

# Migration and Spending Behaviour of Kerala Households

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## ABSTRACT

Indian economy is an open economy in sending of people to foreign countries. This has started after independence. The migration has increased during 1970s and 1980s. The Kerala migration to Gulf Countries started in 1970s. Several factors have seen contributed the labour out flow, The major causes of the migration is to earn higher income from abroad. The lack of job opportunities in the home country is another important reason for migration.

## 1. Introduction

Migration is taking place to find employment opportunities. Therefore it is considered as a livelihood strategy. The remittances of the migrants are meant to finance the migrants households expenditure. Migrations create drastic impact on the migrants and their families and the society as whole. The migration is not a recent phenomenon it started from origin of human life. Most of the migration is taking place to find better opportunities

Migration and remittances is positive for the development of an economy. In the processes of social development, migration contributes to a great extent. Migrants earn higher income and they enrich new skills. Kerala is one of the migrants sending states in India. The international recession promoted return migration. The job opportunities reduce during the low growth rate of GDP. In this study we mainly focus the impact of migration on consumption pattern of Kerala families.

## 2. Objectives of the Study

1. To examine the impact of migration on spending behavior of Kerala households
2. To ascertain monthly income of the migrants
3. To ascertain average monthly consumption Expenditure of migrant family
4. To examine the nature of spending behavior of migrant family

## 3. Methodology

To fulfill the objectives of the study primary data was collected from the migrant households by the investigator through detailed interview; however the available secondary data also used for this study. The primary data collected from 250 households of 10 wards in Kannamangalam Panchayath of Malappuram district.

## 4. Review of Literature

Nayyar (1994) concentrate the overall impact of migration on Kerala economy. The number and pattern is the main

determinants of the impact of migration. He also elaborated the consumption and saving pattern of migrants,

Macellari (1999) opines that remittances caused to reduce the employment rate. He cited the examples of Albania, where the contribution and agricultural activities are increased after migration. This has created more job opportunities domestically.

Rafeek (1996) focus the impact of Gulf Migration of Keralites on the labour market. According to him most of the migrants were unemployed before migration. Remittances are mainly channelized to the real estate sector. The consequent land price rise in the real estate is visible in different part of the Kerala. The wage rate in Kerala has drastically increased after migration.

## 5. Analysis of the Study

In this area we examine the migration and spending behavior of Kerala households. Before explaining the spending behavior of households we have to discuss the features of migration in Kannamangalam Panchayath. Kannamangalam is a small village located in Thirurangadi Taluk of Malappuram district. The major sources of the income are the remittances of migrants from foreign countries. Unemployment is the main reason for increasing migration.

### Monthly income of the Migrant

The reason for the emigration is to earn more income than in domestic countries by using the opportunities available in the foreign countries. The high oil price contribution in their Gross Domestic Product provides better employment opportunity in the Gulf countries to a large section of Kerala population.

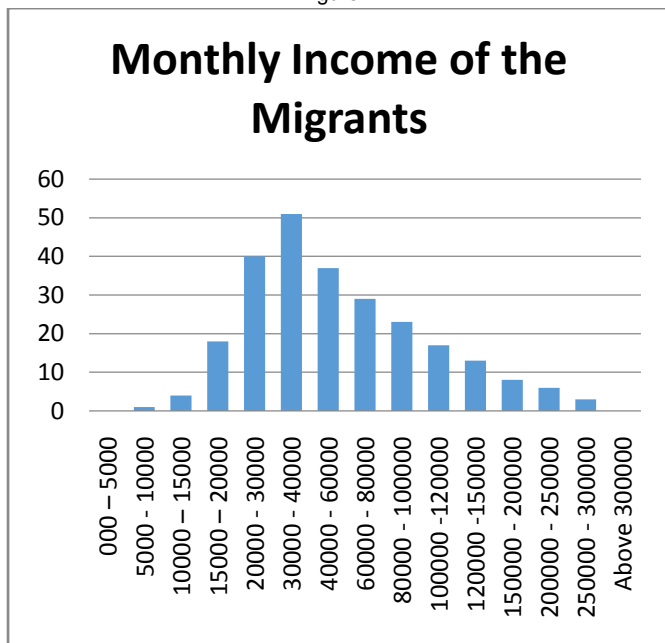
Table-1  
Monthly income of the Migrant

SI No	Income (in Thousand)	Number of Migrants	Percentage
1	000 – 5000	0	0

2	5000 - 10000	1	0.4
3	10000 - 15000	4	1.6
4	15000 - 20000	18	7.2
5	20000 - 30000	40	16
6	30000 - 40000	51	20.4
7	40000 - 60000	37	14.8
8	60000 - 80000	29	11.6
9	80000 - 100000	23	9.2
10	100000 - 120000	17	6.8
11	120000 - 150000	13	5.2
12	150000 - 200000	8	3.2
13	200000 - 250000	6	2.4
14	250000 - 300000	3	1.2
15	Above 300000	0	0
Total		250	100

