Chapter – VI

GLOBALISATION AND IN-AND-OUT BOUND MIGRATION OF HUMAN POPULATION

6.1 Migration and Urbanisation

Migration and urbanisation are direct manifestations of the process of economic development in space, particularly in the contemporary phase of globalisation. The causes and consequences of migration and urbanisation can be related to changes in the distribution of population and economic activities, along with the success and failures of the interventions by state and other organisations the policy options and strategic intervention.

A large part of migration and urbanisation in the less developed countries have historically been linked to stagnation and volatility of agriculture and lack of sectoral diversification within agrarian economy, India being no exception to this. The growth rates in agricultural production and income has been noted to be low, unstable and disparate across regions over the past several decades, resulting in lack of livelihood opportunities in rural areas. A low rate of infrastructural investment in public sector in the period of structural adjustment - necessary for keeping budgetary deficits low – also have affected agriculture adversely. This has led to out-migration from several backward rural areas, most of the migrants being absorbed within urban informal economy. The out-migration as process particularly focussed at the service sector of traditional agrarian Indian society as had been discussed in details in extinction of certain social groups.

Globalisation has for certain reasons added impetus to the rate of migration as is evident from the data. India as a nation has seen a high migration rate in recent years. Over 98 million people migrated from one place to another in 1990s, the highest for any decade since independence according to the 2001 census details. However in 1970s migration was slowing down. The number of migrants during 1991-01 has increased by about 22% over the previous decade.

Employment is the biggest reason for migration. The number of job seekers among all migrants has increased by 45% over the previous decade. Nearly 14 million people migrated from their place of birth in search of jobs.
Migrants have created pressure on others who are in same job market. While freedom to migrate within the country is an enshrined right the uneven development, levels of desperation and other factors have created friction points. Most people migrate because of a combination of push and pull factors. Lack of rural employment, disintegration of land holdings and declining public investment in agriculture has created a crisis for rural Indians. Urban areas and some rural areas with industrial development or high agricultural production offer better prospects for jobs or self-employment.

Contrary to common perception the search for jobs is more often within the same state than in some other state. About 9 million persons were intra-state migrants often within the district while 5 million went to other states. The intra-state figures include people moving from villages to nearby towns and cities in search of better jobs. Over 5.7 million persons who moved in search of jobs migrated from rural to urban areas. Another 4.5 million migrated within the rural areas looking for work.

The data shows that among people migrating in search of jobs, literates constitute the vast size over 10.6 million while illiterate migrants are about 3.3 million. Three out of four job-seeking migrants are educated males. Among literate, migrant job-seekers less than 1% was women. Nearly 40% of literate persons migrating for work had studied up to secondary level and another 32% had studied beyond. Graduates numbered over 1.8 million or about 17% while technical diploma or degree holders constituted about 8%. About 72% do get regular work but over 11 million get less than 183 days of work in a year. This is a higher proportion than non-migrants. Independent NSS data from 1999-00 indicates that migrant workers take up regular or casual employment or self-employment in nearly equal proportions. Around 8.1 million of the migrants were reported as available for or seeking work. The census data may not fully reflect seasonal or circulatory migration, estimated to be up to 10 million by the National Commission on Rural Labour. Seasonal migrants are usually Dalits and other highly poor sections that go out to work in harvesting seasons or on construction sites, in brick kilns, salt mines etc. They go out to pay their debts and to survive.

Table 18: Number of Migrants (in millions)

<table>
<thead>
<tr>
<th>Block of Year</th>
<th>Migrants</th>
</tr>
</thead>
<tbody>
<tr>
<td>1951 – 61</td>
<td>66</td>
</tr>
<tr>
<td>1961 – 71</td>
<td>68.2</td>
</tr>
<tr>
<td>1971 – 81</td>
<td>81</td>
</tr>
<tr>
<td>1981 – 91</td>
<td>80.9</td>
</tr>
<tr>
<td>1991 – 01</td>
<td>98.3</td>
</tr>
</tbody>
</table>

[Compilation from various survey]
The latest phenomena related to migration is, feminisation of migration in DC and it can be attributed to globalisation. (U.N., 2004, Karlekar, 1995, Fawcett et al, 1984, Fernandez Kelly & Patricia, 1983) Trade liberalisation and market orientation have had far reaching consequences on the pattern of demand for labour. In many DCs export led economic growth and an invitation to foreign capital have given a big boost to electronic, chemical, information technology and garment industries which by and large employ significant number of females. While the international changes have had favourable impact on the highly skilled professional educated manpower, unskilled uneducated casual labour-force faces an increasingly competitive labour market for a comparatively low wage under undesirable working conditions. Since women are ready to work for any wage, and perceived as passive and docile, they are in great demand, contributing to feminisation of labour and feminisation of labour migration. No doubt these labour market changes have had their impact on rural-urban migration as well, female economic migration being more pronounced in the recent ten to fifteen years. Changes in the rural economy also have contributed to this increased female migration. Increasing productivity in agriculture has been associated with decreasing opportunities for wage employment in agriculture for women when compared to that of men. Literature pertaining to India as well as South-East Asian Countries clearly indicates that the initial opposition to women’s migration had been overcome after seeing the remittances from women who migrated earlier, and the crucial role played by such remittances in the survival of rural households in this age of consumerism and commercialisation. But unfortunately gender issues are not considered important in migration studies.

6.2 Globalisation and Migration and Urbanisation

6.2.1 Migration and Urbanisation in India

Migration in the Indian sub-continent has historically been low. Researchers like Kingsley Davis (Davis 1951) have credited this to prevalence of caste system, joint families, traditional values, diversity of language and culture, lack of education and predominance of agriculture and semi-feudal land relations. By the Davisian logic, too, improvement in the levels of education and that of transport and communication facilities, shift of workforce from agriculture to industry and tertiary activities, etc. would increase mobility. The pattern of internal migration declined systematically during 1961-91 but started to rise in 1993-94. The pace of migration could have been even higher but for the factors and circumstances hostile to migration and urbanisation factors like the rigidities of the agrarian system, growing regionalism etc. Migration has turned out to be migration to inhospitable environment. UNFPA (2006) notes a similar trend at international level and draws attention to the fact that goods capita.
services information and ideas are allowed to flow increasingly freely across international borders, while people are confronted with a wide range of official controls.” Data from Population Census 2001 mark a departure from the past trends. Because of the above mentioned factors mobility in Indian population has not been as palpable as it should have been. The factors which have resisted mobility has been attributed to growing assertion of regional and language identity, adoption of Master Plans and land use restrictions at the city level etc., that have been considered fallouts of the process of globalisation. All these would discount the proposition that the mobility of labour, operationalised through market, would ensure optimal distribution of economic activities in space. It is important to note that it is no longer the avowed reactionary policies of the state that are restricting migration. It is the functioning of the market for land and basic services combined with a sense of ‘otherness’ that is the major barrier.

Given the sluggish growth in migration one would not expect rapid growth of urban population in the country since the natural growth in urban areas has been less than that in rural areas. All time high growth of 3.8 per cent was noted during 1971-81. It came down to 3.1 per cent during 1981-91 and further to 2.7 per cent during 1991-2001. This declining trend of urbanisation in the country is in conformity with growing immobility of Indian population, despite growing information flows, accentuation of regional inequality etc. The trend also goes against the popular theories of “urban explosion”, "over urbanisation" and "rural exodus".

Neo-classical models of growth and labour mobility stipulate that spatial disparity in development, ceteris paribus, would result in migration from backward to developed regions which would help in bringing about optimality in the spatial distribution of labour and economic activities. The mobility pattern observed in India fits well in these models. The analysis of interstate migrants, attempted on the basis of Census at the time of Independence reveals that the less developed states had a high percentage of net out-migrants. The developed states, on the other hand, were in-migrating in character (Kundu 2006). In the post Independence period until 1990, however, migration pattern turned out to be different. There was a decline in the rates of net out-migration from the backward states like Bihar, Rajasthan, and Uttar Pradesh etc. Importantly, Madhya Pradesh and Orissa stood out as exceptions as these reported significant inflow of population. This could be explained in terms of massive public sector investment, resulting in creation of job opportunities in industry and business in the two states. Local population, unfortunately, were not able to take advantage of these developments due to their low level of literacy and skill. Correspondingly, the developed states like Karnataka, Maharashtra, Tamil Nadu and West Bengal that had attracted large scale in-migration during the colonial period,
reported decline in in-migration rates. Only the state of Gujarat did not show this decline due to its growing dominance in the industrial map of India. Haryana reporting high in-migration rates may be explained in terms of migration from Punjab due to political instability and communal tensions. The data for the nineties, however, suggest some sort of stepping up of outmigration from poor states and of immigration in to developed states, leading to possibly a marginal increase in the rate of overall migration in the country.

A few scholars have explained the decline in interstate migration (except nineties) in terms of developmental programmes, launched by central and state governments in the post Independence period promoting a spatially balanced development. Furthermore, better transport, communication and commutation facilities are supposed to alleviate the need to shift residence for employment or education, since people can now convert to neighbouring cities and towns. Undoubtedly, there is some truth in these arguments but are not sufficient to explain the growing immobility. An analysis of regional structure of development reveals that inter-state inequality in several dimensions of economic and social development has not declined and in certain dimensions, this has gone up (See Srivastava 2003 and Kundu et. Al. 1999).

