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**GOVERNMENT OF KERALA**

**REPORT OF THE SURVEY ON  
THE UTILIZATION OF  
GULF REMITTANCES IN KERALA**

**DEPARTMENT OF ECONOMICS & STATISTICS  
TRIVANDRUM**

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## P R E F A C E

Considering the magnitude and economic significance of large scale migration of workers from Kerala to Gulf countries and the remittance received, very little is known about the emigrants, their families and the utilization pattern of remittances. Even basic data on workers migrating for employment to Gulf countries and returning after employment are incomplete. Having seized of the problem, the Subject Committee, Economic Affairs of the Kerala Legislature requested the Department of Economics and Statistics to conduct a survey to study the utilization pattern of Gulf remittances in Kerala and its impact on the economy of the State. The Survey was conducted during January to April 1987 and the results are presented in this report.

It is prepared by Sri. D. Rajan, Assistant Director, under the constant guidance of Dr. M. Kuttappan, Joint Director. The sincere services rendered by the investigators and compilers and their supervisory officers for completing the work within the stipulated time are acknowledged.

It is hoped that this report will be useful to those interested on the Gulf emigrants and their problems.

K. Balakrishnan Nair  
Director of Economics & Statistics

Trivandrum,  
20--1--1988.



## **C O N T E N T S**

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Chapter - 1  
INTRODUCTION

1.1 Background of the survey

In view of the high density of population and high incidence of unemployment the people of Kerala have evinced a high degree of propensity to migrate to other States in India and to foreign countries for employment. This tendency was very conspicuous during the decade 1974-1983 and this time the direction was towards the Gulf countries. The hike in oil prices during 1973-74 and afterwards led to a considerable increase in the revenue of the oil producing and exporting countries of the Gulf region. The heavy investment of these countries to build social and economic infra-structural facilities generated great demand for skilled and unskilled workers from abroad. From India, Kerala State contributed a significant share of the labour requirements of many Gulf countries. The comparatively very high wages offered in these countries is the most crucial factor inducing large scale migration from Kerala. According to latest estimate over three lakh persons from Kerala were working in Gulf countries in 1983.\*

The utilization pattern of the large remittances received in Kerala from Gulf countries and its impact on Kerala economy have not been systematically studied. In order to plan the measures to control the undesirable utilization of foreign remittances and to channelise a sizeable portion of the remittances for productive purposes it is necessary to have a clear idea on the prevalent utilization pattern of the remittances and its impact on the socio-economic conditions of remittance receiving families in particular and also on the economy of the State as a whole.

Based on the recommendations of the Subject Committee VIII, Economic Affairs, of the Sixth Kerala Legislative Assembly (Demand for grants 1981-82, second report) the Government of Kerala, vide order No.(Rt) 799/86/Plg. dated 6-10-1986, have accorded sanction to the Department of Economics and Statistics to conduct a survey to study the utilization pattern of remittances received from Gulf countries.

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\*I. S. Gulati & Ashoka Mody, "Remittances of Indian Migrants to the Middle East; An assessment with special reference to migrants from Kerala State", Working Paper No.182, Centre for Development Studies, Trivandrum - 1983.

## 1.2 Objectives of the survey

The specific objectives of the survey are;

- (i) to estimate the number of persons migrated from Kerala to Gulf countries, other foreign countries and to other states and union territories in India;
- (ii) to estimate the number of persons returned from Gulf countries after employment and to study their problems;
- (iii) to assess the proportion of remittances used for various purposes and
- (iv) to assess the impact of remittances on the receiving families in contrast to families receiving no foreign remittances and also on the economy of the State as a whole.

The Gulf countries covered in the survey include (1) United Arab Emirates, (it includes Sharja, Dubai, Abudabi, Rasalkhaima, Ajman, Fujira, Um-al-Qin) (2) Saudi Arabia (3) Oman (4) Kuwait (5) Bahrein (6) Qatar (7) North Yemen (8) South Yemen (9) Iraq and (10) Iran.

## 1.3 Coverage and sample design

The survey covered all the 14 districts of the State. The basic material on Housing and Employment Survey 1980 - which provides district-wise and block/town-wise data relating to the number of persons gone to Gulf countries - was used as the frame for sample selection for the survey. Two stage stratified sampling method with development blocks and municipal/corporation towns as the two strata was adopted for the selection of wards from each district. Within each district, blocks and municipal/corporation towns with 500 or more Gulf emigrants in 1980 formed sub-stratum I and those with less than 500 Gulf emigrants formed sub-stratum II. All the blocks and towns from sub-stratum I and a sample from sub-stratum II were selected for the survey. Panchayat/town wards were selected at the rate of one ward for every thousand Gulf emigrants from sub-stratum I and one ward for every 500 emigrants from sub-stratum II. A total of 214 wards - 187 from panchayats and 27 from municipal/corporation towns were selected for the survey. The required number of wards were selected from each stratum using simple random sampling method. All the households in the selected wards were first listed and from that three separate lists of following categories of households were prepared.

- (i) households receiving remittances from Gulf countries,
- (ii) households receiving no foreign remittances and
- (iii) households with persons returned from Gulf countries after employment.

It is important to note that these three lists are not mutually exclusive as households with Gulf returned persons may appear in the list of households receiving remittances and vice versa. From list (i), 7 households, from list (ii) 3 households and from list (iii) 2 households were selected by simple random sampling method. On the whole 1467 remittance receiving households, 690 households with no foreign remittances and 411 households with Gulf returned persons were selected for the study.

#### **1.4 Method of enquiry**

Data for the survey were collected through questionnaire by interviewing the heads of households or other knowledgeable persons in the households. The field work was carried out by the trained investigators of the Department in addition to their normal duties and was supervised by the taluk level and district level officers.

#### **1.5 Duration of the survey**

The duration of the study was one year. The first two months were used for the preparation of schedules and for training the investigators. The field work was carried out during the 4 months from January to April 1987 and the remaining period was devoted for tabulation of data and report writing.

#### **1.6 Limitations of the survey**

Though the survey covered all the districts, the sample size was too small to generate reliable estimates for lower units such as districts. District-wise estimates are not therefore attempted in this survey. Further there is a clear reluctance on the part of respondents to divulge financial information and therefore the estimate of remittances received is likely to be much below the actuals and indicate only the minimum level. These limitations have to be borne in mind while using the results of the survey.

## MAGNITUDE OF MIGRATION

### 2.1 Employment situation in Kerala

Kerala with a density of population of 655 persons per sq.km. in 1981 as against the all-India average of 216 persons is the most densely populated State in India. In the past three decades, employment generation in the State has not kept pace with the increase in the population and hence the work participation rate declined steadily from 33.3 per cent in 1961, to 29.1 per cent in 1971 and according to 1981 census it was only 26.7 per cent compared to the all-India average of 33.4 per cent.\* Consequently there has been a steady increase in the number of unemployed and under-employed persons in the State. The census of Housing and Employment conducted by the Department of Economics and Statistics in 1980 revealed that there were 14 lakh employment seekers and this constituted 18 per cent of the total labour force in the State. Data available from the employment exchanges indicate that the number of live registrants increased from 3.7 lakh in 1970-71 to 15.8 lakh in 1980-81 and again to 27.3 lakh at the end of March 1987. Now Kerala with 3.7 per cent of the Indian population accounted for about 9 per cent of the total live registrants in the country.

Another aspect of the unemployment problem in Kerala is that more than 50 per cent of the total live registrants in the State are persons with S.S.L.C. or higher qualifications.

