

REVIEW OF LITERATURE

II. REVIEW OF LITERATURE

The literature pertaining to the study on “**Determinants of Remittances and Assessment of Living Conditions of Migrant Workers**” is presented and discussed under the following heads:

1. **Concept of Migration**
2. **Theories of Migration**
3. **Reasons for migration**
4. **Remittance and Migration**
5. **Impact of Remittances**
6. **Other related studies**

1. CONCEPT OF MIGRATION

The idea of the current chapter is to study thoroughly most important works produced by wide range of scholars, researchers, academics, development institutions, etc which can shed light on particular questions of the broad theme of labor migration and its role in development.

In a study on “**Analysis of Pattern of Migration and Absorption of Immigrants-In: Population Studies**” by Eisenstadt (1953), defined migration as “the physical transition of an individual or a group of people from one society to another and in this transition they involve abandoning one social setting and entering into another permanent one”.

“Migration is, strictly speaking, a change of residence and need not necessarily involve any change of occupation, but it is likely been associated to shift of occupations of one kind to another” as defined by Caplow (1954).

In U.N. Multilingual Dictionary (1958) migration has been defined as “a type of ‘geographical mobility’ or ‘spatial mobility’ from one geographical unit and another, this generally involve a change in the residence of the people from the place of origin to the place of destination. Such migration is called permanent migration and this should be distinguished from other forms of movement as it do not involve a permanent change of residence”.

Webster's Third New International Dictionary (1966) defined migration as "the act or an instance of moving from one country, region or place to settle in another and the act or instance of moving from one area to other in search of work".

According to Shaw (1975) who defined migration as "the relatively permanent movement of persons over a significant distance". As per the study of Kok (1999), Migration is defined as the movement of people over some distance and from "usual place of residence to another".

In a work conducted by Chakravarthi (2001) on "**Caste and agrarian class: A view from Bihar**" and Chand (2002) on "**Migrated labour and the trade union movement in Punjab: A case study of sugarcane industry**" stated that human migration is a universal phenomenon. It is a process through which people move from a permanent place of residence to another more or less permanent one for a substantial period of time.

De Haan (2002) in his work on "**Migrant Workers and Their Role in Rural Change**" reported that migration generally refer to the movement of person or group of people from the specified limit as to open up a new permanent or temporary place of residence.

In a study on "**North-African migration systems: evolution, transformations and development linkages**", by De Hass (2007), stated that along with fertility and mortality, migration is a major component of population change and is perceived to be intricately linked with development both as a cause and as effect.

According to the International Organization for Migration (2011), migration is defined as "The movement of a person or a group of persons, either across an international border, or within a State. It is a population movement, encompassing any kind of movement of people, whatever its length, composition and causes; it includes migration of refugees, displaced persons, economic migrants, and persons moving for other purposes, including family reunification".

Migration is defined as a process of movement of an individual from the place of birth/origin or normal residence to a new place of residence. (Kishore and Kiran 2013).

2. TYPES OF MIGRATION

Migration is found to be in practice among people from olden times and it is been in action even in the present era. Human development process is not possible without the presence of migration. It is very much needed to know the type of migration, scale of migration and implications of migration. Migration is found to change from person to person and place to place. This section deals with various classifications of migration from various economists around the world.

Fairchild (1925) classified migration into four categories of invasion, consequent, colonization and immigration.

Isaac (1947) in a work on “**Economics of Migration**”, has categorized migration into two types of free and forced migration including seasonal, nomadic, temporary and permanent.

Hagerstrand (1957) in his work on “**Migration and area: Survey of a sample of Swedish migration fields and hypothetical considerations on their genesis**” has classified migration on the basis of environment at the place of origin and the place of destination into three categories of (i) country place to/from country place; (ii) country place to/from urban agglomerations and (iii) urban agglomerations to/from urban agglomerations.

Gonzalez (1961) in a paper on “**Family Organization in Five Types of Migratory Wage Labor**” has classified migration into five categories: (a) seasonal, (b) temporary non-seasonal, (c) recurrent, (d) continuous and (e) permanent.

Petersen (1961) classified migration into five categories: (i) primitive migration; (ii) impelled migration; (iii) forced migration; (iv) free migration; and (v) mass migration.

Kant (1962) in a study on “**Classification and Problems of Migration**” has classified migration into three broad categories of (a) accidental or temporary, (b) permanent or periodic, and (c) definitive migration.

Zachariah (1964) in a work on “**Migration in Greater Bombay**”, attempted to classify migration on the basis of distance of movement and pointed out (a) short distance and (b) long distance types of migration.

Davis (1965) in his study on **“Wives and work: The sex role revolution and its consequences”** has pointed out five types of migration: (i) conquest, (ii) displacement, (iii) forced labour, (iv) free individual migration, and (v) controlled migration.

Thomas (1978) classified migration into the categories of voluntary international migration and involuntary migration which includes persons who have left their own nation, people fleeing from one part of a national state to another, displaced persons (non-reparable), expelled persons and escapees.

Kosinski (1970) in an article on **“The Internal Migration of Population in Poland 1961-65 ”** has prepared a multi-dimensional scheme classifying migration on the basis of time, distance, boundaries crossed, decision making, number of migrants involved, social organization of migration, political organization of migration, causes of migration and aims of migration. On time dimension, migration can be temporary or permanent. Distance-wise, it can be long distance or short distance. According to boundaries crossed, it can be international, external and areal. On the basis of decision making, it can be voluntary, impelled or forced. According to number involved, it can be individual or mass migration. On the basis of social organization, it can be family or individual migration. As per political migration, it can be sponsored or free. Cause-wise, it can be economic or non-economic. According to aims, it can be conservative or innovative.

Zelinsky (1971) in a study on **“The Hypothesis of the Transition Mobility”**, has pointed out four types of migration: (i) rural – urban, (ii) inter-urban, (iii) sub-urban and (iv) frontier-ward migration.

Roseman (1971) in his work on **“Migration as a Spatial and Temporal Process”**, has classified migration into two categories: (i) total displacement migration involving complete spatial displacement of the daily/weekly reciprocal movement patterns of the migrants and, (ii) partial displacement migration involving displacement of only part of the everyday reciprocal movements of migrants.

Amin (1974) **“Modem Migration in West Africa”** has classified migration on the basis of the place of origin and the place of destination into four categories: (i) rural – rural, (ii) rural – urban, (iii) urban – urban and (iv) urban – rural.

Du Toit (1975) in his study on “**Migration and Development**” has given two types of migration: (i) forced migration and (ii) voluntary migration.

Greenwood (1971) in his study on “**An analysis of the determinants of internal labour mobility in India**” stated that there are two perspectives on internal migration that is disequilibrium perspective and the equilibrium perspective. The former argues that migration is taking place due to the existence of regional salaries that do not clear the market; whereas the latter considers that regional variations do clear the market. Although both views consider spatial variations of utility that underlie migration, they differ in the source and persistence of variation.

Sinha and Atallah (1987) in “**Migration an Interdisciplinary Approach**” have attempted to classify migration on four basis (i) space, (ii) time, (iii) volume and (iv) miscellaneous. On the basis of space, they have developed eight categories of intercontinental migration, international migration, and interstate migration process, local migration process, rural to rural migration process, rural to urban migration process, urban to urban migration process and urban to rural migration. Time wise migration has been categorized into long-range migration, periodic or seasonal migration, permanent migration, semi permanent migration, temporary migration, irregular migration, casual migration and daily or pendulum type migration. Volume wise, it can be classified as (i) large scale migration, (ii) medium scale migration and (iii) minor scale migration. On the basis of miscellaneous other factors, migration can be classified as (i) brain-drain, (ii) refugees, (iii) forced or involuntary migration, (iv) voluntary migration and (v) labour migration.

In a study on “**Economics of Migration**” by Borjas (2000) who has made the selection of migrants in two types: Positive selection and negative selection.

Positive Selection includes the following criteria’s,

- Migrants have above-average skills;
- Destination offers a higher rate of return to skills than origin;
- Migrants are chosen from the upper tail of the skill distribution ladder because origin “taxes” high-skilled workers and “insures” low-skilled workers against poor labour market outcomes.

Negative selection includes the following,

- Migrants have below-average skills;
- Origin offers a higher rate of return to skills than destination;
- Migrants are chosen from the bottom tail of the skill distribution ladder because origin “rewards” high-skilled workers and “punishes” less-skilled workers.

Therefore, high-skilled workers choose regions with larger payoffs to skills while less-skilled workers choose regions with smaller payoffs.

Migration determinants can be classified into: gravity variables, economic variables, labour market variables, real estate variables, environment variables and political variables. Gravity variables are population sizes, with positive influences, and physic distance, with negative influence. Economic variables could be numerous: gross domestic product per capita, newly created businesses, wages, etc. Labour market variables include: levels and/or rates of (un)employment, changes in working conditions, etc. Housing market variables act in the following manner: high prices of houses and low vacancy rates deter migration unless anticipated by potential migrants; size, structure and quality of residential stock affect level and type of migration, and also construction and demolition rates. Environment variables are those that affect quality of life both on short and long term, among these being terrain conditions (abandoned, vacant, Greenfield, or Brownfield), population density, degree of urbanization, social behavior of local inhabitants, climatic conditions, leisure and entertainment activities, etc.. Policy variables refer to governmental subsidies, local taxes, defense spending, educational offer, urban area plan, or direct measures such as migration incentives and policies. (Van der Gaag et al., 2003).