It would be interesting to look at the migration pattern in relation to that of urbanisation. The pattern of urban growth (or urban rural growth differential) across states during the first four decades since Independence exhibit negative relationship with their level of economic development expressed through income or consumption expenditure in per capita terms, share of industries in state income, agricultural productivity etc. The poor states like Orissa, Bihar, Rajasthan and Madhya Pradesh that experienced rapid demographic growth in urban areas were also those that reported low productivity and high unemployment in agrarian sectors and heavy pressure on urban infrastructural facilities, suggesting presence of push factors behind RU migration. The slowing down of out migration from these to developed states until early nineties, as noted above, meant that the displaced persons from agrarian system sought absorption in the urban centres within the state.

In difference, urban growth exhibits positive correlation with indicators of infrastructural and economic development both in rural and urban areas, and negative relation with poverty in the nineties. The states that are experiencing low or no growth in farm and nonfarm productivity, high unemployment, severe malnutrition etc. are reporting slow urbanisation. Most of the cities and towns in developed states have, on the other hand, experienced rapid demographic growth. Understandably, the cities in developed states are not getting their migrants driven by natural, social or economic
calamities but those who have higher levels of skill or economic assets. It is this group who find it easier to establish linkages with the economy of the large cities through socio-cultural channels and avail the "opportunity" offered through migration. Many of them are travelling beyond their states. The negative perspective which characterises and dictates large part of the contemporary literature on migration, therefore, needs to be urgently revisited.

6.2.2 Factors behind Migration

An analysis of the process of urbanisation since Independence reveals that it has been large city oriented during colonial as also post colonial period. This is manifested in a high percentage of urban population being concentrated in class-I cities that offer better employment and earning opportunities. This figure has gone up systematically over the past few decades. There is nonetheless adequate empirical evidence that these cities have grown at a distinctly higher rate than the lower order towns. The pattern of growth has remained similar over the past few decades although there is a general deceleration in urban growth in all size categories during eighties and nineties. Importantly, the edge that the class-I cities have over class II, III, IV and class V towns in terms of the growth rate has gone up during nineties. Urban growth has become more unbalanced as developed states and class I cities, with strong economic base, raising resources through institutional borrowing and innovative credit instruments, have successfully attracted population as also economic activities. There, however, has been a modest decline in their population growth but that can be credited largely to fertility decline.

The small and medium towns with population below 50,000 have on an average grown at a relatively slower pace. In the backward states, however, these had exhibited rapid growth, similar or even higher than that of the class-I cities during sixties, seventies and eighties. Detailed empirical analysis reveals that the demographic growth in these towns was not backed up by manufacturing\ commercial activities or infrastructural facilities in these states (Sivaramakrishna 2005). Rural poverty, stagnant agriculture, absence of sectoral diversification etc., therefore, were the factors in explaining their demographic growth. Importantly, during nineties, these (Census) towns have experienced significant deceleration in their demographic growth. Even their number has gone down during 1991-01 which signifies some sort or urban crisis in the context of development dynamics in the country.

Further analysis of migration data reveals that economic deprivation is less of a factor in migration, both in rural and urban areas. There is a sharp decline in the percentage of persons reporting economic factors as the reason for mobility in recent
years. As many as 36 per cent of the migrants of less than one year duration, among rural men have reported new/better employment or transfer as the reason for their migration decision in 1983 and it came down to 25 per cent only in 1999-00. An identical pattern is observed in urban areas as well. The above, however, is not clinching evidence that economically better off people are more likely to migrate to advantage new economic opportunities elsewhere, since the reported expenditure levels reflect the post migration situation. One can stipulate that the migrants have moved to higher consumption expenditure category after or because of their mobility. However, such post migration upward movement may not be high so as to render the hypothesis that the people in high expenditure categories are more likely to migrate, invalid.

The persons who have gone to any other place for 60 days or more during the last six months from the date of survey and returned back may be termed as seasonal or short duration migrants. A large section of them in urban areas could be those who are adopting coping strategies or making temporary shifts in lean seasons for livelihood and survival. One would then specify a positive association of seasonal migrants with poverty. Alternately, seasonal migration can be attributed not to push factors but to short duration transfer of regular workers, temporary posting of marketing and extension workers etc. Interestingly, migration pattern shows that poverty is not the key factor behind seasonal migration in urban areas. Indeed, this mobility is not very high among the poor when compared to middle class households. The bottom 40 per cent of the population accounts for only 29 per cent of the total seasonal migrants. The share of the third quintile is, however, 29 per cent, much above its population share. These suggest that even such short term opportunities are taken more by the well off sections in urban areas.

Migration rates for Scheduled Castes (SC) and Scheduled Tribes (ST) are around 20.4 per cent in rural areas in 1999-00. The rate for the remaining segment of the population is about 25 per cent. One would infer that poverty and immiserisation, often linked with SC, ST and other backward castes, have not led to massive push factor migration.

A large section of Urban-Urban migrants are mobile due to transfer of jobs, business trips and availing better employment opportunities and hence has the least poverty, less than even the non-migrants. Rural-Urban migrant category which has a significant proportion of socially and economically displaced persons understandably reports a high incidence of poverty (Kundu and Sarangi 2006). Poverty among urban households classified by the number of members reporting migration brings out yet another dimension of social dynamics. It is evident that the poorest households are
those that send one or a few of their members to other destinations. However, the entire household shifts to a new place when the in-migrant belongs to economically better-off strata. These households are in fact more affluent than the non-migrant households as the incidence of poverty here is the lowest.

**Percentage of immigrants** in different employment categories reveals an interesting pattern. Poverty among the salaried persons and those in regular employment is the lowest which is understandable. The next lowest figure is reported, not very surprisingly, by the unemployed persons. This is a reflection of the capability of these persons to stay out of the labour market (linked to their assets, savings etc.) as they can afford to wait for appropriate jobs. Casual workers report the highest level of poverty. The next highest poverty figure is recorded by the persons classified as others, comprising largely those outside labour force.

The relationship between incidence of poverty and levels of education for RU and UU migrants and non-migrants the probability of falling below poverty line declines monotonically with increase in level of education, for all the three categories. However, the curve for the non-migrants is above that of the other two categories. One would note a higher incidence of poverty among the locals than the RU migrants which again is higher than UU migrants, for all levels education. Impact of education is seen as positive in all city sizes.

Recent data suggest that the country is coming out of the jobless growth syndrome (NSSO 2001 & 2006). The employment rates by usual (principal) status in 15-59 age groups have gone up both for men and more for women during 1999-04. New employment opportunities are coming up within affluent domestic sector as also select industries and regions/urban centres that are linked to global market. While poor constitute a segment among the migrants, a substantial number of them belong to the middle and high income categories that are able to grab the new opportunities. This improved employment opportunities, nonetheless, has not restored the workforce participation rates (WPR) to the level of 1993-94 for men. In case of women, however, the WPR in 2004-05 are higher not only than those of 1999-00 but also than that of 1993-94.

The overview suggests that the employment trend during last five years (1999-04) is disturbing, particularly in case of urban India. This can be linked with the fact that the annual rate of decline in urban poverty has been significantly below that in rural poverty (Himanshu). The rate of decline has been estimated to be lower in case of urban areas during the entire decade 1993-2004 than rural areas but the gap between the two rates is very high during the later half. One must look at urban
employment scenario by considering the small medium and large cities separately. It is indeed true that large cities have successfully attracted infrastructural and industrial investment during the past decades of structural adjustment and thereby recorded reasonably high growth in employment. Poverty levels in large cities, however work out to be very low – about half compared to smaller towns. It may also be noted that the share of casual employment, which has a high incidence of poverty, has gone down in urban areas, being replaced by increase in self employment for men and women and regular employment for women. The new employment opportunities are however being taken by skilled and semi skilled persons. Employment for persons up to secondary as also higher levels of education has gone up significantly with a corresponding decline in their unemployment rates.

Understandably, a large segment of migrants in urban centres comprises not of destitute or economically and socially displaced persons, moving from place to place as a part of their survival strategy. In fact, the percentage of migrants declining over time and their economic and social status being better than that of non-migrants and even improving over time, reflect barriers to mobility for the poor. With growing regionalism, service provision being based on market affordability, changes in skill requirements in urban labour market etc., the emerging productive and institutional structure have become hostile to poor newcomers. The migration process has become selective wherein unskilled labourers are finding it difficult to access the livelihood opportunities coming up in developed regions and large cities.

6.2.3 Globalisation and Migration

One of the important channels through which economic activity influences a social system, thereby forcing the social variables to readjust themselves is the channel comprising of people. Migration and urbanisation are direct manifestations of the process of economic development in space, particularly in the contemporary phase of globalisation. Understanding the causes and consequences of the former in terms of the changes in the distribution of population and economic activities needs to be studied thoroughly to understand the consequences of globalisation and particularly the course of globalisation.