### 2.2 Earlier estimates of out-migration

The two earlier censuses conducted by the Department of Economics and Statistics, Kerala provided relatively authentic and dependable data relating to the number of persons migrated to outside the State. Data collected along with the Economic Census in November 1977 revealed that there were 4.32 lakh out-migrants from Kerala out of which 1.35 lakh were working outside India. According to the census of Housing and Employment 1980, a total of 5.10 lakh persons from Kerala were working outside the State, 3 lakh within India and 2.1 lakh in foreign countries. Gulf countries alone accounted for 1.87 lakh ie. 90 per cent of the foreign emigrants. The district-wise migration from Kerala in 1980 is furnished in table 2.1. The results of these two census brings out the fact that between end 1977 and early 1980, 73,000 new workers migrated abroad, mostly to Gulf countries.

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\* Work participation rate in 1981 is the proportion of main workers to total population.

Table 2.1 - **Out-migration for employment 1980**  
(in numbers)

District	Migration to other States in India	Migration to outside the country		Total migration
		Gulf countries	Other foreign countries	
1	2	3	4	5
Trivandrum	11798	21125	1644	34567
Quilon	24683	12797	1413	38893
Pathanamthitta	42841	15302	3975	62118
Alleppey	33646	7688	1812	43146
Kottayam	16229	4160	2934	23323
Idukki	1709	287	290	2286
Ernakulam	11226	3822	1306	16354
Trichur	52045	37818	2406	92269
Malappuram	17779	34845	1720	54344
Kozhikode	15769	16925	604	33298
Palghat	35014	7034	701	42749
Wayanad	862	248	47	1157
Cannanore	26089	16318	1741	44148
Kasaragod	10409	8176	1041	19626
<b>State</b>	<b>300099</b>	<b>186545</b>	<b>21634</b>	<b>508278</b>

Source : Survey on housing and employment 1980, Department of Economics & Statistics.

The acute unemployment problem in Kerala and the comparatively high wage rates offered in Gulf countries are generally attributed to be the most important reasons for the large scale emigration. Much of the migration from Kerala is chain migration, triggered off by the presence of friends and relatives at the destination point. Therefore the origins of Gulf emigrants are very much unevenly distributed in the State as could be seen from table 2.1. The table shows that the largest number of emigration to Gulf countries is from Trichur district followed by Malappuram and Trivandrum. These three districts together accounted for over 50 per cent of the total number of emigrants from the State to Gulf countries in 1980. Even within the districts there is heavy concentration in certain blocks and towns which are generally called "Gulf pockets". The three places with largest concentration of Gulf emigrants are Chowghat in Trichur district, Thanur in Malappuram district and Varkala in Trivandrum district.

### 2.3 Method of estimation

In the present survey an attempt has been made to estimate the magnitude of migration from Kerala to Gulf countries, other foreign countries and to other States and Union territories within India. These details were collected in the 'Listing Schedule' of the present survey in which all the households in the selected wards were listed. For estimating the emigrants from the State, the number of emigrants from the selected wards in 1980 were obtained from the basic records of the census of Housing and Employment 1980, maintained in the district offices of the department. The estimation procedure is as follows.

Let  $E_0$  denote the number of emigrants in the State in 1980 and  $\hat{E}_1$  the estimated number of emigrants in 1987; then

$$\hat{E}_1 = \frac{\sum_{i=1}^n e_{1i}}{\sum_{i=1}^n e_{0i}} \times E_0$$

whereas  $e_{1i}$  = number of emigrants in the  $i^{\text{th}}$  sample ward in 1987  
and

$e_{0i}$  = the number of migrants in the  $i^{\text{th}}$  ward in 1980.

### 2.4 Estimate of migrants

The number of emigrants thus estimated from the present survey is presented in table 2.2. It could be seen from the table that between early

Table 2.2 - Estimated number of migrants from Kerala 1987

Sl. No.	Destination	1987	Percentage to total	Percentage change from 1980
1	2	3	4	5
1.	Gulf countries	300929	44.1	+ 61.3
2.	Other foreign countries	28727	4.2	+ 32.8
3.	Other states & union territories in India	352404	51.7	+ 5.9
	<b>Total</b>	<b>682060</b>	<b>100.0</b>	<b>+ 34.2</b>

1980 to early 1987 the total number of migrants increased by 34 per cent. While the number of migrants to Gulf countries increased by 60 per cent that to other foreign countries and to other States in India increased only

by <sup>33</sup>38 per cent and 17 per cent respectively. Out of the 6.82 lakh migrants from Kerala, 48 per cent are foreign migrants. Gulf emigrants constitute over 91 per cent of the foreign migrants.

The country-wise distribution of the estimated number of Gulf emigrants from Kerala presented in table 2.3 indicate that over 58 per cent of them are concentrated in the United Arab Emirates and Saudi Arabia. Almost 40 per cent are in U.A.E. alone. Emigration to Kuwait, Bahrein etc. is comparatively less.

Table 2.3 - Country-wise distribution of estimated Gulf migrants

Sl.No.	Name of Gulf country	No.of emigrants	Percentage
1	2	3	4
1.	United Arab Emirates	117663	39.1
2.	Saudi Arabia	57477	19.1
3.	Qutar	26181	8.7
4.	Bahrein	22871	7.6
5.	Kuwait	20162	6.7
6.	Other Gulf countries	56575	18.8
	<b>Total</b>	<b>300929</b>	<b>100.0</b>

## 2.5 Number of returned emigrants

Emigration to Gulf countries is different from that to other parts of the world. While in other countries there are possibilities for immigrants to become citizens or settle down permanently, the immigrants of Gulf countries have to remain temporary expatriates whatever be the length of stay or duration of employment. Immigrants in Gulf countries have to leave one day or other and the length of stay depends mainly on employment opportunities and wage rates. Indian workers did not face any serious threat to their employment and income during the 70's as job opportunities and demand for labour had been growing at a very high rates. But from the beginning of 80's, due to competition of cheap labour from other Asian countries like Bangladesh, the Philippines, Sri Lanka, China and South Korea, large number of workers returned to Kerala on termination or cancellation of their work permits. The completion of many large infra-structure projects also accelerated the returning process.

The magnitude of return migration is not known from any previous study. An attempt was therefore made in the survey to estimate the number of returnees from Gulf countries. Information relating to the number of Gulf returnee was collected through the listing schedule. Here a Gulf returnee person is defined as one who returned to Kerala after working at least one year and is not intending to go back again for employment in Gulf countries as on the data of enumeration. It need not be specifically mentioned that those who come on leave or for short visit are excluded from the purview of returnee. The total number of returnee migrants was estimated by applying the ratio between the number of Gulf returnees and the number of Gulf emigrants in the selected wards, to the estimated number of Gulf emigrants from Kerala. The number of Gulf returnees thus estimated is 86,475. The year-wise distribution of the number of returnees presented in table 2.4 brings out an increasing trend in the number of returnees and reached the maximum in 1986. Over 70 per cent of the returnees came during the three year period from 1984 to 1986. Had these people not returned to Kerala, the stock of emigrants from Kerala in Gulf countries in early 1987 would have been of the order of 3.9 lakh.

Table 2.4 - Estimated number of returned migrants

Year	Number	Percentage
1	2	3
From 1970 to 1975	432	0.5
1976	173	0.2
1977	778	0.9
1978	1038	1.2
1979	778	0.9
1980	1989	2.3
1981	1384	1.6
1982	4151	4.8
1983	8215	9.5
1984	10809	12.5
1985	15220	17.6
1986	36752	42.5
1987	*4756	5.5
<b>Total</b>	<b>86475</b>	<b>100.0</b>

\* First two months only.



## SOCIO-ECONOMIC PROFILE OF THE SAMPLE HOUSEHOLDS

### A. Households

This chapter gives the socio-economic profile of the sample households receiving remittances from Gulf countries and households with no foreign remittances. The comparative analysis is based on data collected from 1467 households receiving remittances (stratum I) and 690 households with no foreign remittances which form control households (stratum II). The small size of samples especially that of control households is a limitation of this study and this fact should always be borne in mind while using the results of the survey.