Sundari (2007) in a study on **“Migration as a Livelihood Strategy A Gender Perspective”** defined migration with respect to destination, direction and duration as (i) circulation migration, (ii) return migration, (iii) counter stream migration, (iv) step migration, (v) chain migration and (vi) return migration. Circulation migration refers to the case where the migrant does not stay at the place of destination for all of his or her lifetime. Migrant involves go back to their place of origin after a long period and then moves to another place again. In other words, it is not a one-way movement. In return migration, the migrant after staying sometime in the place of destination returns

to their place of origin to settle there again and does not move to another place. In counter stream migration, migrants move in the opposite direction, compared to all other migrants. In this case, urban citizens move to the rural areas. In step migration, the migrant moves in different stages upwards in the urban hierarchy. The first movement may be towards a small town, the second towards a city and the last to a metropolitan city.

Dwivedi (2012) in a study on “**Migration: An overview and relevant Issues**” stated that there are four types of migration direction wise, namely rural to rural migration process, rural to urban migration process, urban to rural migration process and finally urban to urban migration process.

Kishore & Kiran (2013) in their study on “**Labour Migration – A Journey from Rural to Urban**” has classified the patterns, forms and characteristics of labour migration as follows,

Four broad patterns of internal migration

- Rural to rural migration of people
- Rural to urban migration of people
- Urban to urban migration of people
- Urban to rural migration of people

Within these different streams rural to rural and rural to urban migration has been the predominant patterns of migration. The forms of migration was schematized as,

- Permanent
- Circular or seasonal and
- Commuting.

Within these different forms, seasonal/circular and commuting migration is predominant. The nature of contemporary labour migration can be examined at various levels depending on the degree and extent of vulnerability to which the migrant worker is exposed namely as,

- Migration for survival
- Migration for subsistence
- Sponsored migration
- Voluntary migration.

In a lecture on “**Migration Definition Types Cause and Examples**” which was delivered by Khan (2013) has stated that there are many types of migration and many people are not aware of it. He has listed the following types of migration for understanding the migration and its types,

- **Internal Migration:** It is the type in which you move to a new home within the same state, country or continent. A person move to another administrative territory.
- **External Migration:** It is the type in which you move to a new home in a different state, country or continent.
- **Emigration:** It is the type in which you leave one country and move to another one.
- **Immigration:** It is the process in which you move to a new country.
- **Population Transfer:** It is the type in which the government forces a huge group of people to leave a region on the basis of religion or ethnicity. It is also called the involuntary or the force migration.
- **Impelled/Imposed:** It is the type of movement in which people are forced to leave a country because of unfavorable situations like religious persecution, political unrest or warfare.
- **Step Migration:** It involves series of short and less extreme movements from the place of origin to the destination.
- **Return Migration:** It is the voluntary movement of the immigrants to the place of origin.

- **Seasonal Migration:** It is the movement for a specific period of time in response to the climate conditions or labor conditions.
- **Chain Migration:** It is the type of movement which begins from one member of the family who arranges money for his family members in order to make them move to a new location.

3. THEORIES OF MIGRATION:

Ravenstein`s laws of migration

Ravenstein (1885, 1889) made out five explicit and two implicit statements concerning patterns, migratory streams, migration motives, characteristics of migrants and distance of migration. His laws of migration are as follows:

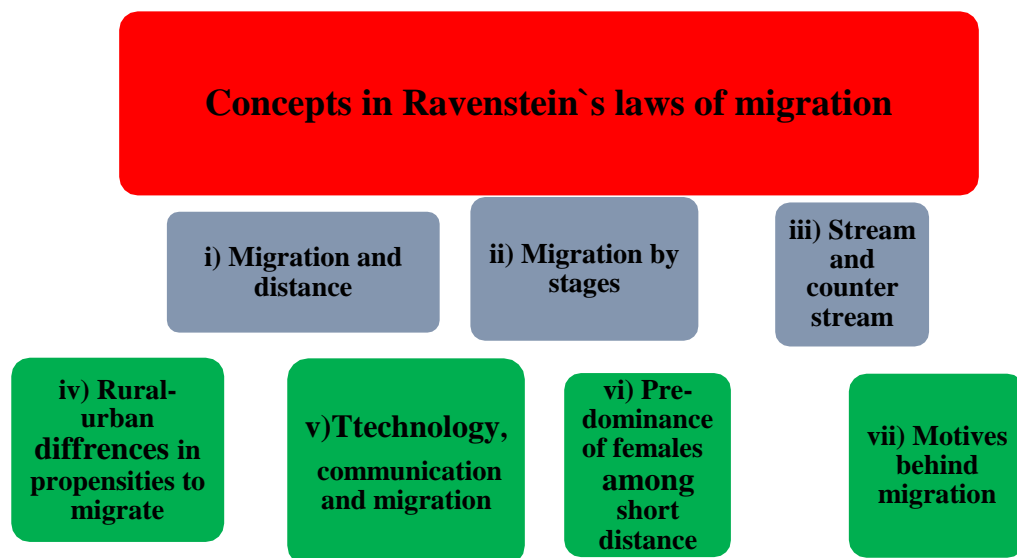


FIGURE 1

- i) **Migration and distance:** The rate of migration between two points will be inversely related to the distance between these points. Long distance migrants have a preference for large centers of commerce and industry.

- ii) **Migration by stages:** The inhabitants tend to move firstly towards nearby towns and then migrate towards the most rapidly growing cities.
- iii) **Stream and counter-stream:** Each main current of migration produces a compensating counter current.
- iv) **Rural-urban differences in propensities to migrate:** The natives of towns are less migratory than those of rural parts of the country.
- v) **Technology, communication and migration:** The magnitude of migration increases with the advancement of technology. It further accelerates with the growth in means of transport and communication and expansion of trade and industry.
- vi) **Pre-dominance of females among short distance:** Among the short distance migrants, female appear to dominate. Moreover females in general are more migratory than males.
- vii) **Motives behind migration:** Economic motive is always pre-dominant factor in influencing the decision to migrate.

On the basis of the above description, he concluded that people move from an area of low opportunity to areas of high opportunity.

Intervening Opportunity Theory

According to the theory of Intervening Opportunity of Stouffer (1940) “the number of persons going to a given distance is directly proportional to the number of opportunities at that distance and inversely proportional to the number of intervening opportunities”.

Gravity theory of migration

Stewart (1950) introduced the isomorphic relationship of population movements with Newton`s Law of gravitation. He observed that the movement of persons between two urban centers would be proportional to the product of their population and inversely proportional to the square of the distance between them. The theory propagated that the economic base of a country attracts migrants.

Lewis-Fei-Ranis theory

The first comprehensive theory of development related to the process of rural-urban labour transfer was the one developed by Lewis (1954) and later extended by John Fei and Gustav Ranis (1961). The combined structure is known as LFR model. It is based on the concept of dual economy, comprising a subsistence agricultural sector (rural) characterized by unemployment and underemployment and a modern industrial sector (urban) characterized by full employment where capitalists re-invest the full employment the full amount of their profit. This model considers migration as an equilibrating mechanism, which through transfer of labour from the traditional labour surplus sector to the modern labour deficit sector, eventually brings about wage equality in the two sectors. The marginal productivity of labour in the subsistence sector is zero or very low and the wages paid to the workers are equal to their cost of subsistence, so wage rates exceed marginal products. Contrary to this, wage rates in the modern urban sector are much higher mainly due to the high productivity oriented activities. Migration of workers from the rural areas to the urban areas is caused by differences in those wage rates.

Sjaastad's Human Investment Theory

Sjaastad (1962) presented the Human Investment Theory of Migration, which treats the decision to migrate as an investment decision involving costs and returns distributed overtime. According to this model, a person is supposed to migrate if the present value of all monetary benefits from migration is greater than monetary costs involved. The theory thus involves costs and benefits at the origin and destination as well as transport costs. The theory also recognizes the effect of the individual characteristics of potential migrants. Older people are less likely to move because differential income returns from migration accrue over a shorter remaining life span and psychic costs may be greater. Educated youth tend to be more mobile because their lifetime origin destination income differences are usually larger and their greater awareness probably reduces the psychic costs of migration.

Behavioural theory

In 1965, Wolpert developed a behavioural theory for migration focusing a place utility matrix and action space as a framework for studying rational decision-making in the context of migration. It deals with subjective evaluation of net utilities. He further

clarifies that the degree to which an individual's action space accurately represents the physically objective world in its totality is a variable function of the characteristics of both man and the variability of the environment.

Lee's conceptual framework for migration analysis

Lee (1966, 1969) postulated a general schematic framework for analyzing the volume of migration, the development of streams and counter streams and the characteristics of migrants. He elucidated the factors associated with the decision to migrate and the process of migration into four categories. Namely factors associated with the area of origin, factors associated with the area of destination, intervening obstacles and personal factors.

Further, he divided the forces exerting influence on migrant's perception into 'pluses', 'minuses' and 'zeros'. Pluses pull individuals towards them, where as minuses tend to drive them away. Further, zeros balance both the competing attractive and repellent forces and towards which people are therefore essentially indifferent.

Todaro's Theory of Rural-Urban Migration

Todaro (1969) has tried to develop a theory of migration starting from the assumption that migration is primarily an economic phenomenon. The Todaro theory establishes the rationality of such apparently contradictory situation by postulating that migration occurs in response to rural-urban difference in expected rather than actual earnings. The four major features of Todaro's theory (1976) are,

- Migration is stimulated by rational economic consideration of relative benefits and costs, mostly financial but also psychological.
- The decision to migrate depends on the expected rather than the actual rural-urban wage differentials and the probability of successfully obtaining employment in the urban modern sector.
- The probability of obtaining an urban job is inversely related to the urban unemployment rate.
- Migration rates in excess of urban job opportunity growth rates are not only possible but also rational and probable in the face of continued positive rural-urban expected income differentials.

In recent years a new economics of migration has arisen. Here, migration decisions are not made by isolated individuals but by larger units of related people especially families or households in which people act collectively not only to maximize expected income, but also to minimize risks. (Katz and Stark, 1986; Taylor, 1986; Stark, 1991).

