic and international migratory phenomena. A review of the contributions that discussed the existing dichotomy between the two types of migration attempted to carry out integrated analysis is complemented with a review of the most common research approaches for both types. An empirical analysis of net internal and international migration is carried out for several OECD countries, which validates this approach and assesses both the similarities, and the degree of divergence between them that requires a distinct approach.

**2.3.2 Review of Studies on Push Pull Factors of International Labour Migration:**

**Herrick, Kindleberger, (1983)** note that, “migration of highly skilled people brings about loss of productive capacity. Their avoiding consumption in their countries may bring more loss when they get abroad.”

**Greenwood and hunt (1984)** make the observation that migration to cities has probably been a self-reinforcing and cumulative phenomenon, and they use time series data on employment growth for 171 U.S. regions, that is from 1957-1975, to measure the “migrant attractive power of another job and the number of local jobs attributable of another migrant.” They find that for the country’s 57 metropolitan areas, an average of 0.451 employed net migrants are directly attracted by one additional job and that for two-thirds of the nation’s major metropolitan areas, one more employed in migrant results in one additional job while, for the other one-third of the major metropolitan areas, an additional employed migrant results in approximately 1.259 jobs.
Lawrence A. Brown and Victoria A. Lawson (1985) examine how migration process is going to be affected by an areas development. Author has done the study for the whole country and then compared to streams of migration between urban and rural. They have employed conventional statistical model and try to understand a movement among Costa Rican cantons during a five-year period (1968-73). The results got for rural urban migration shows that the models give a clear picture of urban based migration than rural based one and also came out with the result that spatial pattern of variation in migration process is consistent with core periphery development models.

Oded Stark and J. Edward Taylor (1989) examine the impact of absolute income and relative income consideration in international labour migration. The findings of the report provide an empirical support to the hypothesis which made Mexico to U.S. migration decision that is relative deprivation of income.

Veronique Dupont (1992) “Impact of In-Migration on Industrial Development-Case Study of Jetpur in Gujarat”, this work mainly takes into consideration urbanization and industrialization as the dynamic agents who influence migration. To attract the migrants according to the requirements the implementation of labour legislation security of employment appreciation in the working condition were also made. This paper takes into consideration the impact of migration on the industrialization process particularly in middle sized towns.

J. Edward Taylor et. al. (1996) in their paper analyses the macroeconomic relationship between international migration and national development. The paper unfold the truth that present day international migration has become multifaceted and complex and the olden theories have fail to appreciate these relationships. Given the proper support of macroeconomic policies and infrastructure they declare that it works as a dynamic force in promoting economic growth.

Damien Gaumont and Alice Mesnard (2000) in their paper investigates into effect of altruism on the pattern of labour migration. The authors characterize the unique study state equilibrium where both countries are populated.

Per A. H. Lundborg and Paul Segerstrom (2000) in their study shows that free international migration raise the overall growth of the world. Other things being equal workers want to migrate to less populated countries, Countries with subsidized RandD and wealthy consumers.
Barry R Chiswick and Timothy Hatton (2001) “International Migration and the Integration of Labor Markets”, in this work determinants and consequences of international migration over the past four centuries were looked into. This paper explores the reasons for international migration and also identifies the reasons for international labour migration in the context of two factors and three factors aggregate production functions. Long run relationship between globalization and international labour migration is also explored.

Doris Geide-Stevenson (2003) numerically simulate two country overlapping generations model has been used by this group to study international labour migration. The most important result is the dynamically efficient and inefficient economies in autarkic study state experience temporary welfare laws when migration occurs.

Prem Bhandari (2004) examines the relative deprivation hypothesis of migration, using primary data from a rural agricultural setting in the Chitwan Valley of Nepal. He tested the hypothesis that relatively deprived households are more likely to send away their member(s) for work reasons than from relatively less deprived households. This study is useful in understanding the influence of relative deprivation, including other factors in migration decisions at the household level. Overall, the findings provide indications that relatively deprived households require attention in order to regulate or control migration. Arrangement of employment opportunities or income-generating activities in the source as well as destination place might be an important policy for improving the economic status of such relatively 'land' deprived households as relatively deprived people are more likely to move to search for jobs.