### 3.1 Religious composition

Gulf countries are dominated by Muslims and therefore it is quite natural that more Muslims from Kerala are migrated to these countries. Religious composition of the sample households presented in table 3.1 reveals that 49 per cent of remittance receiving families belong to Muslim religion

Table 3.1 - Religion-wise distribution of selected households

Sl. No.	Religious category	Stratum I (percentage)	Stratum II (percentage)
1	2	3	4
1.	Hindus	33.3	60.4
2.	Christians	18.4	14.9
3.	Muslims	48.3	24.7
	<b>Total</b>	<b>100.0</b>	<b>100.0</b>
	Sample households	1467	690

whereas in stratum II they constituted only 25 per cent. In this context it must be borne in mind that the Muslim households constituted only 18.4 per cent of the total households in Kerala according to 1981 census. Another interesting point to be specially noted is that only 14 scheduled caste households and 2 scheduled tribe households received remittances from Gulf countries. This is only 1 per cent of the households in stratum I whereas scheduled caste and scheduled tribe households constituted about 12 per cent of the total households in the State. In other words scheduled caste and scheduled tribe population have not been directly benefitted by the large amount of Gulf remittances received in Kerala during the last 12 years.

### 3.2 Housing condition

Shelter is a basic amenity of civilized life and the type of house and housing facilities available is considered as a very important indicator of the social status of the households. Realising this fact a significant proportion of remittances received from the Gulf countries has already been invested in Kerala during the last one decade for construction of new houses or expanding or modernising the existing houses. The details on housing condition and facilities collected from the households are presented in tables 3.2 to 3.4.

Table 3.2 - Distribution of residential houses according to plinth area

Sl. No.	Plinth area (sq.ft)	Stratum I (percentage)	Stratum II (percentage)
1	2	3	4
1.	Below 500	25.2	52.8
2.	500 - 1000	44.6	35.0
3.	1000 - 1500	17.9	8.0
4.	1500 & above	12.3	4.2
	<b>Total</b>	<b>100.0</b>	<b>100.0</b>

Distribution of residential houses according to plinth area given in table 3.2 brings out the fact that households receiving remittances from Gulf countries are living in comparatively large houses. The roof types

Table 3.3 - Distribution of residential houses according to type of roof

Sl. No.	Category	Stratum I (percentage)	Stratum II (percentage)
1	2	3	4
1.	Thatched	14.0	31.0
2.	Tiled	62.2	55.8
3.	Concrete	22.0	8.0
4.	Others	1.8	5.2
	<b>Total</b>	<b>100.0</b>	<b>100.0</b>

and floor types of the houses given in tables 3.3 and 3.4 reveal that the structure of houses belonging to stratum I is definitely better than that of stratum II. While 76 per cent of the residential houses in stratum I are

electrified, the corresponding percentage in control households is only 44 per cent. The difference is more conspicuous in the quantity of electricity consumed which is now considered as an important yardstick to measure

Table 3.4 - Type of floor of residential houses

Sl. No.	Category	Stratum I (percentage)	Stratum II (Percentage)
1	2	3	4
1.	Mud	15.4	45.1
2.	Concrete	75.1	48.4
3.	Mosaic	7.9	3.0
4.	Floor tiles	1.1	1.4
5.	Others	0.5	2.1
	<b>Total</b>	<b>100.0</b>	<b>100.0</b>

the standard of living. The average monthly consumption of electricity reported from the households in stratum I is 34 units compared to only 14 units in stratum II. Regarding water supply 28 per cent of the households in stratum I enjoy running water supply facility whereas only 12 per cent of the households in stratum II enjoy this facility. Thus the study shows that the housing conditions and facilities available are definitely better in households receiving remittances.

### 3.3 Head of households

The head of the household plays an important role in the utilization of remittances received in the family and therefore it would be worthwhile to analyse the characteristics of head of households covered under the two strata. Due to the migration of male members, females are the head of households in 51 per cent of the households in stratum I whereas in stratum II females dominate in only 30 per cent of households. Age distribution of head of households given in table 3.5 shows that the proportions of head of households in the age-group of 60 years and above are more in stratum I compared to stratum II. This may be due to the fact that more persons in the age-group of 30 to 60 are employed in Gulf countries and in most cases, the migrants' wife and children are living with her parents. The comparatively higher proportion of head of households in the age-group below 30

years in stratum I may be attributed to the fact that these families are managed by emigrants' wives who are usually younger than their husbands.

Table 3.5 - Age distribution of the head of household

Sl. No.	Age group	Stratum I (percentage)	Stratum II (percentage)
1	2	3	4
1.	Below 30 years	6.1	3.0
2.	30 - 45 years	20.5	25.5
3.	45 - 60 years	29.6	39.2
4.	60 & above	43.8	32.3
	<b>Total</b>	<b>100.0</b>	<b>100.0</b>

The educational attainment of the head of households given in table 3.6 shows that while the proportion of illiterate is comparatively less in stratum I, the proportion of head of households with S.S.L.C. and higher qualifications is also less in stratum I. The inference is that bulk of the Gulf emigrants are from lower middle class families.

Table 3.6 - Educational attainment of the head of households

Sl. No.	Educational attainment	Stratum I (percentage)	Stratum II (percentage)
1	2	3	4
1.	Illiterate	16.8	25.7
2.	Literate without formal education	16.6	16.2
3.	Primary	29.6	24.2
4.	Above primary but below SSLC	27.5	22.9
5.	Passed SSLC	8.3	9.1
6.	Graduate & above qualification	1.2	1.9
	<b>Total</b>	<b>100.0</b>	<b>100.0</b>

### 3.4 Household members

Besides the details of head of households, details of other normal members of the selected households were also collected in the survey. The average size of family in stratum I is 6.3 whereas in stratum II it is only

5.7. The comparatively bigger size of family in stratum I may be attributed to the fairly large representation of muslim households in this group. In this context it may be remembered that the average size of family in muslim households in Kerala in 1981 was 6.6 as against the general average of 5.8. The sex-wise analysis of normal members of households reveal that while the sex-ratio in stratum 1 is 1310 females for 1000 males, in stratum II it is only 1056. The age-composition of normal members (table 3.7) shows

Table 3.7 - Age-wise distribution of household members

Sl. No.	Category	Stratum I (percentage)	Stratum II (percentage)
1	2	3	4
1.	Below 15 years	35.1	31.8
2.	15 - 25	24.1	22.3
3.	25 - 60	30.9	36.9
4.	Above 60 years	9.9	9.0
	<b>Total</b>	<b>100.0</b>	<b>100.0</b>

a more or less similar pattern in two strata. The educational status - both general and technical - of household members presented in tables 3.8 and 3.9 also indicates more or less same pattern in both strata.