New Economics of Labour Migration Theory

This theory is about the migration flows and the patterns which are difficult to be explained solely where the individual workers and their economic incentives are not equal but even though the social entities can be taken for consideration. In case of social entities they are considering the household of the migrant worker. So, they are stating that migration is to be viewed as a result of risk aversion on the part of household which is having insufficient income. While taking for consideration of household there is need of extra capital which is achieved through remittance which is sent back to family members by the migrant labour. And these kind of remittances have a broad effect on the economy of the country (Jennissen 2007) .in the recent research has analyzed that there is decline in U.S interstate migration from 1991 to 2011 and this reduction is due to the change in the geographic specificity of occupations of the migrant workers and their ability to learn about the occupations in the different geographic conditions.

Relative Deprivation Theory

This theory is framed in order to understand the awareness of the income difference between neighbors of other households in the migrant-sending community as this is considered to be the important factor in migration. The main incentive to migrate is very large in the areas which have a high level of economic inequality. In the short run, it is considered that remittances increase the inequality but in case of long run remittance actually decrease it. and as per this theory there are two stages of migration for a migrant worker. Firstly they invest in the human capital formation and later they try to capitalize on their investments. By doing so the migrants are successful in using their new capital for providing better schooling for their children and then better homes for their families. (Jennissen 2007)

World System Theory

As various older studies of migration has introduced very different concepts of understanding migration process. With building the theory of Wallerstein (1974), the world system theory has been linked to the determinants of migration to structural change in the world markets and also on views of migration as it is the function of globalization, this has increased the independence of economies and emergence of new forms of production (Massey et al. 1993; Sassen 1988; Skeldon 1997; Silver 2003)

The world system theory concentrates at the migration from the global perspective. It explains the interaction between different societies which can be the important factor in the social change which is prevailing within the societies. The trade between one countries cause a decline in another and this create incentive to migrate to another country between which societies is being one of the important factor in the social changes within the societies. After decolonization, the dependence of former colonies is remaining in the mother countries. And it is known factor that developed countries are in need of labour intensive goods which cause an in increase in employment of unskilled workers in the less developed countries and decreasing the outflow of migrant workers. The exports of capital-intensive goods from rich countries to poor countries also equalize income and employment conditions and slow migration. (Jennissen 2007)

4. REASONS FOR MIGRATION

The economic theory of migration has its historical roots in models of development (Lewis 1954). According to this theory rural-urban migration is caused by geographic differences in the supply and demand for labour. Migration is possible due to assumptions of wage differentials between rural and urban areas, a reserve army of 'underemployed' labour in agriculture, zero transfer costs and reinvestment of urban enterprise profits into production.

Against the view of Lewis model, especially the assumption of full employment, the Harris-Todaro model (1970) and its extensions have been crucial in modeling rural-to-urban migration in less developed countries. The underlying micro-foundations of these models are that expected wage in urban areas is the driving force of rural migrants.

Williamson (1988) mentioned that wage differentials alone matter, but also important is the incorporation of the rate of return to migration and the elasticity estimation of the response of migrants to wage differentials in migration models. Since the Harris-Todaro model many other researchers have extended the model by incorporating new factors that will increase the choices of individuals to migrate (Bruekner and Kim 2001).

Economic theory focuses on migration as a rational choice. In the Harris-Todaro model, labour migration is modeled in the context of inter-sectorial (rural-urban) wage inequality. Migration decisions are made by rational self-interested individuals looking for higher paid work in urban areas and migration occurs if the economic benefits in terms of expected wages at urban destination – accounting for risk of initial spell of unemployment – exceed economic costs of moving and of foregone wages at rural origin (Lucas 1997).

Rationality implies that individuals with better education, skills and labour market experience have a comparative advantage in job search at destination labour markets, and therefore are more likely to migrate. Thus migration is seen as a selective, rather than random, process, and will migrants 'self select' in this way, the same logic of rationality implies that non-migrants do not move because their comparative advantage lies in staying (Tunali 2000). Consequently, it can be derived that other things being equal, migrants are more likely to be from ex ante better-off groups, who are more likely to be better educated and skilled, and non-migrants from worse-off groups. Furthermore, because poorer households face tighter financial constraints, migration costs limit the set of available destination choices, and therefore the potential benefits which might discourage mobility.

At the micro-level, the choice of migrating is explained by an individual decision-making process (Todaro 1989) usually under uncertainty. Where it is based on a cost-benefit analysis, migrants take the migration decision only when they expect a positive net return, usually monetary. Bigsten (1996) argues that this may be a more relevant perspective in the case of permanent migration. In recent years, these assumptions have been challenged by the New Economics of Migration literature (Stark and Bloom 1985).

As per the study of William (1988) and Borjas (1991) migration choice being made from a self-selected group with observable single characteristics such as skills, education, age, marital status, among others reasons.

Portes (2000) in his study has approached migration as a question of long-term economic adaptation. Migrants are viewed not only as individuals carrying their personal skills, but also as members of groups and participants in broader social structures that affect in multiple ways their economic mobility. Migrant networks are sets of interpersonal ties that connect migrants, former migrants and non-migrants in origin and destination areas through ties of kinship, friendship, and share community origin (Portes and Rumbaut 1996).

Gupta and Prajapati (1998) attempted to study the reasons for migration of seasonal agricultural labourers in Chhattisgarh region of Madhya Pradesh. Based on primary data collected from 140 farmer respondents in two villages of Raipur district, the study revealed that the existence of a larger number of small and marginal farmers, low agricultural productivity, dearth of irrigational facilities and lack of job opportunities during the rabi season in the study area were the main reasons for migration. The second important reason initiated by the study was lower wages in the study area where the announcement of Government with regard to increment in the wage rates was not implemented. As a result, the farmers were either forced to go to work at very low wages or of look for job opportunities outside the region. The larger size of the family with small land holding was also the main reason for migration.

In the article on “**Selectivity in Rural-Urban Migration: Evidence from Tamil Nadu**”, Kumar (2001) reported that, people move from one place to another where some kind of development had taken place. He stated that if an urban person move into a rural area, it could be for some other reasons such as purchase of property, and due to transfer in government institutions. People who moved from rural to urban area and urban to rural areas would have characteristics very different from the local population at their places of destination. This is called ‘selection process’ in migration. Rural migrants were found to be in better occupational status and had higher income than the rural non-migrants and were relatively better than the urban non-migrants in these respects.

Gupta and Mithra (2002) in their study on **“Rural Migrants And Labour Segmentation: Micro Level Evidence For Delhi Slums”**, concluded that the percentage of migrants below the poverty line was the highest among those who migrated within five years and lowest among those who migrated between 12 to 15 years. With a rise in the period of stay, migrants were able to improve their standard of living. The incidence of poverty was highest for petty trade and in service sector it was on the low side. Migrants were found to be concentrated on small units categorized by low productivity. With experience migrants were found to move from low productivity to high productivity jobs.

Tiwari and Goel (2002) in their study on **“Migration pattern, poverty profile and consumption pattern: A case study of unregistered informal sector workers in cities of Agra and Kanpur in Uttar Pradesh and Puri in Orissa”** has analyzed the pattern of migration, poverty profile and consumption pattern of sample of 500 workers engaged in informal sector in Agra and Kanpur cities in Uttar Pradesh and Puri in Orissa. The study reported that low level of income was the major determinant in the process of rural-urban migration.

Shah and Amitashah (2003) in their work on **“Chronic Poverty in India: Incidence, Causes, and Policies”** stated that the incidence of poverty in South Western Tribal Madhya Pradesh was alarmingly high leading to mass migration. The reasons cited for migration were poverty, population pressure and shrinking size of land holdings, recurring droughts and lack of off-farm employment avenues and consumption loan from the moneylenders resulting a debt-trap. The study demonstrated that a shock could push even a well-to do tribal household into a debt-trap and consequently it had to resort to migration as coping mechanism.

Patel (2005) in the study on **“A Sociological study of Migrant Tribal Farm-Labourers in Villages of Anand District of Gujarat”** covering 75 migrant tribal farm labourers in the villages of Anand district revealed poverty as the main reason for migration.

Sabates et.al (2008) in a paper on **“Tackling Poverty-Migration Linkages: Evidence from Ghana and Egypt”** reported that in a community the most poor people are improbable to migration as for the process of migration these people has

to spend high cost for transport so migration is not possible process for poor people to overcome their problem of poverty.

Kundu and Sarangi (2007) analysed in their study on “**Migration, Employment Status and Poverty**”. The study analyzed the pattern of migration in urban areas and its social-economic correlates. Economic deprivation was not the most critical factor for migration decision, even for seasonal migrants. People migrate out of both poor and rich households, although the reasons for migration and the nature of jobs sought by them were different. The probability of a person being poor is low in a large city compared to any other urban centers, irrespective of the personal status, age, number of subsidiary activities.

Ramesh (2007) in his work on “**Out-Migration of Labour from Rural Areas: A Study**” found that about 60 percent of the agricultural labourers interviewed moved to other places as there was not sufficient work in the local villages. Another 21 percent migrated to other places, as they were already part of some informal group worked in those places.

In a study conducted by Nguyen (2015) on “**Internal Migration, Networks and Gender Roles among Domestic Workers in Vietnam**” stated that economic necessities were undoubtedly the most common —push factor for migration. Unequal regional development and the state’s withdrawal from the provision of basic needs such as healthcare, childcare and education leave the majority of rural households in a precarious position, having to fend for them while job opportunities are few and far between. Although the participants vary in age, level of education and number of dependants, their ultimate motivation for migrating was to earn money.