Globalisation is a master concept with many undercurrents some of which are aggressive in their effects. Globalisation recognises comparative advantages as the theme of development felicitated by capital from whole world. It means development widespread enough to reach out to everyone but on other hand data shows economic development in its course increases social mobility and promotes urbanisation.
In Indian context there has been observed an interesting phenomena. Globalisation has effected migration adversely even though data shows marginal increase in migration but the methodology of data collection has been widely questioned by various leading authorities on subject like Kundu. Urbanisation or the top route of migration from rural to urban has without any doubt increased in India. Secondly there has been change in perspectives of urbanisation such that master plan has projected targeted development of rural India in such a manner that fruits of urbanisation reach them and people in rural India are not forced to leave rural India to enjoy actual urbanisation.

Globalisation is expected to influence the Migration and Urbanisation in India in following manner

Urbanisation will spread out towards the towns in economic perspectives such that cities will be able to afford larger populations on their own which in other words means increased urbanisation. Development of the mega cities like Pune, Hyderabad and Meerut etc are pointer in their direction. This trend is expected to further pick up the momentum and real estate development through private public participation would further accelerate urbanisation especially Top-End Migration.

Globalisation it is hoped would take away the stress from global cities like Delhi Mumbai as urbanisation would spread out towards regions classified as cities but not cities in economic perspectives.

Migration especially Forced Migration would further decelerate because of the pervasive trickling down effect of globalisation but may take a little longer than expected. It would affect the labour market adversely as surplus labour advantage would vanish such that industry would have to spread out as India has never been a land where migration has been promoted as survival strategy.

Further the phenomena of temporary migration which is result of people moving out because of prospects of education health and even earning would further go down as result of better transport and communication facilities.

Understanding Migration, Urbanisation and Globalisation: - Like in most of the DCs mobility of population is linked to:

- Stagnation and instability of agriculture.
- Lack of sectoral diversification within agrarian economy.
These two factors have directed the show of migration and urbanisation in India. The growth rates in agricultural production and income has been noted to be low, unstable and unequal across regions over the past several decades, resulting in lack of livelihood opportunities in rural areas. A low rate of infrastructural investment in public sector in the period of structural adjustment - necessary for keeping budgetary deficits low – also have affected agriculture adversely. This has led to out-migration from several backward rural areas, most of the migrants being absorbed within urban informal economy. It has not affected the lowest class of people rather it has affected the upper rural class the most who found no other way to escape the choking stagnancy. It gives especial colour to the migration especially urbanisation in India such that urbanisation in India is not merely forced but voluntary where people move towards urban centres for prospects of growth and better earnings. This has created a class of people which was the foundation of service sector in India.

Truth is migration as result of there is no other alternative the TINA factor has gone down over the decades since independence. Welfare policies and growth of agriculture and returning underemployment has checked large scale migrations in India along with other social factors.

**Globalisation promotes** global identity and should therefore dissolve away the political cultural identity perspectives especially the aspects which approach regionalism in India. It has to be seen differently namely: -

- The global aspirations.
- The bulwark phenomena.

When any culture is given stimulus which may disturb the existing culture the culture tries to save itself and at times even violently and this is known as bulwark phenomena. With dawn of globalisation regionalism has seen unprecedented rise and reason of course only one of them has been globally aspired desire to save ones culture and save it dynamically. Along with passage of time this tendency seems to go down. These two problems has further restricted the mobility in society and has given rise to a host of other problems

As we have already mentioned, globalisation affects many undercurrents and in case of India, has followed a somewhat disturbing course of economic development. In this regard it can be asserted like industrialisation globalisation too has a dirty phase and so does the urbanisation. Because if seen correctly it cannot be denied that globalisation is pervasive industrialisation.
During the inactive phase of globalisation and liberalisation which is since the start of the process somewhere seventies till 90’s the result were not really at all encouraging. Migration and urbanisation remained low and if at all in some regions it did follow a rapid pace it was because of other socio-political factors like terrorism in Punjab which resulted in influx of people in Delhi from Punjab.

This period can be characterised as:

- Stagnation in Agricultural growth in totality as well from individual perspectives because of the factors ranging from stabilisation of production which boomed as result of green revolution and provisions like land ceiling which hindered growth of the individual farmers.
- Approach of industrialised and mechanised means of production resulting in phenomena of transitional unemployment.
- Lack of economic infrastructure in cities which further checked the migration.
- Poor policy formation and implementation which hindered the process of urbanisation.

6.2.4 The second phase of Globalisation ‘Adjustment and Stabilisation’

Second phase of globalisation can be considered to be active phase of globalisation as during this phase the economic scenario started to change at greater pace. During this phase the economical growth started to challenge the infamous Hindu Growth rate and prospects were even brighter.

But this phase resulted in the phenomena of uneven economic growth the principle of comparative advantages lead to the situation where over all scenario in Punjab and Haryana matched that of a middle income country and the scenario in other states like Madhya Pardesh and Orissa was worse than sub-Saharan regions.

The imbalance growth as result of this phase of globalisation was because of the many reasons some reasonable and predictable and others peculiar to Indian scenario only.

Globalisation is like an advantage and will follow the top to bottom route along with principle of comparative advantages. Capital that arrived as result of globalisation found not the poor hands but the rich Indian hands. The comparative advantage which India could have utilised was reasoned to be surplus labour and East Asian tiger’s model of globalisation was talked about. But actually as it has been discussed in the chapter titled the extinction and social groups the comparative advantage that
India had was slightly different not surplus of labour but semiskilled labour one that was particularly suited for service sector employees.

The result is globalisation has led to uneven growth pattern and development such that economic growth in certain regions especially regions around global cities has seen rapid urbanisation and others have remained at the same level of urbanisation. Globalisation the trickledown effect of economic development and some socio-political factors are responsible factors like:

- Hostile political environment.
- Law and order problems.

Some states have adopted globalisation and liberalisation in fuller measures where as others have been aggressive and paid merely a lip service. There is other side too some regions in India face law and order problems widespread-enough to stall economic development as such like naxalism.

Economic disparity in a developing economic system leads to seemingly equalisation phenomena through migration of people. People migrate for the obvious reasons of employment and better opportunities and the migration is forced as well voluntary as the top migrates for the better opportunities and disadvantageous groups migrate for the employment there by furthering the imbalance. Capital and labour both tend to migrate when migration results from imbalance in economic development. There comes around recession like situation such that there is high unemployment and still low wages leading to underemployment. India it is expected would pass through this phase in near future. There would be widespread labour shortage and there would high level of unemployment because the labour and development would take antagonistic routes which means where labour would available development would not be. Rajasthan, Jharkhand, Orissa etc are regions with most labour surplus and least development. Migration remains as only equalising channel and it would have to be promoted along with promotion of development of these regions where underemployment is out of control. In this context interesting fact is failure of SEZ policy that was actively promoted by Indian govt but failed to yield any results except in Gujarat.

Large chunk of migration and urbanisation in India have been largely forced migrations largely because of the negative or retarded agricultural growth and change in complexion of farming practice especially in prosperous states and resultant unemployment. This resulted in problem of rapid urbanisation in a few regions and on other hand displacement of labour force from rural economy and their absorption in
urban sectors have created vacuum in traditional sector and stress in receiving regions as well. The problem have acquired severity as migrants have shown high selectivity in choosing their destinations (understandably linked with availability of employment and other opportunities), leading to regionally unbalanced urbanisation as also distortions in urban hierarchy.

One must however point out that the technological shift from cheap labour based modes of mass production to knowledge based system is likely to bring down the demand for migrant workers, particularly of unskilled labour force and decelerate urbanisation. Given this emerging scenario, one would ask “Is indeed the scale of migration and urbanisation very high and alarming?” The rates of urbanisation have already declined in many parts of the world, much more than what can be attributed to decline in natural growth in population. While it is true that the share of natural growth in incremental urban population would decline even the rate of RU migration is likely to decelerate in future years. Most of the mega cities have grown at a rate much below what was projected by UN organisations. Migrants are often noted to be better off and relatively skilled than those left behind implying that the unskilled peasantry is finding it increasingly difficult to put a foothold in the urban centres in the present globalising environment. Migration to the large cities that have global linkages has become relatively more difficult as persons need access to information, market friendly skills and “some sort of bank roll”. The implications of the deceleration in the rates of migration and urbanisation need to be analysed in the context of both sending and receiving regions.

It would be important to look at migration not always as a negative phenomenon - reflecting misery and lack of livelihood opportunities in the out migrating regions and absence of basic amenities and health hazards in in-migrating regions. It needs to be seen also as an opportunity being taken up by people to improve their socio-economic conditions. There are evidences that this is currently being taken up by skilled and better off sections. A large number of science and technology personnel in backward regions are locating themselves in a handful of cities and developed regions, analogous to the trends and pattern in international migration. While a section of the elite and highly skilled persons are “increasingly enjoying “benefits of migration, barriers to poorer migrants are increasing.” It should be possible to “use urban dynamics to help reduce poverty” and make migration an instrument in the strategy of poverty alleviation and hence be incorporated into a programme. It is important to harness the potential of migration in the context of growth and poverty alleviation.