Muhammad Shariat Ullah (2006) reveals that the determinants of international migration by applying gravity model to investigate panel data of emigrants. The paper is prepared during the period 1995-2009 taking the example of Bangladesh. The results show that economic demographic and cultural factors significantly influence immigration decision.

Francesca Castellani (2007) argues that the strong relationship between remittance and emigration flows has stimulated further research on their potential implications for origin countries. Migration from the Caribbean is concentrated by destination and skills and Policy-making by developing countries contributes to shape migration decisions.
L.T Lyons and M. Ford (2007) in their work “Where Internal and International Migration Intersect: Mobility and the Formation of Multiethnic Communities in the Riau Islands Transit Zone”. Mainly deals with migration flow in one of the Indonesia’s key transit-Riau islands. The study found that the demographic profiles are strongly influenced by the fact that everyone who comes to island has the intention of moving on. It demonstrates that international migration cannot be explained exclusively by push and pull factors in both the countries.

Naresh Kumar Malhotra and A. S. Sindu, (2007) made an attempt to identify push–pull factors which influence migrants. The study found that better job opportunities, higher wage, better living conditions, emerge as the most important pull factors and lack of development, poverty and other inconvenience as push factors. It also suggests that there were proper implementation of policies to reduce the difference between two regions within the country.

Sruti Chaganti (2004) stresses in her work on the fact that creation of cheap labour economies in the third world, result in the creation of cheap labour economies in the first world. The increased concentration of income and wealth in the hands of a social minority has led to the dynamic growth of the luxury-goods economy. It was recognize that labour migration is responsible as predetermined factor in reducing the wage rate.

Satu Nivalainen (2004) takes into consideration issues related to family migration. These empirical analyses used multinomial Logit modeling. The results showed that there is a strong negative association between family life cycle and migration. Significance of distance in migration was also revealed in their studies.

Shigemi Yabuuchi A, Sarbajit Chaudhuri (2005). He analyses the consequences of international mobility of labourers on wage inequality in developing countries. The paper finds that both skilled and unskilled labour migration influence wage.

R. Lusome (2006) in his work “Labor Migration in India” analyses the extent of employment oriented migration in India. It also explains the difference taking into account educational level and the results shows that education has greater role in explaining the difference in employment.

Stephen Castles (2007) states that Mexican has great link of association which acts as an important role in taking the money back and invest in home town. The Mexican
migrants in U.S.A have dominated in such a way in 2006 that U.S made legislative designs to reduce their migration.

2.3.3 Review of Studies on Remittance and Migration:

Riccardo Faini (1994) “Remittances and the Brain Drain”, this paper tries to study the extent of responsiveness of workers remittance to key macroeconomic variables. This paper gives strong evidence to support the claim that remittances are altruistically motivated by recipient’s income.

Sunny Kumar Singh and Dr. K. S. Hari (1994) “International Migration, Remittances and its Macroeconomic Impact on Indian Economy”, this paper analyses the impact of remittances on various macroeconomic and development aspects of Indian economy. The paper studies the impact of macroeconomic and development aspects on Indian economy. The dates use for this analyses were for period 1971-2008. And the results show that there is a continuous increase in remittance for the past fifteen years. Finally authors have also been disused the regulatory framework for governing the flow of the remittance.

Azam and Gubert (2005) write that there is some emerging evidence about remittances recipients’ impact on the domestic labour market.

David Ellerman’s (2005) “Labour migration: A developmental path or a low-level trap?”, his study mainly focuses on the debate about development impact of migration on the sending countries. After the Second World War temporary labour migration were increased remittances high. But he found that this will not bring about a consistent sustainable progress in the future also. The temporary nature may become the hindrance for the development.