Singh (2015) in her study on “**Internal Migration in India**” has stated that there is a great significance on migration in case of India. India has high levels of regional disparity in terms of population distribution and development indicators like per capita income, industrial growth and agricultural production. Maharashtra, Gujarat and the north and northwest Indian states like Haryana, Punjab and Delhi have become attractive destinations for the migrant population. Rapid urbanization and industrialization of these areas have generated more employment opportunities and also created better infrastructure. People migrate to these regions perceiving them as

greener pastures. The low income states report much lower rate of mobility as compared to the developed states. The distribution of districts across states by levels of mobility clearly reveals a positive association between rate of mobility and levels of development.

In a lecture on **“Pull and Push Factors of Migration: A Case Study in the Urban Area of Monywa Township, Myanmar”** Thet (2014) has stated that Migration is a global phenomenon caused not only by economic factors, but also by social, political, cultural, environmental, health, education and transportation factors. It commonly takes place because of the push factor of fewer opportunities in the socio-economic situation and also because of pull factors that exist in more developed areas. Among 389 sample households, 44.5% of households were migrants, meaning they are not native residents of Monywa Township. Concerned with push and pull factors of migration, 18 statements were asked to determine whether these were important or not important for each subject. Based on this information, the important factors were detected using factor analysis. A better living condition is the first and most significant factor with maximum percentage of variance which motivated the people to migrate to Monywa Township. The study concluded that the main reason of migration was to upgrade living standard and to gain better public service.

Kaur et.al (2011) in a study on **“Causes and Impact of Labour Migration: A Case Study of Punjab Agriculture”** has pointed that in Punjab, the influx of migrant labour particularly in agriculture sector started with the green revolution and picked up subsequently. Due to monoculture in the cropping pattern, the state has become largely dependent on migrant labourers for various agricultural operations. The influx of seasonal as well as permanent labour from outside has led to various socio-economic problems in Punjab. The results revealed that better income and employment opportunities at the destination place were the major factors responsible for migration. About 64 per cent of the respondents earned less than Rs. 20000 per annum at their native places and 60 per cent of them had less than 200 days of employment in a year, whereas 23 per cent of the labourers were unemployed at their native place. However, after migration 63 per cent of the migrants could earn from Rs. 20000 to Rs. 50000 per annum and 34 per cent earned more than Rs. 50000 per

annum in Punjab, leading to a major share (60% of total income) as remittances sent back to their native places.

Sridhar et.al (2014) in an article on **“Is it Push or Pull? Recent Evidence from Migration into Bangalore, India”** has highlighted that given urban areas contribute to more than 65 % of India’s gross domestic product (GDP), the sustainability of the rapid 8–9 % GDP growth India has experienced in the last decade, is dependent to a large extent on urban areas. As migration being one of the important factors contributing to the growth of urban population, which explains migration in India, taking the case of Bangalore, which has one of the largest proportions of in-migrants to total population. An examination of these factors is done using a primary survey of migrants in Bangalore.

Rasool et.al (2013) in their paper on **“Push and Pull Factors in Relation to Skills Shortages in South Africa”** has stated that there are many factors that push people out of the place. A survey-based research design was adopted using a closed questionnaire to determine the factors that either push or pull skilled labour from or to South Africa. The sample consisted of 800 organizations/businesses that seek to employ skilled foreign labour in South Africa. While affirmative action is one factor that contributes to emigration of skilled individuals, other factors include: crime, better wage offers, better quality of life and future for their children, economic stability and improved health care. These factors include: attractive salary packages, early retirement within the education sector, an opportunity to gain international work experience, an improved lifestyle and a variety of career choices. Immigrants, on the other hand, are pulled to South Africa as they see this as offering them economic opportunities that are not available in their home countries.

5. REMITTANCE AND MIGRATION

Remittances are the money that the migrant sends to the family members in their place of origin from their place of destination and this is one of the long been part of migration process. The main motive of the migrants is associated with earning of additional income and to remit it to their family left behind.

Webster dictionary (1913) defines remittances as follows “A remittance is the sum of money being sent, generally to someplace abroad. In common usage, the word can refer to moving money by any method - a wire transfer, online transfer, by mail or using a credit or debit card to move the money. The payment could be to settle an invoice from a supplier, to pay an employee, or to support family back home”.

The UNDESASD or the United Nations Department of Economic And Social Affairs Statistics Division (2006) defined remittances as the “Personal remittances = compensation of employees – social contributions + personal transfers + capital transfers between households”.

Englama (2009) defines remittances as “migrant’s wages send home from destination”.

Remittance is defined as “transfers, either in cash or in kind, to the households by their former members who have migrated out”. (NSSO 2010).

The definition given by Plaza’s et al. (2011) remittances included both the international migration or the cross border migration and the internal migration or the within country migration transfers of money which is been sent by the migrant workers.

Ritzer (2011) defines remittance as “Remittances are funds and goods sent by internal or international migrants to their origin families and communities”.

The European Parliament (2014) defined remittance as “across the borders, private, monetary and non-monetary which includes social or in-kind of transfers process by the migrant people which is either by individual or group of people or a community of people. The reverse remittances are those transfer of money in the reverse way as it follows an opposite direction movement of money from non-migrants at the place of origin to the migrant people who are staying away from origin. This is done mainly to provide a help to them in their difficult times.

According to the World Bank Report (2009), Remittances are defined as the sum of three types of transactions. “Workers’ remittances” are current private transfers from migrants staying in a country for a year or longer to households in another country. Usually they are transfers between members of the same family

residing in different countries. If migrants are staying in a country for less than a year, their entire income in the host country is recorded as “compensation of employees”. “Migrants’ transfers” are related to the transfer of household effects and financial assets that arise at the time when a migrant changes her or his country of residence. They are not transactions between two different parties.

According to Nepal Living Standard Survey (2010-11): “Remittance received is defined as a transfer in cash or in-kind by a household over the last 12 months. In kind refers to monetary value of received items such as television, computer, and clothing and so on except cash”.

Taylor and Wyatt (1996) in their study on “**The shadow value of migrant remittances, income and inequality in a household-farm economy**” has found that one strand of the literature on migration and welfare focuses on the relationship between migrants remittances and household income disparities in migrant sending regions. However, empirical studies on the topic often yield conflicting results and there appears to be no strong consensus on both the direction and magnitude of the redistributive impact of remittances. Remittances sometimes go disproportionately to better-off households, and so, widen disparities, but in other cases they appear to target the less well off, causing disparities to shrink.

In a study on “**Effects Of Federal Funds Target Rate Changes On Stock Prices**” conducted by Ekanayake and Mihalis (2008) stated that international transfers or Remittance are considered to be one of the important factor component in the Gross Domestic Product in the nation. As per the Report of World Bank (2011) they have estimated that globally nearly about US\$325 billion dollars are remitted for developing countries. But, there is very limited research made on knowing the flow and impact of internal transfers made by internal migrants.

Migration often generates flows from migrants to their household of origin. The importance of such migrant remittances can hardly be ignored in developing economics. Empirical studies on remittances appear to presume that the most obvious motive for remitting money is pure altruism- the care of migrant for those who are left behind. Lucas and Stark (1985) pointed out that the decision to remit is not as simple as proposed but rather complex and they developed theories on remittances.

According to them, the motives of the migrants for remitting are due to i) pure altruism, ii) pure self-interest and iii) enlightened self interest.

(i) Pure altruism

It is assumed that a migrant is one who really cares for those left behind in the village. If a typical migrant enjoys remitting and derives utility by remitting, then no testable hypotheses emerge. Using the classical utility maximization framework, Lucas and Stark (1985) showed that the amount of remittance depends upon the income of the migrants, income per capita at home and the household size.

(ii) Pure self-interest

Relying on pure selfish motivations and absence of altruism, Lucas and Stark (1985) put forth three reasons for the remittances of the migrants. The first is aspiration to inherit. A continuous support of his/her family would favor inheritance. A second reason may be to invest in assets in the place of origin and ensure their careful maintenance. The family members may be trustworthy enough to purchase (land, cattle etc) and maintain their assets on behalf of the migrant. The third reason is to keep alive the prospects for finally returning home.

(iii) Enlightened self-interest

An alternative theory first put forth by Lucas and Stark (1985) and then elaborated by Stark and Lucas (1988) considers remittances as the outcome of self-enforcing cooperative contractual arrangements between the migrants and the family. This framework incorporates two testable components, via, investment. It is generally believed that for the better educated initial costs of education and subsistence support, more particularly while unemployed are borne by the family and these constitute the investment component. Remittances are seen as returns to the investment made earlier by the family.

There are at least three views on how remittances are spent and their effect on economic development.

- The first view sees remittances as fungible and are spent at the margin just like income from any other source. For example; a dollar of remittance income is

treated by the household just like a dollar from wage income (Adams & Cuecuecha 2010).

- The second view argues that the receipt of remittances can cause behavioral changes at the household level and that remittances tend to get spent on consumption rather than on investment goods like the purchase of a livestock unit or setting up a small retail shop. The significant and even the majority portion of the remittances are spent on status oriented consumption goods like buying a television or radio (Chami et al. 2003).
- The third view is that since remittances are a transitory type of income, households which makes transaction more than the limit on the goods for human and for capital investment more than the consumption goods.

Wahba (1991) in his study on “**What Determines Workers’ Remittances?**” has divided remittances into four types:

1. **Potential Remittances** – It refers to savings available to the migrant once all expenses in the host country have been met. These represent the maximum the migrant can transfer at any time.
2. **Fixed Remittances** - It refers to the minimum the migrant needs to transfer in order to satisfy her family's basic needs and other contractual obligations.
3. **Discretionary Remittances** - It refers to transfers in excess of fixed remittances. These together with fixed remittances constitute the level of actual remittances.
4. **Saved Remittances (or retained savings)** - It refers to the difference between potential remittances and the amount remitted during the period. These flows are accumulated into a stock of resources, which can be used to supplement actual remittances at a later date. This stock of wealth is a result of a portfolio decision by the emigrant and she may be encouraged to make these resources available for the development of her country of origin.