The argument that poor constitute a large majority of rural urban migrants and consequently account for much of the incremental urban population is not borne out
with the recent data in the Indian context as most of the million plus cities report significant decline in the level of poverty, much more than in small towns. Migration and urbanisation must also be looked in the context of emergence of global cities, many of which have acquired vibrancy in recent years by establishing linkages with national and international market. It is argued that the process of urbanisation in India, as in other developing countries, is being determined by macro economic factors at national and global levels and is not strongly linked to the developments in rural economy. The strategy of economic reform and globalisation has given a boost to growth of industries and business in these global cities, resulting in inflow of capital from outside the region or country as also investment by local entrepreneurs. Given this perspective, it would be important to consider policies to harness the potential of migration in these and other urban centres for promoting a balanced settlement structure, ensuring equity and sustainability in development process.

**Prospects:** - Globalisation has opened up possibilities of resource mobilisation for large cities by strengthening their internal resource base and enabling them to attract funds from global capital market and institutional sources. Towns and cities with “fewer human, financial and technical resources at their disposal” and “capabilities for planning and implementation” need to be at the focus of concern. There is need for development of strategies to develop the potential of people channel of globalisation and development and further accelerate the growth and development.

There is need for re-looking at problems faced by migrants and especially the lower class majority of who constitute what is termed as surplus labour advantage, the human resource and like any other resource it has to be used efficiently and effectively to achieve the desired growth.

- Working conditions.
- Living conditions.

Research undertaken in this regard points to inhuman working conditions and living rising cost of living in cities which has risen sharply but not in relation to wages. Development of security systems and apparatus financial humane and social security needs to be taken urgently in this regard. Only through development of this sector the poor would be able to be directly linked to globalisation and reap the fruits which would take otherwise long to reach them.

India is liberal democratic society where Chinese model is simply not sustainable such that only incentive model can work. Migrants must have access to
better prospects earnings and infrastructure only then migration will be undertaken readily and labour problems would not arise.

## 6.3 International Migration and Globalisation

Historically migrations have interfered with economic system and most of the times have harmed the prospects and so it had been until first attempt at integration of glob was attempted. Commonwealth of Nations had an idea about the importance of migration and its inevitability. Political barriers present since the dawn of modern era have ensured that developed nations opposed migration or pursued selective migration.

**Migration of people from Developing Countries (DCs):** - The DCs to developed world or the world offering employment opportunities in today's world in the era of globalisation seems not to have benefited from globalisation. At present scenario economic pressures for migration are strong and growing but legal migration is highly restricted. Simple truth remains that compared to 100 years ago, the world are much less globalised when it comes to labour flows. Let us look at the migration policies of a number of OECD countries, starting with the largest economy, the United States. The United States had an extremely open policy in the late 19th and early 20th centuries, and large flows of immigrants, primarily from Europe. As a vast country with a lot of room to absorb newcomers, the United States also attracted capital flows throughout much of this period, which meant that high levels of migration went hand-in-hand with high and rising wages. However, by the time of the First World War and the early years afterwards, immigration had become a controversial subject in the United States. There was political mobilisation against immigrants and a sharp shift in U.S. policy. The change in policy can be seen clearly in the sudden decline in the number of immigrants entering the country. After several decades of relatively restrictive migration, policies began to ease in the 1970s and especially the 1980s and led to an expanding volume of immigration. In contrast to the largely European immigration of the 1870–1910 waves, contemporary immigration into the United States comes largely from Latin America and Asia. As a result, the foreign population comprised 10 percent of the U.S. Population in 1998 and a somewhat larger share of the labour force (reflecting the fact that most migrants move in order to work). If one adds in the estimated 5 million undocumented workers in the Unites States, then migrants make up about 12 percent of the U.S. Population. U.S. Immigration policies are quite complex. Some of these shortages in the U.S. economy are in high-tech fields, leading to selective immigration of highly skilled engineers and medical professionals. But other shortages are in low-skilled areas (73 percent of all
workers employed in crop production are immigrants), allowing immigration of unskilled workers from developing countries.

In most of the rich countries, policies openly discriminate in favour of educated immigrants, encouraging so-called "brain drain" from the South. Recent Japanese economic plans, for example, note the policy of readily accepting foreigners possessing technological expertise but discouraging immigration of low-skilled workers. European policies generally aim to address labour shortages in high-tech and service industries. Because immigration is very attractive economically and also highly restricted, there is naturally growing illegal immigration and trafficking in human beings. For the United States, there is an estimated net inflow of about 300,000 undocumented workers per year. But that figure is for the net increase in the stock of undocumented workers. Many more cross temporarily into the United States. In 1999 U.S. authorities apprehended 1.5 million illegal immigrants along the Mexican border. The great majority sent back to Mexico attempt to cross again within 24 hours.

Illegal migration into the EU has soared ten-fold in the 1990s, from an estimated 50,000 per year in 1993 to half a million in 1999. This illegal trade in people has become big business, with estimated revenues of $10-12 billion per year. Smugglers are charging as little as $500 for a short hop across a single border (for example, Morocco to Spain). The price for a complex journey—for example, from East Asia to Western Europe—can go as high as $70,000. Illegal immigrants are vulnerable to exploitation. Bolivians trying to enter Argentina, for example, must carry at least $1,500 (an attempt to distinguish tourists from undocumented workers). Not surprisingly, a new market has sprung up in which Bolivian migrants can borrow the $1,500 for one hour to cross the border—for a fee of 10 percent (Stalker 2000). The pressures for migration of unskilled workers will become even stronger because of demographic factors. Each year, 83 million people are added to world population, 82 million of them in the developing world. Population pressures affect wages and hence migration, in the sensitive direction. Higher rates of population growth, other things equal, are associated with more out-migration. Most of the increase in the working-age population in the next 15 years will occur in South Asia and Sub-Saharan Africa, the two regions in which poverty is currently concentrated. At the same time, the working-age population in Western Europe and Japan will decline, given current birth rates and immigration policies. In Japan and the EU, the ratio of workers to retirees will decline from five to one today to three to one in 2015, without greater migration, putting a damage on social security systems. Potentially, there is mutual economic benefit in combining the capital and technology of the OECD economies with labour from developing countries. To some extent that can occur through flows of capital and production to developing countries. But we have emphasised above geographic
factors that make it unlikely that capital flows and trade will eliminate the economic foundation for migration. Too many locations in the developing world have poor institutions and infrastructure that will not attract production, plus some of the existing production networks in the industrial countries are too deeply rooted to move (for example, Silicon Valley and its links to nearby universities).

Institutional and policy reform and infrastructure investments in lagging developing countries could address the former concern and reduce, though not eliminate, economic pressures for migration. Migration is the most under-researched of the global flows. As a result, caution should be taken while drawing conclusions about the effect of migration. But it seems that out-migration can benefit developing countries, especially if migration policies stopped discriminating in favour of highly skilled workers, leading to the “brain drain” effect. Suppose that there were more freedom for both unskilled and skilled workers to migrate from South to North. The outflow of unskilled migrants would benefit sending countries by raising wages for those who remain behind and by generating a flow of remittances. The outflow of more skilled workers would also generate remittances and is likely to have spill over effects on trade and investment between sending and receiving countries. In the rich countries, this migration will reduce wages of unskilled workers from what they would otherwise. But keep in mind that the demographic trends in rich countries will lead to rising relative wages for unskilled labour in the absence of more migration.

6.3.1 Migration, DC’s, and Globalisation

Developing countries have traditionally seen migration as a problem that is approximated to the concept of brain drain. It meant DC’s would mobilise its resources for skill and human development and the result would migrate to rich countries. In India, the majority of Doctors that AIIMS produced and majority of engineers that IIT’s produced went on to migrate to US and European countries. On the other hand, unskilled workers even semi skilled workers found it extremely hard to migrate to the developed nations. The long queues outside embassies of developed world in Delhi would have pointed out the pressure on people to migrate and on other hand the problems faced by those choosing to migrate. It cannot be ignored that globalisation the process as such owes a lot to these people who had migrated and sent back the remittances which was the largest part of the FDI India received especially during early nineties.

Brain drain is a complex problem which has to be analysed. Educational policies, low economic growth rates, and lack of avenues to take up high skilled workers are the major factors responsible for brain drain and without doubt the
immigration policies of the developed world. What really needs to be seen is why did the advantage the skill development actually went on to harm the developing economies. Wage disparity between developing world and developed world is of course reason but not the only reason. During early eighties in India roughly one third of engineering graduates were unemployed and underemployed such that economy as such wasn’t utilising their skills.

**Improving the International Architecture for Integration**

Let us look at the migration policies of a number of OECD countries, starting with the largest economy, the United States. The United States had an extremely open policy in the late 19th and early 20th centuries, and large flows of immigrants, primarily from Europe. As a vast country with a lot of room to absorb newcomers, the United States also attracted capital flows throughout much of this period, which meant that high levels of migration went hand-in-hand with high and rising wages. However, by the time of the First World War and the early years afterwards, immigration had become a controversial subject in the United States. There was political mobilisation against immigrants and a sharp shift in U.S. policy. The change in policy can be seen clearly in the sudden decline in the number of immigrants entering the country. After several decades of relatively restrictive migration, policies began to ease in the 1970s and especially the 1980s and led to an expanding volume of immigration. In contrast to the largely European immigration of the 1870–1910 waves, contemporary immigration into the United States comes largely from Latin America and Asia. As a result, the foreign population comprised 10 percent of the U.S. population in 1998 and a somewhat larger share of the labour force (reflecting the fact that most migrants move in order to work). If one adds in the estimated 5 million undocumented workers in the United States, then migrants make up about 12 percent of the U.S. Population. U.S. Immigration policies are quite complex. Some migrants are allowed in to fill specific labour needs.