Table 3.8 - Educational attainment of household members

Sl. No.	General education level	Stratum I (percentage)	Stratum II (percentage)
1	2	3	4
1.	Illiterate	22.5	22.8
2.	Literate without former education	6.7	7.0
3.	Primary	28.0	30.4
4.	Above primary but below SSLC	29.2	28.3
5.	Passed SSLC	11.2	9.0
6.	Graduate & higher qualifications	2.4	2.5
	<b>Total</b>	<b>100.0</b>	<b>100.0</b>

Table 3.9 - Technical education of household members

Sl. No.	Category	Stratum I (percentage)	Stratum II (percentage)
1	2	3	4
1.	Technical skill without technical education	1.1	1.9
2.	Technical certificate	1.3	1.1
3.	Technical diploma	0.3	0.5
4.	Technical degree & above	0.2	0.4
5.	Qualification not specified	0.8	0.6
	<b>Total</b>	<b>3.7</b>	<b>4.5</b>

### 3.5 Activity status of household members

The members of the household are classified as employer, employee, self-employed, unemployed and dependents according to normal activities pursued by them during the reference year. It could be seen from table 3.10 that the proportion of employees in stratum I is less than half of that

Table 3.10 - Activity status of household members

Sl. No.	Activity status	Stratum I (percentage)	Stratum II (percentage)
1	2	3	4
1.	Employer	0.8	1.4
2.	Employee	6.5	15.3
3.	Self employed	4.1	6.4
4.	Unemployed	7.1	6.1
5.	Students, young, household worker, old etc.	81.5	70.8
	<b>Total</b>	<b>100.0</b>	<b>100.0</b>

in stratum II. However, thanks to the migration of workers from this stratum, the proportion of unemployed is only marginally higher than that of control households. The proportion of dependents which includes the young, the students, the old and invalid and those engage in household work etc. is very much high in stratum I. This may be attributed to the fact that because

of remittances, the household members from these families are not willing or interested to go for employment in low paid jobs and instead continue either as students or remain unemployed or remain engaged in household work.

### 3.6 Sources of income

In majority of families surveyed there are more than one sources of income and there is marked variation in the average family income as between the two group of households. While the average monthly income of a household in stratum I is Rs.1942, it is only Rs.930 in stratum II. The sources of income given in table 3.11 reveals that remittances from Gulf

Table 3.11 - Distribution of monthly household income by source

Sl. No.	Sources	Stratum I		Stratum II	
		Amount Rs.	Percent- age	Amount Rs.	Percent- age
1	2	3	4	5	6
1.	Income from salary/wage paid employment	311	16.0	502	54.1
2.	Income from agriculture and related activities	201	10.3	178	19.1
3.	Income from non-agricultural household enterprises	31	1.6	28	3.0
4.	Income from non-agricultural non-household enterprises	81	4.2	73	7.9
5.	Remittances from				
	(a) Gulf countries	1160	59.7	--	--
	(b) Other foreign countries	4	0.2	--	--
	(c) Other states in India	24	1.3	64	6.8
6.	Other sources	130	6.7	85	9.1
	<b>Total</b>	<b>1942</b>	<b>100.0</b>	<b>930</b>	<b>100.0</b>

countries accounted for about 60 per cent of the total income of households under stratum I whereas income from salary/wage paid employment contributed 54 per cent in stratum II. In view of the predominant share of Gulf remittances to the total family income of first stratum, the shares of almost all other sources are comparatively less in this stratum.

### 3.7 Expenditure pattern

Just like in income, in the case of expenditure also there is marked variation as between the two group of households. The monthly average expenditure of remittance receiving household is worked out at Rs.1598/- compared to Rs.970/- in the case of control households. Significant variation in the proportion of expenditure on various items of expenditure (table 3.12) can be seen in the case of marriage and other ceremonies, on durable goods,

Table 3.12 - Household expenditure pattern

Sl. No.	Items of expenditure	Stratum I		Stratum II	
		Amount Rs.	Percent- age	Amount Rs.	Percent- age
1	2	3	4	5	6
1.	Food	701	43.9	495	51.0
2.	Clothing	98	6.1	76	7.8
3.	Education	65	4.1	41	4.2
4.	Fuel & light	93	5.8	58	5.9
5.	Travel	52	3.3	38	3.9
6.	Entertainment	17	1.1	11	1.1
7.	Gift donation	47	2.9	24	2.5
8.	Medical expense	100	6.3	57	5.9
9.	Marriage & other ceremonies	298	18.6	90	9.3
10.	Chit, LIC. etc.	35	2.2	42	4.3
11.	Durable goods	51	3.2	19	1.9
12.	Others	41	2.5	19	2.2
	<b>Total</b>	<b>1598</b>	<b>100.0</b>	<b>970</b>	<b>100.0</b>

and on food. The comparatively low share in chit funds, provident fund, L.I.C. etc. may be attributed to the fact that major share of savings in strata I is deposited in banks.

#### B. The Gulf migrants

In the previous section the socio-economic profile of the households receiving remittances from Gulf countries in relation to households with no foreign remittances is given. In the following section, an attempt is made to depict the profile of the Gulf migrant with special reference to



his educational, marital and activity status, length of stay in Gulf countries, frequency of visits etc. It is important to remember that these details of emigrants were collected not directly from the migrants but from the members of household receiving remittances and therefore the information furnished will be only approximate.

### 3.8 Age, marital and educational status

In the 1467 remittance receiving sample households, there were 1865 Gulf emigrants, the average number of Gulf migrant per household being 1.27. Since migration to Gulf countries from Kerala is mainly a male phenomenon, 92.5 per cent of the migrants are males. The age-wise distribution and marital status of migrants given in table 3.13 shows that 87.8 per cent belong to the age group 20-40 and 81 per cent of the total migrants are married. It is interesting to note that the proportion of divorced and separated

Table 3.13 - Age and marital status of Gulf migrants

Sl.No.	Age group	Percentage	Marital status	Percentage
1.	2	3	4	5
1.	Below 20	0.7	Married	81.0
2.	20 - 30	41.7	Unmarried	17.9
3.	30 - 40	46.1	Widowed	0.4
4.	40 - 50	9.7	Divorced	0.3
5.	Above 50	1.8	Separated	0.4
	Total	100.0		100.0

cases formed only less than 1 per cent and this fact dispel the notion held in many quarters that migration causes family disruption. Since the demand for labour in the Gulf countries is mainly in construction and other infrastructure projects, most of the migrants leave their families in home village/town and only persons engaged in desk jobs and professionals take their families to the host country. Therefore the survey revealed that only 9 per cent of the migrants stay in Gulf countries with their families.

The distribution of migrants according to educational status (table 3.14) indicate that persons below S.S.L.C. qualifications constitute 63 per cent. Emigrants with graduation and above is only less than 10 per cent.

Table 3.14 - Educational status of Gulf migrants

Sl.No.	Educational status	Percentage
1	2	3
1.	Illiterates	3.2
2.	Literates without school education	4.9
3.	Primary education	16.1
4.	Above primary below S.S.L.C.	38.6
5.	Passed S.S.L.C.	28.9
6.	Graduate and above	8.3
	<b>Total</b>	<b>100.0</b>

Majority of emigrants do not possess any technical skill or technical qualifications such as certificate, diploma or degree (table 3.15). In view of the

Table 3.15 - Technical qualification of Gulf migrants

Sl.No.	Level of technical education	Percentage
1	2	3
1.	Migrants without technical qualification	68.7
2.	Technical skill acquired without proper technical education	16.0
3.	Technical certificates	10.4
4.	Technical diploma	3.0
5.	Technical degree and above	1.9
	<b>Total</b>	<b>100.0</b>

high proportion of migrants with general qualification of below S.S.L.C. and with no technical skill or qualifications 73 per cent of the emigrants from Kerala were working as unskilled workers in Gulf countries.

### 3.9 Activity status before emigration

It could be seen from table 3.16 that 58 per cent of the gulf emigrants

were employees or self employed persons before their first migration and

Table 3.16 - Activity status before migration

Sl.No.	Activity status	Percentage
1	2	3
1.	Unemployed	35.9
2.	Employed	38.6
3.	Self employed	19.4
4	Employer	0.8
5.	Students, household workers, young etc.	5.3
	<b>Total</b>	<b>100.0</b>

only 36 per cent were unemployed. This is contrary to the widely held notion that the acute unemployment in Kerala leads to large scale migration. The present survey shows that more than unemployment, the higher wage/salary earnings offered in Gulf countries is the most important motivating factor behind the recent migration to Gulf countries.