Stark and Taylor (1991) in their study on “**Migration Incentives, Migration Types: The Role of Relative Deprivation**” have remarked that income remittances from household members who migrate will have a dual impact on household welfare:

first, by contributing to its absolute income; and second, by improving its income position relative to that of other village households

Resource transfers play an important role in the livelihoods and survival for many poor people in developing countries. So, remittance provides a mean of achieving consumption and also in the process of alleviating the liquidity constraints which creates a linkage between the labour migrants and their households at the place of origin. (Taylor and Rozelle 2003; Yang and Choi 2007).

A study on “Do Migrants Insure Those who Stay Behind? Evidence from the Kayes Area (Western Mali)” conducted by Gubert (2002) by using the data of eight villages in Kayes areas, by taking the implicit assumption that remittances serve as an insurance contract between the migrant the household members left behind. By taking both (internal and International) remittances found that remittances from France were used to overcome or neutralize the loss in mainly comes in crops production and due to illness or death of a household or family member. He concluded that by making policy related to migration the policy makers must have to consider the insurance and the welfare effect of remittances which it gave to households.

In a study on **“Migration and incomes in source communities: a new economics of migration perspective from China”**, conducted by Taylor et al (2003) the impact of migration related remittances on poverty can be of two possible ways. In the one side it is considered to be optimistic process where migration reduces poverty among the migrant source area by shifting the population from the low income rural sector to relatively high income urban sector. Income remittances made by the migrants contribute to the income of the households in the migrant source areas. The other side it is considered to be pessimistic process where poor households face the problem of liquidity risk and perhaps it leads to other constraints which limit their access to migrant labour markets. This scenario is especially for the international migration, which usually includes high transportation and entry costs. If migration is costly and risky when the migrants come from the middle or upper segments of source areas the income distribution gets effected.

Ratha (2003) in a study on **“Workers’ Remittances: An Important and Stable Source of External Development Finance”** has stated that migrant’s remittance is

considered to be a great importance over last decade in development studies. Remittance is considered to be an 'important and stable source of external development finance' for households in source regions.

In a study on "**Remittances and Poverty in Ghautemala**" by Adams (2004) has found that both the internal and international remittances plays an important role in reducing the headcount incidence, depth and severity of poverty in his study area of Guatemala. As his study stated that households which has lowest income decline got a very large share of their household income through remittance sent by the migrant workers. Further this study states that "poorest of poor" household received remittances and their income status changes dramatically with a potentially with a huge impact on the poverty level which intakes the number, distance of the placement of the poor households or the people living below poverty line. The study concluded that remittance is been used in the study as a poverty reduction mode.

De Haan (2006) in a study on "**Migration in the Development Studies Literature, Has it Come out of Marginality?**" has stated that remittance from the migrant labors have the potential to spatially redistribute the income and relieve the income inequalities which suggested that migration has a strong relationship with the poverty and social exclusion.

In a study on "**Migrants' Remittances and the Household in Africa: A Review of Evidence**" conducted by Azam and Gubert (2006) stated that migration is a decision that impacts the welfare of the household, the home community, and in the end the whole economy in various ways. The welfare implications of migration on the origin country are most often, though not always, sizable and positive. The main channels through which migration alleviates poverty are increased incomes from remittances, ability to smooth consumption, access to finance for starting a new business, as well as tapping on to the knowledge and resources provided by the international community of the migrant Diaspora. Besides pure monetary gains, migration and remittances allow for higher investment in health care and education. The author concluded that not all impacts are positive: exploitation of migrants by unscrupulous recruiters or employers is reportedly widespread; separation from family can be stressful for migrants; and large scale immigration can pose serious challenges to a nation's identity and sovereignty.

Deshingkar and Kumar (2006) study on **“The Role of Migration and Remittances in Promoting Livelihoods in Bihar”** examined on the role of migration and remittances in enhancing livelihoods in six districts in Bihar, and found that (with the exception of the very poor and the very rich) all classes seem to be migrating in search of increasing opportunities elsewhere. Better-off young people tend to migrate to urban areas, and social connections determine the choice of destination. It was observed that migration and remittances improve the standards of living by smoothening out consumption and spreading risk.

In their study on Moldovan migrants, Siegel and Lücke (2009) incorporate both migrant- and channel-related independent variables into their multinomial logit model for the choice between official services (banks, money transfer operators and post offices), unofficial services (third parties such as minibus operators) and personal transfers (migrants themselves, relatives and friends). The authors found that unofficial services and personal transfers were more likely used relative to official ones, when migrants and the recipient households are primarily concerned about the cost of the service as opposed to its speed, convenience, security, or trust.

Demurger and Shi (2012) undertook a study in China on **“Migration, Remittances and Rural Employment Patterns: Evidence from China”** by using a probit model and examined migrant or remittances effects on household members and occupational choices of work. They estimated the impact of migration duration and remittances on migrant sending households. They found that the migration has two fold effect on the occupational choice of individuals in rural China, firstly it will increase local off-farm work which also indicates the fact, when the migrant came back his/her village migrant will more likely to work in off-farm sector; secondly overall sending a migrant to a city which motivated the left behind to work in farming than off-farm activities.

Sridhar and Sanjaya (2017) in their paper on **“Remittances and Household Expenditure in Nepal: Evidence from Cross-Section Data”** has pointed out the use of remittances and this is been carried out in three different ways. The first one has considered the expenditure process of the income through remittance which is similar to income to households from other sources mainly through farm and non farm incomes to the rural peoples. The second point of remittance income deals with the

behavioral change among the remittance receiving family mostly for their consumption process. the third point deals with the `permanent income hypothesis` which assumes that remittance are a process for transaction type of income as people tend to use money mainly for transaction on day to day expenses.

6. IMPACT OF REMITTANCES

Remittance of earnings can be a major income source for sending households and the impact on income inequality between sending households depends on which households in the income distribution are more able to send migrants. Lipton (1980) in his study on “**Migration from rural areas of poor countries: The impact on rural productivity and income distribution**” argued that wealthier households are more likely to benefit from migration since they are more able to educate their children and to send them over longer distances in search of work, and their children are generally more willing or able to remit. Further, it was stated that migration is a riskier strategy for poorer households who are more likely to suffer in the absence of productive household members.

Stark (1991) conducted a study on “**Migration Incentives, Migration Types: The Role of Relative Deprivation**” made a decomposition analysis of inequality for the Mexican villages, and found that remittances, which represented a significant component of total household income for all households, serve to reduce income inequality between households.

In a study on “**From Season to Season: Agriculture, Poverty and Migration in the Senegal River Valley, Mali**” which was conducted by Findley and Sow (1998) in Mali have shown that remittances are used to cover basic food and cash needs and for paying irrigation in agriculture.

A study on “**The Socio-economic Dimensions of Remittances: A Case Study of Five Mexican Families**” was conducted by De La Cruz (1995) the study has found that women residing in rural areas of Mexico are found to send money for the better life of their relatives and they whilst the male remit for the investment process. the number of female remitters are less than male which stated that male people tend to get more earning than that of women.

The economic implication of rural out- migration in Uttar Pradesh was examined by Yadava et al. (1997) through a study on **“Estimation of parity progression ratios from truncated distribution of closed and open birth intervals”**. Based on the primary and secondary sources of data indicated that the migrant households were socio- economically and educationally better placed than others. It was found that the remittances improve the income of out- migration households and decrease the inequalities in the overall income distribution in the study area. It was also found that a migrant household received an average of about 24 per cent of its income from remittances sent by the migrants.

Based on a case study performed by Kumar *et al.* (1998) on the title **“Labour out Migration from Rice based Cropping System: A Case Study of Bihar, India”**, he pointed out that though the migration has adverse effect like shortage of youth and able persons during the busy season in agriculture in the sending areas, beneficial effect is much more as economic condition of families of migrants in their natives has decidedly improved. The study discussed the characteristics, work experiences and the earnings of 312 migrants in six villages from three districts in Bihar state. According to them, since the economic status of the migrants in the villages has very much improved, they used modern methods and practices of farming. They made the needed investment in High Yielding Variety seeds and fertilizers and those who did not own land were used their remittances for leasing on land from others for share cropping or fixed rent. The study also found that there was marked improvement in housing facility of the family from which a member migrated. The study stated a view that this marked tendency towards migration from backward state of Bihar will lead a pertinent development in agriculture on modern lines and also encouraged nonfarm employment opportunities in small and cottage industries for which there is ample scope for arresting the process of out migration.

The economic and social well- being of the migrants in rural Bangladesh were studied by Hadi (1999) on the title **“Overseas Migration and the Well-being of Those Left Behind in Rural Communities of Bangladesh”** found that the remittances sent by the migrants contribute towards the ability of the household members left behind to save money and improve their standard of living. The capacity to buy land, invest in building or repairing a house, and repay debt is also positively

associated with the length of staying abroad. The findings demonstrated that the indicators of social well-being increase with the duration of exposure of migration. The migrants were seeking health care from the modern physicians since the mortality and morbidity was lower among them. The study indicated that 'diffusion effect' with secular values from western countries as a result of international migration had also played a significant role in the reduction of inequality and improvement in women's position and also in the aspiration of the education of children in Bangladesh.

Chami et al (2003) on a study on "**Are Immigrant Remittance Flows a Source of Capital for Development?**" stated that there are two main strands of literature on remittances: one focusing on the causes and uses of remittances, and the other concentrating on the macroeconomic impact of remittances. Some theories especially of the determinants of and the motives for remittances have been developed: these theories often take a microeconomic perspective, and focus mostly on the roles that families and intra-family relationships have in decisions on migration and remittances.