Dr S. Irudaya Rajan, and Dr K C Zachariah (2005) analyses the magnitude of emigration from India throughout the world and Gulf countries in 2003 and Remittance inflow and its share in Gross Domestic Product of India. It reviews the migration and labour policies of oil rich countries in Gulf and its impact on the economy and society of developing countries such as India, this paper is likely to address the macro dimension of the issue using the various published and unpublished data.

Giuliano and Marta Ruiz-Arranz (2005) “Remittances, Financial Development, and Growth”, This study which is on the relation between the remittance and growth uses
cross country data series for remittance mainly of developing countries. The empirical analyses shows that remittance can bring about a less financially developed countries.

**Helen Ware (2005)** focusing on Polynesia try to explore the relationship between demographic and internal conflict. The study found that continuous emigration from Polynesia reduced its population pressure and also communal tension.

**Richard H. Adams J. R. and John Page (2005)** taking into consideration 71 developing counties try to study many issues related to migration. The results show that both international migration and remittance significantly reduce the severity of poverty in these countries. The empirical results clearly showed the inverse relationship between the two that is increase in remittance leads to decrease in poverty.

**Binod Khadria (2006)** analyses the skilled and unskilled labour migration from India to Middle East. The paper analyses the flows and shifts in labour migration decade wise. The study found that the migrants to this area are responsible for swelling foreign exchange reserves in Indian taking into consideration Kerala. The study analyses the socio economic impact of remittance. He also analyses the measures and initiative taken by government of India regarding these migration

**Khadria (2006)** states that, to satisfy the sufficient conditions of India deriving significant gains from geo-economic presence of the Indian migrants, the flows of remittances, transfer of technology, and return migration must all be directed not bottom up-not towards trade and business but towards the removal of two kinds of poverty in India- the poverty of education and the poverty of health- areas where migrants has so far failed to change the society in this country of origin by contributing to its economic and social development . What is required, however, is a long term policy that is aimed at establishing India’s links with the Indian diaspora for sustainable socio-economic development in the country. To arrive though at a proverbial win–win situation in international relations for all the three stakeholders India as a southern country of origin, the Indian migrants as part of its diaspora, and the host destination countries of the north, two specific conditions must be met: a necessary conditions of dominant or significant global geo-economic presence of the Indian workers: and a sufficient conditions of India deriving sustainable benefits from that global-economic presence.
Poonam Gupta (2006) “Foreign Banks in Poor Countries: Theory and Evidence”. In her paper analyses the remittance trend in post globalization era. She found that remittances to India have been growing rapidly since 1991, making the country the largest recipient of remittance in the developing world. This paper analyses the determinants of remittance and their growth influencing the total earnings of migrants. It also deals with the variables for determinants of remittances flows to India.

Rolando Avendano et. al. (2009) reveals the importance of remittance for developing countries. The study covers the period 1993-2006 taking the examples of developing countries. They analyses the impact of workers remittance on sovereign rating assessment. The study also derives policy implications and recommendations from their findings.

Aminul Arifeen (2013) reveals that migrants’ foreign remittances are the single most important source of foreign exchange, especially for labour exporting countries like Bangladesh. The study found that remittances could ease foreign exchange bottlenecks, mitigate development finance, improve balance of payments and alleviate pressures on external borrowing and supplement to household consumption and investment. The inflow of remittances to Bangladesh is, however, affected by various macro and micro factors.

2.3.4 Review of studies on Globalization and International Labour Migration:

Ramon Lopezm and Maurice Schiff (1998) “Migration and the Skill Composition of the Labour Force: The Impact of Trade Liberalization in LDCs”. In this paper authors uses four features of Heckscher-Ohlin model, showing that the migration of unskilled financially constrained workers increased while migration of skilled workers is unaffected by trade liberalization in developing countries. It was found that countries with lower tariffs have larger emigration of unskilled workers and the smaller emigration of skilled workers.

Binod Khdira (2001) clearly identifies that the global physical presence can no longer be considered as globalisation of human capital. Emigration of Indian IT professionals is being seen as brain gain through the globalisation of Indian talent skills.