### 3.10 Agency of recruitment

Till recently there was no government involvement or interference in the process of migration to Gulf countries. Most of the workers had gone their with visas obtained through the assistance of friends or relatives and agents of foreign employers and there had been no strict immigration rules in the host countries. However, in the early 80's when the volume of immigrants became very large and much more than the demand the Gulf countries tightened the immigration rules and conditions of employment of foreign workers. As a result large number of workers were repatriated on termination of contracts or for other reasons. The Emigration Act of 1983 of India has prescribed conditions for granting licenses to the recruiting agents, procedures to be followed by foreign employers to make recruitments in India and the terms and conditions of employment in various countries. The Kerala Government have also established an agency for consultation and selection of candidates for recruitment in foreign countries viz. Overseas Development and Employment Promotion Consultants Limited. In spite of all these efforts, friends and relatives and unlicensed recruiting agencies still accounted for over 80 per cent of the recruitments (table 3.17).

Table 3.17 - Agency of recruitment

Sl.No.	Agency	Percentage
1	2	3
1.	Friends and relatives	56.1
2.	Direct application to Gulf employers	1.9
3.	Government assistance	1.6
4.	Approved recruiting agents	7.7
5.	Unlicensed recruiting agents	18.7
6.	Agency not specified	14.0
	<b>Total</b>	<b>100.0</b>

While more than 56 per cent of the Gulf migrants got job through friends and relatives, these who migrated through government and authorised agents is hardly 12 per cent.

### 3.11 Length of stay and frequency of visits

The comparatively higher wage levels compel most of workers to stay in the Gulf countries as long as possible often with successive contracts. The percentage distribution of the emigrants according to length of stay in Gulf countries given in table 3.18 indicates that nearly 50 per cent had

Table 3.18 - Length of stay in Gulf countries

Sl.No.	Period of stay	Percentage
1	2	3
1.	Below 1 year	5.7
2.	1 - 2 years	9.6
3.	2 - 3 years	11.9
4.	3 - 4 years	12.2
5.	4 - 5 years	12.3
6.	5 - 6 years	10.4
7.	6 - 8 years	14.5
8.	8 years & above	23.4
	<b>Total</b>	<b>100.0</b>

more than 5 years and 23 per cent more than 8 years service in Gulf countries. It could be seen from table 3.19 that nearly 30 per cent of emigrants visited their home once in 3 years and 20 per cent once in two years. The higher

Table 3.19 - Frequency of house visit by the emigrants

Sl.No.	Frequency	Percentage
1	2	3
1.	Once in a year	8.1
2.	" 2 years	20.1
3.	" 3 years	24.2
4.	" 4 years	14.4
5.	" 5 years	6.2
6.	Once in above 5 years	2.9
7.	Not visited	19.1
	<b>Total</b>	<b>100.0</b>

proportion of migrants (19%) not visited even once may be attributed to the fact that most of them might be the recent emigrants.

### 3.2 Volume of remittances

The most important attraction for employment in Gulf countries is the possibility of saving a substantial portion of the earnings and remitting the same to the home country for the benefit of the migrant's family. According to the provisions of the employment agreements, the migrant workers are entitled to free or subsidised food, housing, transportation and medical facilities. Since the migrant worker is constantly aware of the fact that his employment in Gulf country is purely temporary the incentive to save is very high particularly among those in the middle and low level occupations. Majority of the workers from Kerala are engaged in middle level or low level occupations and as such bulk of the savings are also transferred to the home country. According to the present survey the average annual remittance to home per migrant was worked out at Rs.10,455 and on this basis the annual remittance from 3.01 lakh emigrants is estimated

at Rs.315 crores. This, as pointed out earlier, is only the minimum level as most of the respondents have a tendency to under report the financial information. Besides remittances, the migrants used to bring many articles mainly cloth material, cosmetics and electronic items during their visits to home. But valuation of these articles is difficult as respondents are reluctant to reveal the list of articles and their value. However, after much persuasion good proportion of respondents furnished the approximate value of articles brought during their last visit which can at best be considered as only the minimum amount. The average value of articles brought during the last visit of a migrant was Rs.7800/- and assuming that the average frequency of visit is once in three years, the total value of articles brought to Kerala every year is estimated at Rs.78 crores.

It may be noted that only households receiving regular remittances were considered for this survey. It is quite common that Gulf emigrants send a good portion of their earnings to many of their relatives and friends and also to various philanthropic organisations. No quantitative information is available on the magnitude of such remittances.

## UTILIZATION PATTERN AND IMPACT OF REMITTANCES

### 4.1 Utilization of remittances

One of the major issues in the literature on international migration of labour and inflow of remittances relate to the utilization pattern of these remittances. This topic assumes special importance in Kerala not only because of the acute unemployment problem and the problems relating to the rehabilitation of the returnees from Gulf countries. For this details regarding the various uses for which remittances were used during the calendar year 1986 and during the five year period from 1982-'86 were collected from the selected emigrant households. Further the stock of assets and liabilities of the migrant households were collected at two points of time viz. before the first migration from the household and as on the date of survey. In this connection it may be specially noted that most of the households do not maintain any accounts of their income and expenditure and memory lapses may adversely affect the reliability of data especially those relating to last 5 years and before the emigration. But this is not likely to affect the conclusions of this study.

The percentage utilization of Gulf remittances for various items of expenditure, during 1986 and during the 5 year period 1982-86 is presented in table 4.1. It may be noted that expenditure on current consumption items like food, clothing, medicine etc. are excluded from this list. The table shows that construction of building accounted for the largest share of expenditure both in 1986 and during the period 1982-86. This is followed by expenses for purchase of land and ornaments. While expenditure for the construction, purchase and improvement to building accounted for about 47 per cent of the total utilization of remittances in 1986, the corresponding proportion during the 5 year period under reference was only about 37 per cent. It is important to note from the table that the proportion of remittances used for the purchase of land has declined from 19.3 during 1982-86 to 13.2 in 1986 and this may be due to the fact that most of the emigrants had already purchased land for constructing residential building as it is the priority item for the Gulf migrants. It may be noted that expenditure for the purchase

of land, building and ornaments together accounted for 63.3 per cent during the five year under reference and 67.7 per cent during 1986.

Table 4.1 - Utilization pattern of Gulf remittance

Sl.No.	Expenditure	Percentage	
		1986	last 5 year 1982-86
1	2	3	4
1.	Purchase of land	13.2	19.3
2.	Improvement of land	1.4	1.5
3.	Construction of building	41.2	29.2
4.	Improvement to building	4.5	5.6
5.	Purchase of building	0.7	1.9
6.	Purchase of vehicle	2.9	2.2
7.	Other consumer durable	1.7	1.7
8.	Ornaments	8.1	7.3
9.	Education	8.1	6.4
10.	Repayment of loan taken for travel to Gulf	5.6	5.5
11.	Payment of other family debts	1.6	2.1
12.	Investment in business	1.7	2.3
13.	Financial assistance to relatives	2.0	1.9
14.	Deposit in banks	4.4	7.2
15.	Savings in Unit, LIC etc. share, bond	1.6	1.0
16.	Others (not specified)	1.3	4.9
	<b>Total</b>	<b>100.0</b>	<b>100.0</b>

One of the important items of expenditure of emigrants' household is for repayment of debts incurred for getting job in Gulf countries and the share of this item in 1986 and during the five year period remained more or less same. It could be seen that expenditure on socially productive purposes like improvement to land, investment in business, deposits in bank etc. accounted for only about 10 per cent of the total utilization of remittances. The fall in bank deposits in 1986 may be attributed to the diversion of deposits from scheduled banks to private money landing institutions for higher rate of interest.