In a study conducted by Solimano (2003) on "**Remittances by Emigrants: Issues and Evidences. Economic Development Division**", stated that remittances can have a positive impact as a development tool for the recipient countries with effects on saving, investment, growth, consumption, poverty, and income distribution. The impact on growth of remittances in receiving country is through saving and investment as well as short run effects on aggregate demand and output through consumption. Workers' remittances are a component of foreign saving and they complement national savings by increasing the total pool of resources available to investment.

Zimmerman and Carter (2003) in their study on "**Asset smoothing, consumption smoothing and the reproduction of inequality under risk and subsistence constraints**" showed that according to permanent income hypothesis, individual households should be able to smooth consumption by saving in the normal times and depleting savings during shocks so that they can maintain their consumption level constant for their whole life period. When a household has a migrant household member, it is the prime period to make savings as they have regular income in the form of remittances. Saving as the method to smooth consumption is used by the rural households. Consumption smoothing is achieved not only by the relatively liquid

financial saving and credit transactions, but also by lumpy and possibly costly changes in stocks of physical assets

Edwards and Ureta (2003) in their study on **“International Migration, Remittances, and Schooling: Evidence from El Salvador”** has stated that the impact of remittances on the household members school going decision has been found for the El Salvador region. In their study they have found that remittances plays a vital role on the decision on school going children. Hanson and woodruff (2003) in their study on “Emigration and educational attainment in Mexico, Mime” found that children in migrant households complete significantly more years of schooling (Hanson & Woodruff 2003). Adam (2005) revealed that large proportion of remittance money goes into education. The increased expenditure on education represents investment in human capital (Adams 2005). Using a large household data set from Gautemala argues that households receiving remittances tend to spend more on investment goods like education, health and housing. At the margin, households receiving international remittances spend 58 percent more on education than do households with-out remittances (Adams 2005).

Abrar (2003) in his study on "Migrant worker remittances and microfinance in Bangladesh," used survey data and tried to qualitatively investigate nature and dynamics of people linked through remittances and the linkage between workers' remittances and micro-finance institutions in channeling and transferring remittances in Bangladesh. By surveying one hundred households, this study provided detailed characteristics of remittance receiving households, their socio economic profiles and the different ways remittances are used by them. For example, the study found that more than half the remitters, three quarter of whom were less than thirty five years of age, were married although the highest number of remittances recipient members were the parents who were typically more than fifty years of age, half of whom are illiterates. The study reported that some portion of remittances were invested in land and did not go towards savings while a substantial part of remittances were used to finance migration of other family members. Finally the study discussed how the extended network of the multi finance institutions (MFI) can be used to channel inward remittances and direct them to productive usage.

Siddidui (2004) in his study on **“Efficiency of migrant workers’ remittance: the Bangladesh Case”** identified the different types of agents and institutions involved in remittances transfer process which include different ministries, training institutes, civil society, commercial banks, Bangladesh Bank (the central bank of Bangladesh), micro-finance institutions, investment instruments, specialized bank accounts, different laws related to govern remittances flows and money laundering etc. The study gave recommendations on how to coordinate all these factors to make remittances transfers efficient. One major finding of the study was that the general perception that remittances are put to unproductive use has no empirical validity anymore. The study further notes that such observation may have been valid in late 1970 or early 1980s. However in 1990s the migrants families have tried to effectively utilize the remittances they received by investing in nutritious food for the family members, health, education, land purchase and financing migration of other family members.

Siddique et.al (2012) in their study on **“Remittances and Economic Growth: Empirical Evidence from Bangladesh, India and Sri Lanka”** has highlighted that in many developing countries, remittance payments from migrant workers are increasingly becoming a significant source of export income. The study has investigated the causal link between remittances and economic growth in three countries, Bangladesh, India and Sri Lanka, by employing the Granger causality test under a Vector Auto-regression (VAR) framework, using time series data over a 25-year period, they found that growth in remittances does lead to economic growth in Bangladesh. In India, there seems to be no causal relationship between growth in remittances and economic growth; but in Sri Lanka, a two-way directional causality was found; namely economic growth influences growth in remittances and vice-versa. The study also discussed a number of policy issues arising from the causality results. The study has concluded that despite the varying results regarding whether or not remittances cause economic growth and vice versa, there is no doubt that movement of labour globally contributes to growth. It is established in the international economics literature that the movement of labour between two countries increases output both globally and in the labour sending country. Overall, it cannot be denied that remittances are very important to the economies of Bangladesh, India and Sri Lanka.

Amuedo-Dorantes and Pozo (2006) in a study on "**Migration, Remittances, and Male and Female Employment Patterns**" used panel data for Mexico and examined the remittances which impacted the decision to participate in the labor market on both male and female. By using Amemiya Generalized Least Squares (AGLS) and IV-Tobit model they estimated the hours worked by both male and female recipients in the home country. They referred that remittances do not affect the overall labor force participation but it changes the employment type. An increase in remittance amount will decrease the participation in the formal sector work and with an increase in informal sector work. They also found that with the receipt of remittances Mexican males preferred the flexibility of informal jobs, but the overall female labor supply tended to decline with the receipt of remittances, but only in rural areas. As remittances may increase or decrease the working hours, but this pattern varied across gender and areas or region and important type of work he/she has done. Rural females in Mexico appear to use remittances as a means of escaping from low-paying types of employment in the informal sector. They finally concluded that remittances cause variation in male labor force participation in various types of employment, but decline in the overall labor supply of females.

A study on "**Labor Supply, Human Capital, and International Remittances: Evidence from El Salvador**" conducted by Acosta (2007) used panel data from El Salvador and found that the effects of international remittances on labor force participation differed by gender. On receipt of international remittances, labor force participation fell much more for women than for men i-e: urban females in remittance-receiving households were 42.2 percent more likely to quit the labor market, while urban males in remittance-receiving households were only 9 percent more likely to quit. He finally concluded that both males and females reduced their total hours worked per week upon receiving remittances.

According to Chami et al. (2008) who conducted a survey on "**Macroeconomic Consequences of Remittances**" had stated that arrival of remittances can increase growth by increasing investment in physical capital, human capital and by developing the financial system in the recipient country. If there are significant financial constraints in the country that keep out a large group of household from the credit market, remittances may help ease that constraint and lead to increase

in domestic investment rate. Significant portion of remittances were spent on acquiring education and nutrition leading to higher rate of human capital accumulation. This leads to total factor productivity and subsequent growth. In addition to increase in higher accumulation of physical and human capital, remittances can have a positive impact on growth by affecting the recipient countries' financial system. Remittances can lead to increase in the demand for money and expand the supply of funds into the recipient countries' banking system which contributed to the financial development of the remittance recipient economies and subsequently caused higher economic growth.

A paper by Dostie and Vencatachellum (2006) on the remittances of domestic workers in Tunisia focused on the differences between determinants of compulsory and voluntary transfers. They found that as the domestic worker aged, her probability of being subject to compulsory remittances decreased, while the probability that she would choose to remit voluntarily increased. Conversely, the dollar amount of compulsory remittances was increasing in age (most likely reflecting higher incomes), while the amount of voluntary remittances was decreasing in age. In addition, having a higher number of younger sisters was correlated with higher compulsory remittances, while having older brothers was related to higher voluntary remittances. It was reasoned that a higher number of brothers made it more likely that the family would be able to offer the migrant financial support in the future, while more sisters meant a higher level of need for additional income from the family.

Adams (2006) made study on the **“Impact of transfers on poverty in Ghana”** found that the size of the poverty reduction was dependent on the poverty indices measured. When international private transfers were included in a household's income and expenditure, the squared poverty gap reduced by 35 per cent and the inclusion of internal private transfers led to a reduction of the squared poverty gap by 4.0 per cent. A repeat study in Ghana in 2008 (Adams et al., 2008) reported a reduction in squared poverty gap by 54 per cent and 50 per cent when internal and international private transfers (respectively) were included in household income/expenditure.

Guzman et al. (2007) in their study on **“The Impact of Remittances and Gender on Household Expenditure Patterns: Evidence from Ghana”** made an analysis on remittance use, using GLSS 4 found different expenditure patterns for

female-headed households receiving remittances (both internal and international) Ghana. The female-headed households receiving remittances from within Ghana have larger expenditure shares for health and education, while those receiving remittances from abroad have higher expenditure shares for health, spend significantly less on food and more on consumer and durable goods, housing, and other goods. The study further showed that households with female remitters in Ghana devoted a relatively lower share of their budget to food expenditure and a relatively higher share to health and other goods compared to households with male remitters.

Lucas (2007) in his study on “**Migration and Rural Development**” theoretically examined the impact of internal and international migration on rural development and some of the evidence pertaining to these effects in low income countries. He argued that the rural sectors are far from homogeneous, rural-rural migration is important in its own right and far more common than rural-urban migration in the low income countries and yet very little is known about the patterns, causes and consequences of these movements. He argued that effects from both internal and international migration upon rural development were manifold but it is important to recognize that both migrations out of the rural areas and improvements for those left behind are part of rural development. He concluded that links through labor, replacement, chain migration, investments financed by remittances, insurance provided to the community and its resulting changes in technologies adopted, and the multiplier effects of remittance spending all help to raise living standards even for those who do not migrate out. He concluded that there is fairly uniform agreement that both internal and international migrations contribute to the absolute poverty reduction and migration may also enhance inter-generational socioeconomic mobility.