Source: Field Survey

Figure 1



The slow and stagnant process of industrialization in Kerala create large educated unemployment. Therefore, people are migrating to other states or other countries. The table number 1 indicates that the 128 migrants were earning between 20000-60000 thousand their parentage is 51.2. An amount of rupees between 60000-100000 were earning by 52 migrants their percentage is 20.8. The migrants those who are earning between 100000 to 200000 were 38 their percentage is 15.2

Table-2  
Monthly Expenditure of the Migrant family  
(Before and after migration)

SI No	Income (in Thousand)	Number of Migrants (Before Migration)	Number of Migrants (After Migration)
1	000 - 2000	19	0
2	2000 - 5000	78	8
3	5000 - 10000	138	63
4	10000 - 15000	12	104
5	15000 - 20000	3	31
6	20000 - 25000	0	20
7	25000 - 30000	0	12
8	30000 - 40000	0	8
9	40000 - 50000	0	3
10	Above 50000	0	1
Total		250	250

Source: Field Survey

The table no. 2 indicates the monthly expenditure of migrant family at pre migration (before migration) stage and Post migration (during migration) stage. A great variation can be seen in the average monthly expenditure of migrant family before and after migration stage

**Distribution of Monthly income on Various Items during Migration stage**

The expenses of food and clothing are higher than education and entertainment. Even after their return, the food expenditure has not come down. The reason may be attributed to high food inflation. The food inflation is coming down in India but at the time of the field survey, it was high.

Table-3  
Distribution of Monthly income

SI No	Items	Average Amount
1	Food	6000
2	Clothing	1100
3	Education	2300
5	Fuel and Lighting	1450
6	Entertainment	400
7	Donation	600
8	Liquor	250
9	Others	1300

Source: Field Survey

During the migration period the amount spent on food was approximately Rs 6000. Monthly expenditure on food articles depend not only the income but also the price and availability of food articles. Before the migration the average expenditure of food, clothing, education, etc. are low, but during migration it always increases.

**Spending Behaviour of Migrant Family**

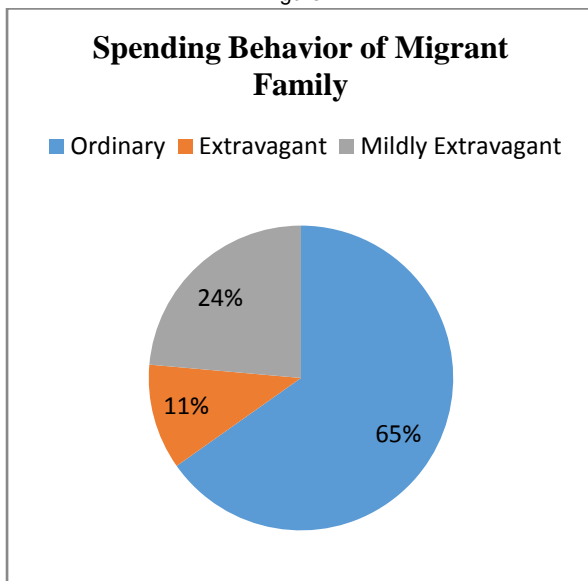
The opinion of spending behavior is enquired; most of them opined that the spending behavior of migrant family is totally changed compared to before migration. The following table indicates that the spending behavior of migrant’s family.

Table-4  
**Spending Behavior of Migrant Family**

Sl No	Spending Behavior	Number of Families	Percentage
1	Ordinary	163	65.2
2	Extravagant	28	11.2
3	Mildly Extravagant	59	23.6
Total		250	100

Source: Field Survey

Figure 2



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The table no. 4 explains the nature of spending behavior of the migrants. More of the migrant households spending are ordinary their percentage is 65.2 while extravagant and mildly extravagant households percentage comes about 11.2 and 23.6 respectively

**6. Findings**

After the analysis of primary data related with spending pattern of migrants, we can say the standard of living is increased after migration. This study also found that income of the migrants are not properly used, after the interpretation of the primary data we can realize that this. Major part of the migrant income used to purchase consumer goods, extravagant expenditure, like purchasing gold, houses, land etc. This study also reveals that migration had caused to reduce the rate of unemployment. The expenditure to welcome party is one of the important expenditure items of Kerala people especially among migrant family.

**7. Conclusion**

Migration is a lively hood strategy by migrant and their families. The reason for the emigration is to earn more income. There several examples in the history of exodus of population. The migration contributes for the development of region. Kerala has experienced substantial growth in emigration. The recession encourages return migration, as a immigrants find it more difficult to get job in these countries. Economic impact of labour flows associated with international migration depend on the magnitude out flow of workers.