## 4.2 Impact on households

In order to assess the impact of large remittances on receiving families, data relating to the assets of remittances receiving households before migration and on the date of survey were collected. For the purpose of convenience assets of most of the items are given for thousand population belonging to the two sets of households. In view of the wide variations in the types of assets owned, value of assets should have been a better index for assessing the change. But valuation of assets is not attempted as it may create suspicion among the respondents especially in view of the fact that most of the consumer durables are brought from Gulf countries. It is important to remember that information on financial assets such as bank deposits, deposits in investment funds, shares and securities held, money held in cash etc. were not collected in this survey and hence only the details of physical assets are given in this report.

By looking into the physical assets position (table 4.2) it could be observed that there is 30 per cent increase in the average area of land owned by the remittance receiving households after the first migration. As a result, the average size of land owned by a household in stratum I is 0.47 hectare as against only 0.27 hectare in the case of control households. At the time of first migration the average value of buildings - both residential and non-residential - was only Rs.47,200 whereas the corresponding figure as on the date of survey is Rs.63,200. After the emigration the quantity of gold ornaments and jewellery owned by the emigrant households has more than doubled and is now more than three times that of control households. Since the price of gold has been increasing at a faster rate than the increase in general price level and also due to the fact that this asset can be easily converted into cash, there is a preference for the emigrants to invest as much as possible in the purchase of gold ornaments and jewellery. The quantity of other durable consumer items given in numbers per thousand population shows a considerable increase from the pre-migration period and the position of remittance receiving household in the ownership of these assets is far better than that of control households.

Table 4.2 - Asset position of households

Sl. No.	Assets	Unit	Stratum I			Stratum II
			Before emigration	Present position	Percentage change	Present position
1	2	3	4	5	6	7
1.	Land	Area in hect/h.hold	0.36	0.47	30	0.27
2.	Buildings	value Rs.in'000	47.2	63.2	34	41.8
3.	Gold ornaments	grams/h.hold	43.0	100.5	133	28.9
4.	Live stock	no.'000 popln.	74.3	104.1	40	81.8
5.	Scooter/Motor cycle	"	2.3	6.1	165	5.8
6.	Auto rikshaw	"	0.1	0.9	800	0.5
7.	Car	"	1.1	3.2	191	1.5
8.	Other passenger vehicles	"	0.2	2.1	950	2.0
9.	Radio/tape recorder	"	50.0	162.3	225	94.9
10.	Television/VCR/VCP	"	1.0	18.1	1710	7.4
11.	Electric Iron	"	16.1	73.2	354	27.7
12.	Mixer/grinder	"	3.9	35.5	810	11.8
13.	Washing machine	"	0.1	7.8	7700	1.8
14.	Electric oven	"	0.6	5.4	800	1.3
15.	Pump sets	"	10.1	39.5	291	17.7
16.	Refrigerator	"	2.0	12.8	540	4.9
17.	Camera	"	1.4	9.9	607	1.8
18.	Sewing machine	"	8.0	18.4	130	10.8
19.	Wall clock	"	21.9	83.5	281	40.5
20.	Wrist watch	"	83.9	241.5	188	147.9
21.	Fan	"	40.7	140.0	244	81.5

Stratum I - Gulf remittance receiving households  
 Stratum II - Control households.

### 4.3 Liabilities

As in the case of assets, information about the liabilities of the households were also collected at two points of time. Table 4.3 indicates that despite a substantial increase in the remittances and assets, there is only a marginal decline in the total liability of the household. The average liability of the household in stratum I as on the date of survey is less than that

on the eve of first migration but it amounted to Rs.15,745 compared to Rs.7,676 in the case of control of households. One important reason for the higher amount of liability in emigrant household is the heavy expenditure incurred for Gulf employment. The expenditure on this item on the eve

Table 4.3 - Liability position of stratum I households

Sl.No.	Liability	Before emigration		Present position	
		No. of households	Average amount per household	No. of household	Average amount per household
1	2	3	4	5	6
1.	Loan taken for Gulf employment	703	Rs.7808	348	Rs.5097
2.	Family debt	257	Rs.9339	554	Rs.10648
	<b>Total</b>	<b>960</b>	<b>Rs.17147</b>	<b>902</b>	<b>Rs.15745</b>

of migration came to 45 per cent of the total liability and 32 per cent as on the date of survey. Even after deducting the debt incurred for Gulf employment, the liability is more than that of the control households. One possible explanation for this is the increased credit worthiness arising from the receipt of foreign remittances.

#### 4.4 Impact on the economy of the State

In the previous chapter and in the first section of this chapter, the impact of remittances on the economy of receiving households in relation to households receiving no foreign remittances have been discussed. But assesment of the impact of Gulf remittances on the economy of Kerala is very difficult in view of the underplay of various factors which shape the economy. Owing to limitations of resources no attempt is made in this survey to collect the details for an in-depth study to assess the impact of remittances on the economy of the State. But an attempt is made in this section to present a broad indications of the impact on the economy based on secondary sources of data.

From the national point of view the most important beneficial aspect of export of manpower to Gulf countries is the large foreign exchange earned by India through the remittances of Indian workers to their families. On

the basis of data collected from remittance receiving households it is estimated that Gulf remittances in Kerala in 1986 is of the order of Rs. 315 crores.

It is important to note that the large scale inflow of remittances from Gulf countries took place in a period of near stagnation in the economy of Kerala. It can be seen from table 4.4 that while the net state domestic

Table 4.4 - Growth in the net state domestic product and per capita income at constant (1970-71) prices

Year	Net domestic product of Kerala			Per capita income			
	Rs. crores	Index	Kerala		India		
			Rs.	Index	Rs.	Index	
1	2	3	4	5	6	7	
1970-71	1255	100.0	594	100.0	633	100.0	
1975-76	1423	113.4	610	102.7	664	104.9	
1980-81	1557	124.1	615	103.5	698	110.3	
1984-85	1650	131.5	607	102.2	775	122.4	
1985-86*	1698	135.3	614	103.4	798	126.1	

\* quick estimate

Source:- Estimates of State domestic product 1970-71 to 1985-86, June 1987 C.S.O. Govt. of India.

product at constant (1970-71) prices witnessed a marginal increase during the decade 1975-76 to 1984-85, the per capita income remained more or less stagnant. At the same time the all-India per capita income registered an increase of ~~over~~ 20 per cent during the decade. Even the marginal increase in the net domestic product is made possible because of the growth in the construction and tertiary sectors consequent on Gulf remittances. It is only the manpower export to Gulf countries and the large remittances which helped the State to prevent a negative growth rate in the economy during the last decade.

Another beneficial aspect of the large Gulf remittances is that it helped

to reduce the inter-regional disparities in the income distribution as the remittances are distributed more in favour of relatively backward districts. It may be seen from table 4.5 that Gulf emigrants are concentrated in districts which ranked low with respect to per capita domestic product.

Table 4.5 - Per capita domestic product and intensity of Gulf migration

District	Per capita domestic product			Intensity rate of Gulf migration 1980**
	1975-76	1980-81	1984-85	
1	2	3	4	5
Trivandrum	630	644	671	8.1
Quilon	713	621	610	5.8
Pathanamthitta*	--	--	612	13.8
Alleppey	599	629	671	4.1
Kottayam	745	703	707	2.4
Idukki	695	667	643	0.3
Ernakulam	674	837	817	1.5
Trichur	529	605	576	15.5
Palghat	605	620	610	3.4
Malappuram	432	417	385	14.5
Wayanad*	--	--	874	7.5
Kozhikode	619	588	593	0.4
Cannanore	538	553	551	8.7
<b>State</b>	<b>610</b>	<b>621</b>	<b>622</b>	<b>7.3</b>

\* Newly formed district.

\*\* Intensity rate is the number of Gulf migrants in 1980 per 1000 population.