### 6.4 Impact of Globalisation on Migration

When reviewing the impact of globalisation on migration, the first observation is that the recent globalisation process has been accompanied by far less international migration than at any other time in world history. There is also no doubt that the limited migration is due mostly to constraints set in industrialised countries’ immigration laws. Thus, compared with earlier large-scale migrations, today’s migration process is far more selective in countries of both emigration and immigration. The comprehensive analysis by Stalker (2000) concluded in this regard that some traditional migration channels, particularly those from Europe, have dried
up, while many new ones are being created, notably in south-east Asia. The *World Development Report 1995* has shown that today’s migrants come increasingly from poor countries.

Second, as Solimano (2001) has pointed out, today’s globalisation process is less friendly to the international migration of unskilled people than were previous waves of globalisation. This aspect of migration (whereby the best educated emigrate) has long been known and is commonly referred to as the “brain drain”. There is broad agreement that emigration has a very negative impact on labour supply in some developing countries, especially as most of the emigrants belong to the most productive and best-educated section of the labour force. For example, Adams (2003) concludes that a large part of the best educated emigrate from the five Latin American countries located close to the United States (Dominican Republic, El Salvador, Guatemala, Jamaica and Mexico).

On the other hand, sending countries benefit from migration because of the remittances migrants send back to their country of origin. The World Bank’s publication *Global Development Finance 2003* has a good section on remittances, showing that for the top 20 developing-country recipients of development finance, in 2001 the share of workers’ remittances in GDP varied from 7 per cent (Sri Lanka) to 37.4 per cent (Tonga) (World Bank, 2003a). Though these remittances improve the living standards of the receiving families, they contribute little to the sending countries’ development and, thus, the emigration of the best-educated and most productive workers remains a problem, especially in the poorest countries.

A variety of issues relating to the migration of people in a global economy are also addressed in three contributions to Baker, Epstein and Pollin (1999). Nayyar (2002) uncertainly concludes that the time has come to initiate moves towards a new institutional framework to govern cross-border movements of people.

### 6.5 Tourism

Migration is social activity influenced by economic activity where as tourism is strictly speaking an economic activity but is amply influenced by social and cultural factors. Tourism can be studied from the perspectives of economics, sociology and international relations. While each of these perspectives yields knowledge about different aspects of the phenomenon, they are of no comfort to a policymaker whose business consists of finding most favourable relationship between the objectives outlined and these perspectives. In a way, managerial analysis presumes information on these accounts economic, social and international and seeks further information on
possible product mixes or strategies for growth. This emphasis on relevance is more important in the case of under-developed or developing economics that have to start from a scratch and build a tourist base in accordance with a definite policy.

In any policy decision regarding tourism, the consumer must first be separated from the total existing and possible sets of others in order to determine the actual size. This facilitates the measurement of intended results and unintended consequences. Obviously, the intended results and unintended consequences are to be conceived in terms of the objectives outlined. Further, the results and consequences are to be made compatible with the input to the enterprise. Each set of these questions must be viewed in its historical context before it is viewed with its contemporaries.

Singling out the consumer called 'tourist' from the wider set of consumers called 'travellers, with whom they are tangled, is a difficult business since it involves isolation of motives of travel. Man's motives for travelling have always been mixed. No single factor can explain the total motivational pattern although for practical purposes one can pinpoint the predominant motive. Across time, in a visitor's bag of motives, certain packages have shrunk while others have become enlarged.

The first traveller, who wandered with his movable house in search of food and shelter from one place to another, must have been struck by the variations of ecology. This must have been a pleasant experience for him. The shift from unintended pleasure out of travel to travelling exclusively for pleasure constitutes the history of tourism, which is closely related to man's economic growth, cultural and political development. Once the man had settled on the land or found a place under the sun, which he called his home, movement from that to any other place brought out the meaning of travel into the open. To this day, in all statistical tables and computations dealing with tourism, the tourist's permanent place of residence is considered a significant factor.

Tourism is the largest export industry in the world. International tourism is the largest single item in the world's foreign trade and for some countries it is already the most important export industry and earner of foreign exchange. The impact of tourism on national economies is becoming increasingly important today because of the growing size of the tourist market. It is recognised so by the World Bank and the World Tourism Organisation. 27 September has been earmarked as World Tourism Day. India has been striving to get some share of this industry.

Tourism is the world's largest export industry today. According to World Tourism Organisation international tourist traffic in 1997 was 613 million which
generated receipts of about US $444.0 billion. It is estimated that tourism accounts for about 8 percent of the total world exports and more than 30 per cent of international trade in services. It is also estimated that travel and tourism provide employment to 212 million peoples directly or indirectly accounting for about 10.7 percent of the global work force.

There has been a global tourism boom in recent times. Tourism receipts have registered a higher growth than that of world export in services and merchandise exports. The world tourist traffic increased by 3 per cent during 1997 and the regions which benefited the most were Africa with an increase of 9.2 percent and South Asia with a growth of about 4.9 percent. It is projected that the international tourist traffic will increase to about 1602 million by registering a growth of about 4.3 percent during the period up to 2020. The South Asia Region including India is expected to record a higher growth of 6.1 per cent.

Tourism in India "We must welcome these friendly visitors from abroad for economic reasons for tourism brings foreign exchange, but even more so because this leads to greater understanding and mutual appreciation. There is nothing that the world needs today than this mutual understanding."

-Jawaharlal Nehru

India is known for its lavish treatment to all visitors, no matter where they come from. Its visitor-friendly traditions, different life styles and cultural heritage and colourful fairs and festivals hold abiding attractions for tourists. The other attractions include beautiful beaches, forests and wild life and landscapes for eco-tourism, snow, river and mountain peaks for adventure tourism, technological parks and science museums for science tourism; centres of pilgrimage for spiritual tourism; heritage trains and hotels for heritage tourism. Yoga, ayurveda and natural health resorts also attract tourists. The Indian handicrafts particularly, jewellery, carpets, leather goods, ivory and brass works are the main shopping items for foreign tourists.

Tourism development in India has passed through many phases. At Government level the development of tourist facilities was taken up in a planned manner in 1956 coinciding with the Second Five Year Plan. The approach has evolved from isolated planning of single unit facilities in the Second and Third Five Year Plans. The Sixth Plan marked the beginning of a new era when tourism began to be considered a major instrument for social integration and economic development.

It was after the 80's that tourism activity gained momentum. The Government took several significant steps. A National Policy on tourism was announced in 1982.
Later in 1988, the National Committee on Tourism formulated a comprehensive plan for achieving a sustainable growth in tourism. In 1992, a National Action Plan was prepared and in 1996 the National Strategy for Promotion of Tourism was drafted. The draft policy recognised the role of Central and State governments, public sector undertakings and the private sector in the development of tourism. The need for involvement of Panchayati Raj institutions, local bodies, non-governmental organisations and the local youth in the creation of tourism facilities, has also been recognised.

The other major development that took place was the setting up of the Indian Tourism Development Corporation in 1966 to promote India as a tourist destination and the Tourism Finance Corporation in 1989 to finance tourism projects. Twenty one government-run hotel management and catering technology institutes and 14 food craft institutes were also established for imparting specialised training in hotel management and catering.

Domestic tourism is as old as the Indian society. It plays a very important role in achieving the national objectives of promoting social and cultural unity and national integration. Its contribution to generation of employment is very high. With the increase in income levels and emergence of a powerful middle class, the potential for domestic tourism has grown substantially during the last few years. During 1999 about 175 million domestic tourists made visits outside their places of residence. Thus, it has emerged as an instrument for employment generation, poverty alleviation and sustainable human development.

The growth of inbound tourism since Independence has been quite impressive. It was around 17 thousand in 1951. It has grown substantially over the last three decades. Foreign tourist arrivals during 1999 were 24,81,928. Foreign tourist arrivals in the month of August 2000 registered an increase of 5.3 per cent over the corresponding month last year. Foreign exchange earnings from tourism during August 2000 also registered an increase of 8.3 per cent over August 1999. It was Rs.1060.22 crore. Up to August 2000, total earning was Rs.8872.40 crore, 8.1 per cent higher than the corresponding period of previous year. Tourism contributed Rs.24,241 crore during 1998-99 towards country’s Gross Domestic Product. Tourism has thus become the second largest net foreign exchange earner of the country.