Gary Craig (2004) examines and argues that globalization creates a situation that promotes large scale migration from poor to rich countries. It concludes by saying that community development plays in important role in eradicating discrimination.
Vinay Gidwani and K. Sivaramakrishnan (2003) deals with cultural dynamics of migration. They examine the linkage between cultural space and labour mobility. They advocate an approach that provincializes the euro west.

Mathias Czaika and Hein de Haas (2013) in his paper aim to fill the gap by mapping shifts in global migration between 1960 and 2000. This paper elaborates indices for emigration, immigration, dispersion etc. The results show that there is a global increase in migration. It reflects the asymmetric nature of globalization process.

Edward Anderson (2001) made the analyses of effect of globalization an wage inequality in a group of eight developed countries in 1970s. The result suggests that impact of globalization on wage inequality before 1970 was highly confined.

George Vobruba (2004) in his paper reveals that both the economic mainstream and the public debate address globalization and welfare states as strictly contradictory to one other. In contrast to this view the article points out that there exists a globalization dilemma: globalization both endangers and requires the welfare state. How can this dilemma be solved? This question leads to an assessment of the degree to which globalizations in fact undermines the welfare state and to the question of what strategies for social policy might alleviate the social costs of globalizations, hence absorbing the opposition to it.

Marta Kolarova (2006) focuses on gender aspects globalization; it highlights how the mainstream theories of globalization are male oriented. And says global production is dependent on cheap women labour in factories and multinational companies. The article also analyses the domestic work performed in U.S and Europe by developing countries female migrants.

Piyasiri Wickramasekara (2008) in his paper highlights the gap between policy and practice, the paper address the denial of labour demand consequent exploitation and violation of rights of migrants. There is an imperative need for fresh approach and bold initiative to promote international labour mobility.

Martin Kahanec and Klaus F. Zimmermann (2008) analyses the difficulties of research in globalization and migration. They discussed the availability of data set for international labour migration in globalized era. He suggests some measurers for the alleviation for those difficulties.
Peter S. Li (2008) examines the transformation process of migration in globalized era. He analyses the trends and composition of international labour migration. He found that decline in fertility and ageing population are responsible for industrialized countries to depend on immigrant labour force which is one of the fundamental features of economic globalization. But the preference is for highly skilled and educated professionals. He also deals with the issues of immigration policies, competition for highly skilled immigrants labour is increasing.

2.4 Research Gap

Migration is an area of study which permits multi-disciplinary approach in social sciences, including as it does social demography, sociology, and cultural anthropology and Economics. Migration helps in the socio-economic development of the family of migrants in particular and development of country in general. As the people migrate from one geographical area to others, they lessen the population pressures and influence the demographic structure of the place of origin, in the same way migration affect origin and host countries government policies of migration and trade. Study of human migration is one of the most important subjects because of the complexity of human life and rapidly changing socio economic conditions.

The forgoing review of literature helps in identifying some important research gaps or issues for examination in the present study. Most of the studies highlighted and concluded that migration has positive impact on development of country by generating remittance (Acemoglu, et al 2001, Borjas 1995, Ian Gordon 1995). Many studies have been done on magnitude, trends and composition of migration flow from different areas (Borjas 1996, Bridge 2005, Coleman 1995, Gary D. Sandefur1986); some studies try to identify the effect of globalization on internal and international labour migration (Ramon Lopezm 1984, Gary Craig 2002, Marta Kolarova 2006). Many of the studies try to find out the influence of push and pull factors on international labour migration in different time period and different regions (Barry R Chiswick, et. al. 2001, Francesca Castellani 2007, Greenwood and hunt 1984), many studies are on effect of skilled and unskilled migration on origin and destination countries, policies on internal and international labour migration related to different countries (S K Shashi kumar et. al. 2008, Straubhaar, 2000). Most of the studies are concentrated on India’s particular area to particular destination countries or related issues, but no study is done on inflow and outflow of migrants from and to India and its impact on Indian economy. This study tries to analyze the emigration from and immigration to India and its overall Impact on India economy.