Malappuram, Cannanore and Trichur districts rank lowest among the districts in terms of per capita domestic product, but these districts have the highest intensity rates with respect to Gulf migration. Since bulk of the Gulf emigrants are drawn from middle and lower middle class families and that itself from relatively backward regions, these remittances have had a levelling up effect in the distribution of income in Kerala.

Among the various impacts of Gulf remittances in Kerala, the most commonly expressed view is that it pushed up the wage rates and price levels. The increasing flow of construction workers to Gulf countries was followed by an increasing demand for them in the rapidly growing construction sector within Kerala. The sudden spurt in the demand for construction workers resulted in an abnormal increase in their wages (table 4.6) which have also escalated to other types of workers. At the same time a good percentage

Table 4.6 - Average daily wages of construction workers (Rs.)

Year	Carpenter	Mason	Unskilled worker (Men)
1	2	3	4
1975-76	13.54	13.52	8.90
1980-81	18.99	19.05	15.56
1984-85	37.34	37.34	22.35
1985-86	40.79	41.56	25.51

of women workers and children from remittance receiving households withdrew from low paid occupations resulting in a further increase in wages.

To what extent the Gulf remittances pushed up the price level in Kerala is difficult to measure as the price level is determined by the forces of supply and demand for goods in India. Bulk of the demand for goods in Kerala is met by imports from other states and as such the price impact of additional demand generated by Gulf remittances in Kerala spreads quickly to other parts of the country and thus gets considerably diffused.

## Chapter 5

**ECONOMIC STATUS OF GULF RETURNED MIGRANTS****5.1 Dimensions of return migration**

We have seen in chapter 2 the background for the return of migrants from Gulf countries and the magnitude of return. The employment in Gulf countries have produced widely differing impact on these returnees and their families. For some, it was a boom having earned enough, built a new house, educated their children and ensured sufficient income for the future. For many others, their earnings were sufficient only to clear the debts and to build a house. Yet, to some others they could not save enough even to repay the debts they incurred in securing employment in Gulf countries. An attempt is made in this chapter to present the socio-economic characteristics of returned migrants including their age, duration of stay abroad, earnings and remittances, reasons for return etc. The analysis is based on data collected from 433 Gulf returned persons included in 411 sample households spread over all the 214 sample wards selected for the survey.

**5.2 Demographic characteristics**

The data collected from the respondents showed that 98.8 per cent of those returned were males. Age-wise distribution and marital status of returnees indicate (table 5.1) that 88 per cent of them are married and

**Table 5.1 - Age and marital status of returned migrants**

Age wise distribution			Distribution according marital status		
Sl. No.	Age group	Percentage	Sl. No.	Marital status	Percentage
1	2	3	1	2	3
1.	Below 30 years	18.9	1.	Married	88.3
2.	30 - 40 years	51.0	2.	Unmarried	11.0
3.	40 - 50 "	22.4	3.	Widowed	0.1
4.	50 - 60 "	6.8	4.	Separated	0.6
5.	Above 60 years	0.9	5.	Divorced	--
	<b>Total</b>	<b>100.0</b>		<b>Total</b>	<b>100.0</b>

more than 90 per cent are of age below 50 years. 70 per cent of the returnees are of age less than 40 years. This indicate that the bulk of the returnees have long economically active life and their rehabilitation would be a very important problem for the State.

### 5.3 Educational status

The distribution of the Gulf returned according to their educational status shown in table 5.2 reveals that nearly 60 per cent belonged to the categories of below SSLC or illiterate. Proportion of persons with graduation

Table 5.2 - Educational status (general and technical education)

Sl. No.	General education	Percentage	Sl. No.	Technical education	Percentage
1	2	3	1	2	3
1.	Illiterate	15.0	1.	Without technical qualification	63.5
2.	Below SSLC	44.1	2.	Technical skill without technical qualification	20.1
3.	SSLC	25.2	3.	Technical certificate	5.5
4.	Graduate & above	15.7	4.	Technical diploma	10.4
	<b>Total</b>	<b>100.00</b>	5.	Technical degree & above	0.5
				<b>Total</b>	<b>100.0</b>

and above, constituted only 16 per cent. Regarding technical education, nearly two thirds do not possess any technical skill or qualifications and only 16.4 per cent possess any technical qualifications. The low educational status indicate that majority of them were working in Gulf countries as unskilled or semi skilled workers.

### 5.4 Activity status before migration

The acute unemployment in Kerala is generally held to be the most important reason for the large scale out migration to Gulf countries. But data from the present survey reveal that nearly two thirds of the returned persons were either employee or self employed persons prior to their migration to Gulf countries (table 5.3). Only 27 per cent were unemployed before



Table 5.3 - Activity status before migration

Sl.No.	Activity status	Percentage
1	2	3
1.	Employee	41.1
2.	Self employed	23.1
3.	Employer	0.5
4.	Unemployed	27.0
5.	Student, young, household worker etc.	8.3
	<b>Total</b>	<b>100.0</b>

their migration. It is possible that a good percentage of them were Government employees or employees of semi-government or autonomous bodies or well organised private establishments and as such might have rejoined in their old organisations after their return from Gulf countries.

### 5.5 Agency for recruitment and source of finance

The various agencies through which these migrants emigrated to Gulf countries given in table 5.4 shows that friends and relatives and unlicensed recruiting agencies accounted for over 75 per cent of the recruitment.

Table 5.4 - Agency for migration &amp; source of finance

Sl. No.	Agency	Percentage	Sl. No.	Sources of finance	percentage
1	2	3	1	2	3
1.	Direct application to the employers	2.3	1.	Loan from financial institutions	24.9
2.	Government assistance	1.1	2.	Personal/family savings	17.3
3.	Licensed recruiting agents	10.2	3.	Sale of movable/immoveable properties	12.5
4.	Unlicensed recruiting agents	29.3	4.	Assistance from friends & relatives	39.5
5.	Friends & relatives	46.9	5.	Source not specified	5.8
6.	Agency not specified	10.2			
	<b>Total</b>	<b>100.0</b>		<b>Total</b>	<b>100.0</b>

The average amount spent for obtaining a work permit was estimated at Rs.10,586. In nearly 40 per cent of the cases, it was the friends and relatives who financed the initial expenditure for getting job in the Gulf country.

### 5.6 Duration of stay and reasons for return

The success of Gulf employment depends to a great extent on the tenure of employment. In view of the higher wage/salary earnings, the workers try to continue in the Gulf employment as long as possible. Only 5 per cent of the returned migrants stayed with their families in Gulf and they would be mainly persons employed at professional level. It could be seen from table 5.5 that nearly 50 per cent of the returned persons stayed in

Table 5.5 - Duration of stay in Gulf countries

Sl.No.	Period	Percentage
1	2	3
1.	1 year	5.8
2.	1 - 2 years	8.3
3.	2 - 3 "	14.3
4.	3 - 4 "	14.1
5.	4 - 5 "	9.2
6.	5 - 6 "	12.3
7.	6 - 8 "	18.0
8.	8 years & above	18.0
	<b>Total</b>	<b>100.0</b>

Gulf countries for more than 5 years and about 28 per cent could stay there only for less than 3 years. Enquiry into the reasons for return revealed that nearly two third returned due to loss of employment caused by termination or cancellation of contract and other reasons (table 5.6). It is interesting to note that despite the unfavourable living conditions and long family separation only one per cent reported that they returned after having saved enough. While 11.8 per cent of the sample listed disease as the cause of their return, 4.8 per cent stated family problem as the reason for return.