Some of the initiatives taken by the Government to boost tourism include grant of export house status to the tourism sector and incentives for promoting private investment in the form of Income Tax exemptions, interest subsidy and reduced import duty. The hotel and tourism-related industry has been declared a high priority industry
for foreign investment which entails automatic approval of direct investment up to 51 per cent of foreign equity and allowing 100 per cent non-resident Indian investment and simplifying rules regarding the grant of approval to travel agents, tour operators and tourist transport operators. The Government has so far approved 389 tour operators, 298 travel agents, 240 transport operators and two adventure tour operators. With a view to attract more tourist charter flights to India, the system of granting clearances has been liberalised. A new air-conditioned rake of Palace on Wheels train has been fabricated and has become operational in Rajasthan. Another special tourist train Orient Express has been introduced in Gujarat sector and a few more in the private sector are likely to be introduced.

During the Golden Jubilee celebrations of India as a Republic, the Ministry of Tourism made special efforts to publicise the tourism potential of India. Planning Commission has approved a Plan outlay of Rs.793.75 crores for the Ministry of Tourism for the ninth plan period. The Year 1999 was celebrated as Explore Indian Millennium Year. A special calendar of events has been formulated for highlighting contributions to Millennium events by various places in all the State.

**Focus on North-east**

The seven sister states of North-east - Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland and Tripura - form part of the East Himalayan region which extends from Sikkim eastwards and embraces the Darjeeling Hills of West Bengal. The location of the region is strategically important as it has international borders with Bangladesh, Bhutan, China and Myanmar.

The rich natural beauty, peacefulness and exotic flora and fauna of the area are invaluable resources for the development of eco-tourism. The region is endowed with diverse tourist attractions and each state has its own distinct features. The attractions are scattered over the entire region and are largely located in remote areas within highly fragile environments. These attractions and the people of the region constitute the tourism resources at large.

Union Government attaches great importance to the development of tourist infrastructure in the North-east region in view of immense tourist potential of the region. Tourism has been identified as one of the most important segments, which could accelerate developmental activities in this area. The thrust has been on development and up gradation of various tourist facilities namely tourist accommodation, wayside amenities, budget adjustments, beautification and refurbishment of historical monuments/monasteries etc. Ministry of Tourism has
taken a number of steps to promote and develop tourism in the region. These include opening of Indian Institute of Tourism and Travel Management at Guwahati; setting up of fully fledged Institute of Hotel Management and Catering Technology at Shillong. Restrictions under the Restricted Area Permit regime have been completely withdrawn from May 1999 from Assam, Meghalaya and Tripura; relaxations are given for recognition of travel agents, tour operators and tourist transport operators. North-east States are given a special focus in the marketing conference of overseas offices of the Ministry and India's all overseas outlets are giving due publicity to these states for the promotion of tourism in the region.

During the year 1998-99, Ministry of Tourism sanctioned an amount of Rs.35.63 crore to North-east States for various developmental activities. Under the scheme for grant of Central Financial Assistance to State governments, ten per cent of budget allocation is earmarked for development of tourism in North-east. In order to have better and close monitoring and supervision of tourism activities being undertaken in this region, the government has upgraded the status of Tourist Office at Guwahati.

**Kashmir, a Tourist Legend**

The Kashmir valley is perhaps the single most famous part of the Indian Himalayas. Kashmir is a seemingly impossible tourist line. To the south, below the outer hills, lies the district of Jammu. To the northeast, lies the stark and beautiful district of Ladakh. The beauty of Kashmir is legendary.

According to geologists, Kashmir was earlier a huge lake called the Karewa, which was formed by the blocking of the Jhelum River by the rising Pir Panjal range in one of the periodic phases of Himalayan uplift. The waters of the Karewa were drained, leaving behind the valley of Kashmir.

The joint efforts put in by the Jammu and Kashmir government and various agencies connected with the tourism industry have resulted in a tremendous increase of tourist arrival during this season. About two lakh tourists have arrived in Kashmir so far through organised tours and four to five lakh tourists are expected to visit the Valley during 2000-2001. The State Government has earmarked a substantial relief for the current fiscal year to give fillip to the tourism industry.

India has a vast potential for generating employment and earning large sums of foreign exchange besides giving a fillip to the country's overall economic and social development. But much more remains to be done. Since tourism is a multi-dimensional activity, and basically a service industry, it would be necessary that all
wings of the central and state governments’ private sector and voluntary organisations become active partners in the effort to attain sustainable growth in tourism, if India is to become a world player in the tourist industry.

6.5.1 Statistics of In and Out Bound Tourism in India

Table 19 : Number of Foreign Tourists in India
(Month/Year wise) 2001 – 2006

<table>
<thead>
<tr>
<th></th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>283750</td>
<td>228150</td>
<td>274215</td>
<td>337345</td>
<td>385977</td>
<td>459489</td>
</tr>
<tr>
<td>February</td>
<td>262306</td>
<td>227529</td>
<td>262692</td>
<td>331697</td>
<td>369844</td>
<td>439090</td>
</tr>
<tr>
<td>March</td>
<td>248965</td>
<td>225558</td>
<td>218473</td>
<td>293185</td>
<td>352094</td>
<td>391009</td>
</tr>
<tr>
<td>April</td>
<td>185338</td>
<td>155378</td>
<td>160941</td>
<td>223884</td>
<td>248416</td>
<td>309208</td>
</tr>
<tr>
<td>May</td>
<td>151098</td>
<td>132998</td>
<td>141508</td>
<td>185502</td>
<td>225394</td>
<td>255008</td>
</tr>
<tr>
<td>June</td>
<td>176716</td>
<td>143100</td>
<td>176324</td>
<td>223122</td>
<td>246970</td>
<td>278370</td>
</tr>
<tr>
<td>July</td>
<td>224432</td>
<td>186432</td>
<td>225359</td>
<td>272456</td>
<td>307870</td>
<td>337332</td>
</tr>
<tr>
<td>August</td>
<td>196517</td>
<td>161477</td>
<td>204940</td>
<td>253301</td>
<td>273856</td>
<td>304387</td>
</tr>
<tr>
<td>September</td>
<td>162326</td>
<td>151721</td>
<td>191339</td>
<td>226773</td>
<td>257184</td>
<td>297891</td>
</tr>
<tr>
<td>October</td>
<td>181605</td>
<td>212191</td>
<td>260569</td>
<td>307447</td>
<td>347757</td>
<td>391399</td>
</tr>
<tr>
<td>November</td>
<td>209685</td>
<td>243566</td>
<td>290583</td>
<td>385238</td>
<td>423837</td>
<td>442413</td>
</tr>
<tr>
<td>December</td>
<td>-</td>
<td>-</td>
<td>319271</td>
<td>417527</td>
<td>479411</td>
<td>541571</td>
</tr>
<tr>
<td>Total</td>
<td>2282738</td>
<td>2073025</td>
<td>2726214</td>
<td>3457477</td>
<td>3918610</td>
<td>4447167</td>
</tr>
</tbody>
</table>

[Source - Ministry of Tourism, Govt of India]

Table 20 : Changes in Arrival of Foreign Tourists (%)

<table>
<thead>
<tr>
<th></th>
<th>2002/01</th>
<th>2003/02</th>
<th>2004/03</th>
<th>2005/04</th>
<th>2006/05</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1)</td>
<td>(2)</td>
<td>(3)</td>
<td>(4)</td>
<td>(5)</td>
<td>(6)</td>
</tr>
<tr>
<td>January</td>
<td>-19.6</td>
<td>22.0</td>
<td>23.0</td>
<td>14.5</td>
<td>19.0</td>
</tr>
<tr>
<td>February</td>
<td>-13.3</td>
<td>13.1</td>
<td>26.3</td>
<td>17.3</td>
<td>18.7</td>
</tr>
<tr>
<td>March</td>
<td>-9.4</td>
<td>1.6</td>
<td>34.2</td>
<td>25.2</td>
<td>11.1</td>
</tr>
<tr>
<td>April</td>
<td>-16.2</td>
<td>5.0</td>
<td>39.1</td>
<td>16.5</td>
<td>24.5</td>
</tr>
<tr>
<td>May</td>
<td>-12.0</td>
<td>0.2</td>
<td>31.1</td>
<td>23.8</td>
<td>13.1</td>
</tr>
<tr>
<td>June</td>
<td>-19.0</td>
<td>27.5</td>
<td>26.5</td>
<td>16.0</td>
<td>12.7</td>
</tr>
<tr>
<td>July</td>
<td>-16.9</td>
<td>22.5</td>
<td>20.9</td>
<td>7.3</td>
<td>9.6</td>
</tr>
<tr>
<td>August</td>
<td>-17.8</td>
<td>26.91</td>
<td>23.6</td>
<td>6.9</td>
<td>11.1</td>
</tr>
<tr>
<td>September</td>
<td>-6.5</td>
<td>26.11</td>
<td>18.5</td>
<td>11.4</td>
<td>15.8</td>
</tr>
<tr>
<td>October</td>
<td>16.8</td>
<td>22.11</td>
<td>18.0</td>
<td>7.0</td>
<td>12.5</td>
</tr>
<tr>
<td>November</td>
<td>16.2</td>
<td>19.40</td>
<td>32.6</td>
<td>7.8</td>
<td>4.4</td>
</tr>
<tr>
<td>December</td>
<td>-</td>
<td>-</td>
<td>30.8</td>
<td>11.0</td>
<td>13.0</td>
</tr>
<tr>
<td>Total</td>
<td>9.2</td>
<td>13.1</td>
<td>26.8</td>
<td>13.2</td>
<td>13.5</td>
</tr>
</tbody>
</table>