Barajas et al. (2009) pointed out that for developing countries remittances are large relative to other financial flows. They find that in last 10-year period, remittance flows have become as large as foreign direct investment (FDI) flows to developing countries, amounting on an average of about one third of export earnings, more than twice the private capital flows almost 10 times official capital flows, and more than 12 times official transfers. In light of this, developing countries should capitalize this huge amount of remittance inflows and use it for investment to promote development and the growth. Empirical evidence in this regard shows that the inflow of remittances by

the migrant workers and professionals from an underdeveloped and developing country helps in increasing the investment activities in the recipient country.

ILO (2010) based on its different research works and experience in this field states that migration possesses a big potential to boost development through different ways and remittances are one of the most important among these ways. At micro or individual level remittances by supporting household income increase their spending on health, education and consumption. At macro level collective investment of remittances on road building or construction of other socially important objects have direct impact on development through improved infrastructure. At the same time, remittances serve as an insurance against risks which are faced by the households running agricultural micro enterprises, or decrease deficit in credit markets which is very important for local development.

Transfers sent by internal migrants are more often sent through informal channels, making it difficult to capture them in official estimates of remittances. Using primary data collected in six villages in the state of Uttarakhand in India, Jain (2010) found that, while all international migrants used bank transfers to send remittances to their families, the majority of domestic migrants remitted money via informal channels, by hand-carrying them themselves, or through friends and relatives. Tumbe (2011) estimated that only 30 per cent of domestic remittances are sent through formal channels in India.

The choice between official and unofficial remittance channels is determined mainly by the remitter's preferences, but also by the ease of access to the channel, and by its transaction costs. Moreover, those migrants who manage to find work at the formal sector tend to use official remittance service providers, such as banks, credit institutions and microfinance-related institutions, while those employed in the informal sector tend to resort to unofficial means of transfer, e.g. to bus companies, family members and friends. Furthermore, official service providers are more frequently used when the remitter resides in an urban centre, as these centers are where the financial institutions. Also international remittances are often sent through official channels. In contrast, unofficial channels are most used by customers whose areas are underserved by financial institutions. Also, domestic remittances find their way to

their recipients mainly through semi-official and unofficial channels. (Ngugi and Sennoga 2011).

Justino and Shemyakina (2012) used the Tajik Living standards Survey (2000), and argued that both male average male and female in remittances household participate less in the labor market and provide less working hours than others. They found that remittances affect male participation more than the female participation in the labor market, while in the earlier researches or studies female participation is found more sensitive to remittances. Remittances negatively affect the male participation in the conflicted areas, but no effect labor participation of female in conflict areas. They concluded in the end that by just using remittances, which affect the participation decision in conflicted areas didn't tell the whole story and give an incomplete picture, so further research is needed in this regard.

De and Ratha (2012) made a study on the economic impact of the international remittances on those Sri Lankan families. Study concluded that remittance was not as fungible as other sources of transfer income because the senders closely monitored it. Remittance income helped recipient families to move up the income ladder and children's human capital formation, but it did not help asset accumulation. It also showed that remittance income was not spent on conspicuous consumption by the recipient households.

Piracha and Saraogi (2012) explored the factors that were responsible for the receipt of remittances in Moldova. Their empirical findings suggested that a combination of different household and migrant characteristics, and community-level variables were the vital elements in determining the migrant's remittance behavior. They argued that altruism towards family and future investment motives were two possible reasons behind remittance inflows to Moldova.

Lianos and Pseiridis (2013) examined the size and motivation of remittances taking data from the returned migrants in six countries. They found that remittances are higher when the migrant him/herself or the spouse made the decision to migrate. Also, remittances were higher when they were spent on the education of household members and lower when they were used for food and clothing or medical purposes.

A recent study on Moldova (Stratan et al., 2013) has stated that the contribution made by remittances has played a vital role in the process of poverty reduction among the migrants family at the place of origin.

Adams and Cuecuecha (2013) analyzed the effect of remittance on the marginal expenditure behavior of households in Ghana. The study used the Ghana Living Standard Survey to examine the effect of remittance on a broad range of consumption and investment goods. It concluded that the receipt of remittances reduced household poverty and households receiving remittances spent less at the margin on food but more on education, housing and health.

Koska et al. (2013) analyzed the impact of migration and remittance on the human capital formation of Egyptian children using different OLS models and instrumental variable techniques. They concluded that there is a significant association between remittances and the human capital formation in children. A higher probability of receiving remittances increases the likelihood of a child being enrolled in a school and less likelihood of him/her being involved in child labour.

Investigating the impact of remittances on household expenditure behavior in Senegal, Randazzo and Pirancha (2014) found productive use of remittances among those receiving international remittances. The study found that those receiving international remittances spend on average less on food and more on durables goods, education and investments; signaling a productive use of remittances. The study however found that the impact of remittances disappears when the marginal spending behavior was considered, i.e., households do not show a different consumption pattern with respect to their remittance status.

Castaldo and Reilly (2015) through their study has found that the consumption pattern followed by the households in Albania has received internal remittances which are not different from those that did not receive any money. Those receiving international remittances spent a lower share of their expenditure on food and a higher share on consumer durables in comparison to the households that did not receive any remittances. Hence, remittances, if spent on housing, education, and health, had a positive effect on employment and development.

A study has been conducted by Cuong and Hoa (2015) for finding out the impact of international remittances and internal remittances on education of migrants household members, labor and healthcare usage for children of migrants households members. The study has found that there is relationship between the receipt of remittances on the school enrolment of the children's belonging to the migrants family. Whereas international remittances has played significant role in children education by 2%. Both the international and internal remittances were positively associated with the development of the household.

Valatheeswaran (2016) in his study has made an attempt to find the growth of international migration from state of Tamil Nadu. The study has found that in Tamil Nadu the number of internal migrants has been increased in the past two decades. The growth of this international migration has resulted in inwards flow of remittances into the state. A unit-level data from National Sample Survey 64th round was used in the study. The results showed that households expenditure and investment process is been affected by the amount of remittance they receive. And the study suggested that remittance receiving households were spending their money highly on health and education.

Bouoiyour and Miftah (2016) investigated the effect of remittance in children's human capital accumulation in Morocco. Using an extensive data from the households' living standard survey 2007, they estimated the effect of remittance on some key variables such as school attendance, school dropouts and non-school attendees. The findings of the study confirmed that children from remittance receiving households were more likely to attend a school and less likely to drop-out. The study also pointed out those remittances helped the recipient households to reduce the level of girls not schooled. Hence, the study concluded that remittances contributed to increasing human capital accumulation in Morocco.

Dahal (2014) analyzed the effect of remittance on the economic development of Nepal. He pointed that although remittance enhanced entrepreneurship and it depressed manufacturing. It had a negative association with international exports, although, it had a positive association with financial and human capital accumulation. Hence, the study concluded that there was a combined effect of remittance on economic development. Hussain and Anjum (2014) examined the effect of workers'

remittance on the GDP growth of Pakistan taking data from 1973 to 2011 using a generalized method of moment. The study showed that the association between remittance and growth of GDP was significant and positive in Pakistan.

The sending of remittances is a decentralized decision of migrant workers. Nevertheless, it has macroeconomic implications in providing insurance against domestic output shocks in the recipient economies – a phenomenon known in literature as *risk sharing or income smoothing*. Using a large sample of 86 developing countries for the period 1990–2010, we establish that remittance inflows serve as an important channel through which risk sharing takes place in the developing world. The extent of income smoothing via remittances stands at around 5% on average. Subsequently, we explore the underlying factors that explain countries' ability to share risk through remittances. The diversification of migrants turns out to be the leading explanation for the extent of risk sharing via remittances: the more diverse the migration destinations of a country, the higher the amount of risk shared. In addition, the size of remittance flows appears to have a strong and statistically significant impact on enhancing risk sharing. The suggestive evidence that a higher proportion of remittances originating from farther countries facilitate more risk sharing compared to those originating from neighboring or regional economies. (Faruk and Faisal 2015)

Démurger and Wan (2016) in their study on “**Remittances and expenditure patterns of the left behinds in rural China**” has made an attempt to find how the private money transfer agency from internal migrants affect the expenditure pattern of family left behind by the migrants at the place of their origin. For this purpose the study has used data from Rural-Urban Migration Survey of China. The study has found out that remittance has been used as a supplement income in china and this has increased the consumption pattern of the remittance receiving households and less concentration is made on the investment process. And there is negative impact on the education expenses of the family expenses.

The study of Huy and Nonneman (2016) on “**Economic effects of labor migration on agricultural production of farm households in the Mekong River Delta region of Vietnam**” was on the relationship between migration, remittance and agricultural output in Vietnam using a Cobb-Douglas production function. The study concluded that the obtained remittances were able to compensate the loss of

agricultural output caused by the reduction of labour due to migration. Hence, the inflow of household remittances increased an investment in agriculture increasing agricultural output. Remittances reduced income uncertainty, and contribute to reducing poverty in the rural area. Finally, the migration of male members reduced the supply of male labour on farm, hence increased female participation on farming, while obtained remittances could be used to lessen the problem of food insecurity.

Shera and Meyer (2013) conducted a study on “**Remittances and their impact on Economic Growth**” has stated that in the worldwide economy, remittances represent one of the major international flows of financial resources. Worker remittances constitute an increasingly important mechanism for the transfer of resources from developed to developing countries, and remittances are the second-largest source, behind foreign direct investment, of external funding for developing countries. Sometimes the flows of remittances can exceed the flows of foreign direct investment (FDI). The literature on worker remittances has so far focused mainly on the impact of remittances on income distribution within countries, on the determinants of remittances at a micro-level, or on the effects of emigration and remittances for specific countries or regions. This paper tries to study the impact of remittances on various macroeconomic and developmental aspects for the economy. The study aimed to observe the impact of remittances on economic growth, using a panel data set of 21 developing countries, during the period 1992–2012. These countries have experienced a major increase in remittance inflows, and at this time accounts for the bulk of total remittance receipts, compared with other regions. The results from our model of choice indicate that remittance variable has a positive and statistically significant effect on the GDP per capita (at $p < .01$) of the countries namely Moldova, Bosnia and Herzegovina, Albania, Serbia, Bulgaria, Romania, and Republic of Macedonia.