Table 5.6 - Reason for return from Gulf countries

Sl.No.	Reasons	Percentage
1	2	3
1.	Loss of employment, due to termination or cancellation of contract	63.7
2.	Illness	11.8
3.	Family problem	4.6
4.	Low salary	4.6
5.	Saved enough money	1.0
6.	Not specified	14.3
<b>Total</b>		<b>100.0</b>

### 5.7 Earnings and remittances

Details of earnings and remittances of the returnees during their tenure in Gulf countries are given in table 5.7. The table shows that about 46 per

Table 5.7 - Earnings and remittances

Monthly earnings (Rs.)			Annual remittances (Rs.)		
Sl.No.	Amount	percentage	Sl.No.	Amount	percentage
1	2	3	1	2	3
1.	Below 1000	5.8	1	Below 5000	29.8
2.	1000 - 2000	39.9	2.	5000 - 10000	27.5
3.	2000 - 3000	26.6	3.	10000 - 15000	16.6
4.	3000 - 4000	11.3	4.	15000 - 20000	8.1
5.	4000 - 5000	7.4	5.	20000 - 30000	10.4
6.	5000 - 7500	4.6	6.	30000 - 40000	3.0
7.	7500 - 10000	3.5	7	40000 - 50000	1.6
8.	10000 & above	0.9	8.	50000 - 75000	2.8
			9.	75000 - 100000	0.0
			10	100000 & above	0.2
<b>Total</b>		<b>100.0</b>	<b>Total</b>		<b>100.0</b>

cent of the returned persons received only wage/salary earnings of less than Rs.2,000 per mensem. Hardly 9 per cent of them got wage/salary earnings of more than Rs.5,000 per mensem. With regard to remittances to home,

30 per cent of the returned were able to remit annually only less than Rs.5,000 and 75 per cent could remit only less than 15,000 per annum. About 8 per cent of the returned migrants alone remitted more than Rs.30,000 per annum while in Gulf.

### 5.8 Utilization pattern of remittances

The utilization pattern of the remittances of the returned Gulf migrants during the last 5 year period (~~table 5.8~~) reveal that construction, purchase and improvement to buildings accounted for 26 per cent of the total remittances and purchase of land accounted for 20 per cent. The above two items and the purchase of ornaments and vehicles put together accounted for over 58 per cent of the remittances. It is gratifying to note that compared to the utilization pattern of currently remittance receiving households, the returned migrants invested a higher proportion in business and bank deposits. The higher proportion in the possession of vehicles can be attributed to the fact many of the returned persons have become owners of taxi cars and autorikshaws.

### 5.9 Asset position of returned migrants

In order to assess the impact of Gulf employment and the remittances on the assets of the returned households, information relating to the assets of the household before emigration and on the date of survey were collected. The table 5.9 shows that there is considerable increase in the assets and the increase varied from 46 per cent in the case of land owned to over 2000 per cent in the case of electric and electronic items. The average value of buildings per household increased from Rs.50,600 to Rs.82,300 registering an increase of 63 per cent. There is remarkable increase in the number of motor vehicles owned which are used partly as consumer goods and partly as income earning assets. The substantial increase in the consumer durables especially items such as television sets, transistors, video recorders, wrist watches indicates that most of them were brought from Gulf countries. The returnees bring many such items even paying heavy custom duties.

Table 5.9 - Asset position of returned migrants

Sl. No.	Assets	Unit	Assets		
			Before emigration	Present position	Percentage increase
1	2	3	4	5	6
1.	Land	hect./h.hold	0.35	0.54	54
2.	Buildings	Rs.in'000/h.hold	50.6	82.30	63
3.	Ornaments	grams/h.hold	39.7	84.1	112
4.	Livestock	No.per '000 popln.	53.6	86.7	62
5.	Scooter/Motor cycle	"	2.5	7.8	212
6.	Autorikshaw	"	0.4	1.4	250
7.	Car	"	1.4	6.8	386
8.	Other passenger vehicles	"	0.4	3.9	875
9.	Lorry	"	--	1.1	--
10.	Radio/Tape recorder	"	42.1	160.7	282
11.	Television	"	1.4	32.4	1653
12.	Electric Iron	"	14.3	76.1	432
13.	Mixer/Grinder	"	5.3	45.4	757
14.	Washing machine	"	0.7	13.9	1886
15.	Electric oven	"	--	8.6	--
16.	Pump sets	"	12.1	44.6	269
17.	Refrigerator	"	1.8	16.1	794
18.	Camera	"	0.4	9.3	2225
19.	Sewing machine	"	5.7	22.1	288
20.	Wall clock	"	19.6	100.7	414
21.	Wrist watches	"	104.2	330.0	217
22.	Fan	"	132.5	192.1	45

### 5.10 Present activity status

The activity status of the returned migrants as on the date of survey presented in the table 5.9 shows that nearly 50 per cent of the returned persons have no job. On a comparison of the activity status prior to migration (table 5.3), it is seen that the proportion of employees declined considerably from 41 per cent to 19 per cent. At the same time the proportion

Table 5.⊕ - Present economic activity of the returned migrants

S I.No.	Activity	Percentage
1	2	3
1.	Employed	19.4
2.	Self employed	24.2
3.	Employer	1.6
4.	Unemployed	49.0
5.	Household worker	5.8
	<b>Total</b>	<b>100.0</b>

of unemployed increased from 27 per cent to 49 per cent and that of employer from 0.5 per cent to 1.6 per cent. An important observation that could be made from a comparison of the activity status before migration and after return is that after working in Gulf countries for wages much higher than the local wage rates, most of the returned migrants are reluctant to work as agricultural or other rural labourers. Instead they prefer to remain unemployed or self employed or at best engage in some household work. The increase in the proportion of employers can be attributed to the fact a small proportion of the returned persons have started some enterprises like operation of taxi cars, autorikshaws, cinema houses, shops, servicing centres, restaurants etc.

## Chapter - 6

## SUMMARY OF FINDINGS

1. The number of persons who have migrated from Kerala to outside the State is estimated as 6.82 lakhs; out of this, 48.3 per cent is to foreign countries. The number of Gulf emigrants is estimated as 3.01 lakhs.
2. United Arab Emirates and Saudi Arabia account for 58 per cent of the Gulf emigrants.
3. There is an increasing trend in the number of returnees from Gulf countries. Out of the estimated 86,475 Gulf returned, 42.5 per cent returned in 1986.
4. Muslim households account for 50 per cent of the Gulf remittance receiving households. Scheduled caste and scheduled tribe households account for only one per cent.
5. The average monthly income of remittance receiving household is Rs.1,942 as against Rs.930 in the case of control households.
6. Only 1/3 of the Gulf emigrants possess S.S.L.C. or higher qualifications. Majority of them do not have any technical skill or technical qualifications.
7. In view of the Gulf remittances, the work participation rate in the emigrant households is less than that in control households.
8. About 60 per cent of the Gulf emigrants were employees or self employed persons before migration and therefore more than unemployment, the higher wage/salary offered in Gulf countries is the most important reason for the large scale migration to Gulf countries.

9. It is seen that on an average a Gulf emigrant worker remits to his home Rs.10,455 per annum and on this basis the estimated annual remittance to migrants' households in Kerala is Rs.315 crores.
10. Nearly two thirds of the remittances received in the emigrants' households were spent for the construction of buildings and for the purchase of land and ornaments.
11. There is considerable increase in the assets of remittance receiving households and the position of these households is much better than the control households especially in the ownership of consumer durables.
12. About 70 per cent of the Gulf returned persons are below the age of 40 and hence their rehabilitation would be a very important problem for Kerala.
13. About 46 per cent of the Gulf returnees had a monthly earning of less than Rs.2,000 while in Gulf service.
14. More than 50 per cent of the returned migrants could stay in Gulf countries for 5 years or more. About 64 per cent of the return is caused by loss of employment due to termination or cancellation of contract.
15. While only 27 per cent of the returned persons were unemployed prior to their migration to Gulf countries, nearly 50 per cent of the returned had no job at the time of survey.



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