[Source - Ministry of Tourism, Govt of India]
Table 21: International Tourists Arrivals to India (Country/Year wise)

<table>
<thead>
<tr>
<th>Region/Country</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>329147</td>
<td>348182</td>
<td>410803</td>
<td>526120</td>
<td>611165</td>
<td>696739</td>
</tr>
<tr>
<td>UK</td>
<td>405472</td>
<td>387846</td>
<td>430917</td>
<td>555907</td>
<td>651803</td>
<td>734240</td>
</tr>
<tr>
<td>Canada</td>
<td>88600</td>
<td>93598</td>
<td>107671</td>
<td>135884</td>
<td>157643</td>
<td>176567</td>
</tr>
<tr>
<td>Germany</td>
<td>80011</td>
<td>64891</td>
<td>76868</td>
<td>116679</td>
<td>120243</td>
<td>156808</td>
</tr>
<tr>
<td>France</td>
<td>102434</td>
<td>78194</td>
<td>97654</td>
<td>131824</td>
<td>152258</td>
<td>175345</td>
</tr>
<tr>
<td>Australia</td>
<td>52691</td>
<td>50743</td>
<td>58730</td>
<td>81608</td>
<td>96258</td>
<td>109867</td>
</tr>
<tr>
<td>Italy</td>
<td>41351</td>
<td>37136</td>
<td>46908</td>
<td>65561</td>
<td>67642</td>
<td>79978</td>
</tr>
<tr>
<td>Japan</td>
<td>80634</td>
<td>59709</td>
<td>77996</td>
<td>96851</td>
<td>103082</td>
<td>119292</td>
</tr>
<tr>
<td>Malaysia</td>
<td>57869</td>
<td>63748</td>
<td>70750</td>
<td>84390</td>
<td>96276</td>
<td>107286</td>
</tr>
<tr>
<td>Singapore</td>
<td>42824</td>
<td>44306</td>
<td>48368</td>
<td>60710</td>
<td>68666</td>
<td>82574</td>
</tr>
<tr>
<td>Nepal</td>
<td>41135</td>
<td>37136</td>
<td>42771</td>
<td>51534</td>
<td>77024</td>
<td>91552</td>
</tr>
<tr>
<td>Sri Lanka</td>
<td>112813</td>
<td>108008</td>
<td>109098</td>
<td>128711</td>
<td>136400</td>
<td>154813</td>
</tr>
<tr>
<td>Netherlands</td>
<td>42368</td>
<td>31669</td>
<td>40565</td>
<td>51211</td>
<td>52755</td>
<td>58611</td>
</tr>
<tr>
<td>China</td>
<td>13901</td>
<td>15422</td>
<td>21152</td>
<td>34100</td>
<td>44897</td>
<td>62330</td>
</tr>
<tr>
<td>South Korea</td>
<td>27150</td>
<td>29374</td>
<td>35584</td>
<td>47835</td>
<td>49895</td>
<td>705407</td>
</tr>
<tr>
<td>Total</td>
<td>152040</td>
<td>1451964</td>
<td>1677838</td>
<td>2170929</td>
<td>2488012</td>
<td>3513415</td>
</tr>
</tbody>
</table>

[Source: Ministry of Tourism, Govt. Of India]

Facts to know about in Bound Tourism

Tourist’s inflow from Australia: In the last three years the tourist arrivals from Australia to India have almost doubled to a record figure of 1, 00,000. However India aims to double tourist inflow from Australia to two lakh in the next three years.

Tourist’s inflow from Britain: Every year about 3000,000 tourists from Britain visit India for both business as well as leisure.

Tourists to India spend more: Tourists to India spent $ 372 on their visa cards in the year of 2005. This is a 25% rise from the year 2004 thereby, making India the fastest growing Asia-Pacific market for the International tourist spending. According to the World Travel and Tourism Council, the Indian tourism demand will grow at an annual 8.8% over the next ten years, fuelled by higher incomes and lower air fares.

Earnings on Tourism: In 2005 India earned US $ 6.9 billion from inbound foreign tourists, which is more than twice the US $3.1 billion earned during the year 2002. According to the latest balance of payments figures released by the Reserve
Bank of India, 2005 was the year of fastest growth in forex inflows from foreign travel, during which inflows went up 36%.

**Most important Tourist destination:** With nearly 140 three and two star hotels, Kerala has turned into a major hot spot for foreign tourists. However Tamil Nadu holds the second position in attracting foreign tourists.

**Mode of transport:** Air continued to be the predominant mode of travel for the tourists coming to India. However arrivals by sea were negligible.

**Age- Group factor:** An average foreign tourist is between age group of 20-40 years.

**Best time for tourist’s arrivals:** October to February is considered to be the peak season for travel by foreigners for business as well as leisure purposes.

**Employment generated by tourism in India:** Tourism Industry provides employment to about 2 crores of people in India.

### Table 22 : Statistics of Indian Nationals Going Abroad

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of Outbound Indians</th>
<th>Percentage Change over the Previous Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>4415513</td>
<td>7.3</td>
</tr>
<tr>
<td>2001</td>
<td>4564477</td>
<td>3.4</td>
</tr>
<tr>
<td>2002</td>
<td>4940244</td>
<td>8.2</td>
</tr>
<tr>
<td>2003</td>
<td>5350896</td>
<td>8.3</td>
</tr>
<tr>
<td>2004</td>
<td>6212809</td>
<td>16.1</td>
</tr>
<tr>
<td>2005</td>
<td>7184501</td>
<td>15.6</td>
</tr>
<tr>
<td>2006</td>
<td>8339614</td>
<td>16.1</td>
</tr>
</tbody>
</table>

(Source: Ministry of Tourism, Govt of India)

**Facts to know about Out Bound Tourism**

International Trips made by India Nationals in 2004 was 6.2 million, which was 16% more than 2003. In 2003 it was 5.3 million. 4.90 million Was the statistics in the year 2002? It reached the statistics of 7.2 million in 2005.

**Tourists outflow from India to Hong Kong** has been growing at a healthy pace despite the hullabaloo surrounding the SARS outbreak. India recovered to record a positive growth with the arrivals of 19,667 in September 2003, an 8.1%
increase over the same period in September 2002. About 5, 00,000 Indians are issued visa to Britain every year.

Malaysia expects about three lakhs of Indian tourists every year, ahead of Australia, Taiwan and the U.S. Excited by the increased number of Indian tourists’ arrivals, Malaysia has been holding road shows to further beefing up its tourism sector. **Over 1 lakh** Indians visited **Sri Lanka** in 2004.

### 6.5.2 Medical Tourism (MT)

Without sound health we cannot achieve anything in our life, nor enjoy whatever we have. In service sector the concept of Medical Tourism is catching up at lightning speed across the world. The act of travelling to other countries for medical, surgical and other forms of healthcare along with recreation is called Medical Tourism. People from advanced countries, including the United States and Europe, see a benefit in travelling to developing third world countries, like India, Thailand, Philippines, South Africa, and etc. while combining medical treatments with inexpensive vacation. According to a study conducted by the Confederation of Indian Industry and Mc Kinsey consultants (2004), 1, 50,000 foreigners visited India for treatment, with the number rising by 15 percent a year. The number has increased to 2, 72,000 in 2006 ASSOCHAM have predicted that this will grow by 22 to 25% in the coming years.

**What is Medical Tourism?**

Tourism means when people move from one place to other for their recreation and pleasure. MT includes a component of medical and healthcare services along with its counterpart tourism services.

We need to clearly identify the customer profile of today’s MT products. Very often hospital includes the number of patients they have received within the geographical territory of their own country, but actually it may increase up the figure from promotional angle of the hospital rather than sticking into real meaning.

On the other hand, getting a foreigner patient in a high class corporate hospital for treatment alone does not fulfill the criteria of considering it MT. In other words, a simple way to explain the concept of MT would be to say that it is a separate effort of neither the healthcare nor the tourism industry, but is an integrated and collaborative approach from both the industries.
The Indian Systems of Medicine include Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy is ancient and has the roots in traditional system of medical treatments in tune with the Mother Nature. Medical Tourism is the emerging industry next to the IT boom and India is the second best destination as of now. Especially the Indian Systems of Medicine, in South India can become the leader in medical Tourism Industry.

Medical Tourism - an Emerging Opportunity

The main demand for medical tourism is generated from millions of Indians who live abroad, though a growing number of foreigners are also keen on speedy and in expensive treatment. They are influenced by two important facts: India now has many world-class private hospitals and the alternative medicines are available. Medical tourism is a new concept where two important service industries are dovetailing to attract people who seek healthcare service located beyond the geographical territory of their country. Today discussions are going on to analyse whether Medical Tourism (MT) products of our Indian hospitals will be the right offer to the people of our neighbouring countries. Questions have been raised to know whether we are in a comfortable position to take the responsibility to venture in this old area. This is the time to retrospect and understand the entire mechanism and other key issues involved in the entire process.

Healthcare procedures across the world show a wide cost difference. It leads to a question of affordability even to the developed country like the US where significantly huge number of population is not covered under any insurance scheme. In some developed country, long waiting period for elective inpatient and outpatient care has created a situation where people do not hesitate to buy healthcare from other developing countries like India without compromising on quality.

Complimentary tourism packages make the entire offer more attractive to the people who are interested to travel for their healthcare. Globalisation of healthcare industry has started in many levels. For instance, Indian software companies like TCS and Mastek has signed IT contract recently worth more than US $ 200 million.

Scope & Opportunities

Though the service sector has considerable contribution in India’s GDP, it is negligible on the export front with only around 25 per cent of total export. Value added services generally exceed 60 per cent of total output in the high income industrialised economy. In the global scenario, India's share of services export is only 1.3 per cent.
(2003) i.e. US $ 20.7 billion which has gone up from 0.57 per cent (1990). Overall service export growth rate in India is 8 per cent (2002) against a global growth rate of 5 per cent.

It had a tremendous impact on India’s Forex reserve. Forex reserve rise to US $ 118.628 on May, 2004 in comparison to US $ 79.22 for the same period in 2003. Being a service sector member, medical and tourism services export can further raise India’s Forex Reserve along with a major contribution from software exports.

In India, international tourist rose 15.3 per cent between January and December, 2003. Though tourism and travel industry contribution is 2.5 per cent to our countries GDP (international ranking 124) but recent initiative from the government like liberalised open sky policy to increase flight capacity, lower and attractive fares, increase in hotel room capacity by nearly 80 per cent (from 2000) and better connectivity between major tourist destination (Express Highway project) has helped India to rank among the top five international holiday destination when independent traveler conducted a poll in 134 countries.

India is rated amongst the world’s top ten “must see destination” by Conde Naste Traveller, an international magazine with lot of reputation. Hopefully, today we are in a better position to sell our tourism services to the rest of the world.

Healthcare industry has shown considerable growth in last few years. Emergence of top notch corporate hospitals and continuous effort for improvement of quality of care has placed Indian private healthcare in a respectable position on the global map.

Indian & International Experience

The global healthcare market is US $ 3 trillion and size of the Indian healthcare industry is around 1, 10,000 crores accounting for nearly 5.2 per cent of GDP. It is likely to reach 6.2- 8.5 per cent of the GDP by 2012. It is expected that medical tourism will account about 3-5 per cent of the total delivery market.

More than 1, 50,000 medical tourists came to India in 2003. Around 70,000 people came from the Middle East for the medical treatment. Traditional system of medicine is able to attract a sizeable number of people from western countries (Kerala, for instance). Most of the medical tourists are Indian in origin. We need to attract more number of people of foreign origin. International experience shows some of the countries like Thailand, Singapore, Jordan and Malaysia have done extremely well.
There is technical committee formed by Jordan Government operating for the non-Jordanian Arab patients who visit Jordan for healthcare. This office regulates the healthcare institutions treating those patients and monitors the entire activity.

Making of an MT destination

Our healthcare industry has some inherent drawbacks. Lack of standardisation in medical care and cost, lack of regulatory mechanism, infrastructural bottlenecks and poor medical insurance coverage are a few to mention here. On the other hand, tourism and hospitality industries are facing some major challenges to develop the infrastructure and services. Industry and government collaboration in terms of some incentives and creation of soothing environment can further make this attempt easy for both the service sector. The immediate need is the establishment of health and tourism players’ consortium to discuss about all these issues and maintain closer interaction and co-ordination to develop medical tourism - a growth engine for Forex earnings.

India’s efforts to promote medical tourism took off in late 2002, when the Confederation of Indian Industry (CII) produced a study on the country’s medical tourism sector, in collaboration with international management consultants, McKinsey & Company, which outlined immense potential for the sector. The following year, then finance minister Jaswant Singh called for the country to become a “global health destination” and urged measures, such as improvements in airport infrastructure, to smooth the arrival and departure of medical tourists.

Medical tourism is an example of how India is profiting from globalisation and outsourcing. It is also a new form of consumer diplomacy, whereby foreigners who receive medical services in India help the country to promote itself as a business and tourism destination. India hosts medical tourists from industrialised countries, such as the United Kingdom and the United States, but also from its neighbors Bangladesh, China and Pakistan. It faces intense regional competition in this sector, particularly from Malaysia, Singapore and Thailand. A wide-range of services is on offer. Ministry of tourism brochures advertise cardiac surgery, minimally invasive surgery, oncology services, orthopedics and joint replacement, and holistic health care, provided by about 45 hospitals promoted as “centers of excellence”. Health tourism is often hailed as a sector where developing countries, such as India, have huge potential due to their comparative advantage based on providing world-class treatment at low prices combined with attractive resorts for convalescence.
The CII estimates that 1, 50,000 medical tourists came to India in 2005, based on feedback from the organisation’s member hospitals. Figures for M-visa entrants are not readily available. CII spokesperson Aditya Bahadur told the Bulletin that patients prefer to come on ordinary tourist visas to avoid the M-visa’s requirement that they register with the regional authorities within two weeks of arrival. A ministry of tourism brochure predicts a “phenomenal expansion” of the Indian health-care industry. According to the Federation of Indian Chambers of Commerce and Industry, the health-care market, which includes health insurance, is expected to expand by 2012 from US$ 22.2 billion, or 5.2% of gross domestic product (GDP), to between US$ 50 billion and US$ 69 billion, or 6.2% and 8.5% of GDP.

While impressive, these figures do not address the divide between facilities oriented towards medical tourism and those that provide to the health needs of the average, usually rural, Indian. According to the World Health Organisation (WHO), private expenditure on health as a percentage of total expenditure on health in 2003 was 75%. That contrasted simply with government expenditure of 25% in the same year, a portion which finances public health facilities that provide to most of India’s population. Fewer than 50% of India’s primary health centers have a labor room or a laboratory, while fewer than one in five has a telephone connection, according to the 2005 Reproductive and Child Health Facility Survey. Moreover, fewer than one in three primary health-care centers stocked essential drugs, in contrast to the situation in many new urban medical centers. Health care in India’s rural districts is poor, dogged by shortages of trained health workers, a lack of funds and corruption. Many patients resort to quacks or seek no medical care at all, since private practitioners are beyond the means of most.

In contrast, to provide a guarantee of service quality for medical tourists, the Indian Ministry of Health has begun accrediting hospitals and recommending prices for services. So far 35 hospitals have applied for official approval. CII has a certification system and has already approved 30 of its 120 hospital members. Under the CII system, certified hospitals must agree to limit charges to foreigners as part of a dual pricing-system that offers domestic patients lower prices. Non-resident Indian medical tourists are charged the same as any others from abroad.

CII lawyers are also drawing up a standard contract to ensure that any litigation, arising from treatment, is dealt with in Indian courts. Currently, neither medical tourists nor Indian patients can take their cases to Indian courts. Their only recourse is India’s State and National Consumer Disputes Redressed Commissions, which have a huge accumulation. “Any litigation launched against an Indian hospital will expose the poor system of justice that exists here,” said Dr Mohan Thomas, medical director of the
Cosmetic Surgery Institute in Mumbai and Chairman of CII’s Healthcare Committee. But while helping to strengthen medical tourism, the Indian government is coming under increasing pressure to use these foreign exchange revenues to benefit the ailing and under-resourced public health system.

The private sector hospitals argue that trickle-down payments for hotels and other services will improve the economy as a whole. But public health advocates say that, unless the Indian government actually allocates more of its revenues to public health systems, the impact will be negligible. “The government has not examined how our patients will benefit [from medical tourism] or whether they will lose out,” Dr Nilima Kshirsagar, dean of one of Mumbai’s largest public hospitals, the King Edward Memorial, told the Bulletin. “The need to benefit Indian patients is the main goal, and medical tourism cannot be at their cost.”

Prime Minister Manmohan Singh recently acknowledged the need improve public health care: “There are many parts of our country where public-sector intervention in health is absolutely essential to carry conviction with our people and to improve the quality of delivery of services.” As the medical tourism sector grows, however, little is known about the impact this is having on its health workforce. Private hospitals argue that medical tourism reverses the brain drain and those health workers, who are migrating to economies where salaries are higher and career opportunities more attractive, will stay in India if they can work in the medical tourism sector. There are fears, however, that medical tourism could worsen the internal brain drain and attract professionals from the public sector and rural areas to take jobs in urban centers. “Although there are no ready figures that can be cited from studies, initial observations suggest that medical tourism dampens external migration but worsens internal migration,” said Dr Manuel Dayrit, director of WHO Human Resources for Health department. “It remains to be seen how significant these effects are going to be. But in either case, it does not augur well for the health care of patients who depend largely on the public sector for their services as the end result does not contribute to the retention of well-qualified professionals in the public sector services,” Dayrit said.

Dayrit disagreed with medical tourism proponents, who argue that some revenues from medical tourism will find their way into public treasury to help retain staff in the public sector. “Unless national laws or regulations are set up so that these revenues are taxed openly and channeled to the public sector to augment salaries, the likelihood of this happening is very slim,” he said.