Housen et.al (2013) in their study on “**A Systematic Review on the Impact of Internal Remittances on Poverty and Consumption in Developing Countries: Implications for Policy**” has made a review on the literature on usage of internal remittance among low-income countries. This was carried out through six electronic and four informal databases. The result of the study showed that internal migration has big role in thr process of poverty reduction on poor families. And this kind of

remittances are been used as a source to improve the livelihood of those poor families by providing education and housing to them.

Mahapatro and Bailey (2017) conducted a study on **“Remittances and household expenditure patterns in India and selected states”**. The study has used NSSO 64th round for finding out the impact of internal remittances and international remittances on the expenditure pattern of remittance receiving households in India, main concentration has been made to Uttar Pradesh, Kerala and Karnataka. The study found that remittance receiving households spend less money on consumption process and spend highly on education and health. And the study concluded that remittance has been used as a source for well being of household.

Sandhya and Mahapatro (2017) **“Why Do they Remit? Examining Factors Influencing Migrant Remittances in India”** stated that little is known about the factors that determine the remittance behavior of migrants in India. With socioeconomic transformations, the gradual change in female migration patterns for economic reasons also signifies their contribution to household well-being. Using the National Sample Survey (2007–2008) data and applying the Heckman’s two-stage procedure, this paper examines, separately, key determinants that influence the remittance behavior of male and female migrants. Empirical estimates reveal that among various factors, monthly per capita expenditure, distance from origin, and duration of stay at destination is important predictors of remittance behavior. These determinants of remittance highlight that migrants retain strong economic links with origin families not only to provide economic support but also for social ties. The findings provide support of contractual motive of remitting and suggest remittances are more effective in promoting development. Further, gender differences in remittance behavior are observed for household size, occupational and educational level of the migrant.

Dodd et.al. (2017) in their study on **“Determinants of internal migrant health and the healthy migrant effect in South India: a mixed methods study”** stated that internal labour migration is an important and necessary livelihood strategy for millions of individuals and households in India. However, the precarious position of migrant workers within Indian society may have consequences for the health of these individuals. Previous researches on the connections between health and labour

mobility within India have primarily focused on the negative health outcomes associated with this practice. Thus, there is a need to better identify the determinants of internal migrant health and how these determinants shape migrant health outcomes. An exploratory mixed methods study was conducted in 26 villages in the Krishnagiri district of Tamil Nadu. Sixty-six semi-structured interviews were completed using snowball sampling, followed by 300 household surveys using multi-stage random sampling. Of the 300 households surveyed, 137 households (45.7%) had at least one current migrant member, with 205 migrant and 1012 non-migrant adults (age 14– 65 years) included in this study. The health profile of migrant and non-migrants was similar in this setting, with 53 migrants (25.9%) currently suffering from a health problem compared to 273 non-migrants (27.0%). Migrant households identified both occupational and livelihood factors that contributed to changes in the health of their migrant members. These determinants of internal migrant health were corroborated and further expanded on through the semi-structured interviews. Internal labour migration in and of itself is not a determinant of health, as participation in labour mobility can contribute to an improvement in health, a decline in health, or no change in health among migrant workers. Targeted public health interventions should focus on addressing the determinants of internal migrant health to enhance the contributions these individuals can make to their households and villages of origin.

7. OTHER RELATED STUDIES

Bowen (2008) in his study on **“From Fields to Factories: Prospects of Young Migrant Women in Vietnam’s Garment and Footwear Industry”** has stated that the movement of young women from rural to urban areas to work in manufacturing is a highly visible feature of Vietnam’s modernization and integration with the global economy. The garment and footwear industries offer much needed employment to many young women from rural areas in the context of a shrinking agricultural sector and limited alternative opportunities. The research explores the motivations and experiences of young single women migrating to garment and footwear enterprises in the city of Hanoi. The analysis is based on a questionnaire survey of 235 young female workers in five factories, in conjunction with qualitative material from semi-structured in-depth interviews with fifteen young women working at the same factories. The migrant young women in the factories surveyed earn low to modest wages, lower on

average than other formal sector employment, but higher than informal sector work or farm work. They experience long working hours and the conditions are frequently stressful and unhealthy but they are satisfied that they have a stable income. While life in the city presents hardships, the young women's accounts reveal a portrait of increased confidence, agency and empowerment compared with their life in the countryside as the result of earning an independent living. According with traditional Vietnamese family values, they show a sense of duty to their family in sending home remittances, but are also working, saving and studying towards their own goals for the future. Regarding the impact of factory work on the young women's future prospects, the research suggests that work, place of residence and marriage paths are closely intertwined. Migration to factory employment tends to delay marriage and as such, places young women at odds with mainstream rural society at home, but it affords them a space in which to experience the world as independent young adults.

A study on **“Health-related Quality of Life Among Adult Migrant Garment Workers in Dhaka City”** was conducted by Islam et.al (2011) with main objective to assess the health-related quality of life among adult migrant garment workers (age 18-59 years) in Dhaka city. The study was conducted with 400 workers for quantitative research, and two health care service providers for qualitative research. Data were collected during February to March 2009. Data were collected by face-to-face interviews using a constructed pre-tested questionnaire adapted from WHOQOL-BREF. Data were analyzed by applying descriptive statistics (frequency, percentage, mean, standard deviation, range and median) and inferential statistics (unpaired t-test and one-way ANOVA) to examine the relationship between health-related quality of life and socio-demographic characteristics, living and working conditions, and accessibility to health care services. Statistical significance was set as $p < 0.05$. The results revealed that 94.00% of workers reported low level of health-related quality of life. The rest were moderate and high, 3.25% and 2.75% respectively. For socio-demographic characteristics, workers' marital status, having family members, income, history of sickness and getting treatment when sick were discovered to have association with health-related quality of life. For living and working conditions, workers' living place, work permit, length of current job and satisfaction on work conditions were significantly associated with health-related quality of life. For accessibility to health care services, perception on difficulty to go to the health facility,

crowdedness of the health facility and having health insurance card were found to be associated with health-related quality of life. Further longitudinal researches and policies are recommended to improve access to health care services and higher health-related quality of life for migrant garment workers in Dhaka city.

Kittipichai et.al. (2015) in their work on “**Quality of Life among Thai Workers in Textile Dyeing Factories**” investigated factors influencing the quality of life among Thai workers in textile dyeing factories. Samples included 205 Thai workers from five textile dyeing factories located in the suburban area of Bangkok in Thailand. Data were collected with a self-administered questionnaire. Scales of the questionnaire had reliability coefficients ranging from 0.70–0.91. The results revealed that the overall quality of life among workers was most likely between good and moderate levels, and the percentage-mean score was 74.77. The seven factors associated with the overall quality of life were co-worker relationships, safety at work in the dimension of accident prevention, job characteristics, supervisory relationships, welfares, marital status, and physical environment. Furthermore, co-worker relationships, accident prevention, and marital status were three considerable predictors accounted for 23% of the variance in the overall quality of life among workers in textile dyeing factories.

Silva (2013) in their joint study on “**Health status and quality of life of female garment workers in Sri Lanka**” has highlighted that the garment industry has gradually become the major foreign exchange earner in Sri Lanka. The objective of this study is to provide an overview of health problems and quality of life among female garment workers in Sri Lanka. Information on medical symptoms and health related quality of life (WHO QOL) was collected through interviews conducted by medically qualified research assistants using a structured questionnaire. Results of this study shows that a total of 1058 female workers participated in the study. Mean age was 27.8 years; musculoskeletal problems were reported by 15.5%, the most prevalent complaint being lower back problems. Over 5% (n = 59) reported a workplace injury in the last year; most of these (68.3%) were puncture injuries. Very few (n = 5; 0.5%) reported having been subjected to emotional abuse, and none reported any sexual or physical abuse at work during the last 12 months. Most (n = 576; 54.4%) rated their overall quality of life as very good or good, and 63.8% (n = 676) were satisfied with their health. Scores relating to psychological complaints were lower (worse) than those for physical complaints. Study concluded that Relative to studies of other occupational

groups in middle income countries, these female garment workers reported overall good health; their most notable problem was musculoskeletal symptoms. The findings could represent adequate control of work-related risks, but a healthy worker effect and social desirability bias must also be considered as explanations for the positive health status of these relatively young workers.

Ambigadevi and Gandhimathi (2012) in their study on **“An Empirical Analysis on Quality of Life of Migrants In Tirupur City”** has stated that migration is the movement of people from one place to another place, which could be voluntarily chosen to search for new and better opportunities or forced to escape negative or dangerous situation. There has been a steady increase in India in the number of migrants. In the year 1961 there were about 144 million migrants by place of birth and in 2001 it has increased to 307 million. Various reasons were attributed to the reasons on migration. The working and living conditions of the Migrants, who could easily be absorbed in informal activities in urban areas are far from satisfactory. The study was an attempt to find out the reasons for migration and their living conditions. To carry out the study, 100 migrants in Tirupur city were selected at random and administering an interview schedule data for the study was collected during the month of November 2011. The current study exhibited that economic factors outweigh social factors for the people to migrate. It further corroborates the Todaros model of migration which says that migration takes place because of differences in expected wage rates. The analysis reveals that the quality of life of the sample migrant households is far from satisfactory.

The study conducted by Manicandan et al. (2006) on Transformations and Labour in the Indian Garment Industry showed that majority of the workers interviewed did not have a permanent status of employment. The terms of employment was not specified for the daily wage earners or casual workers and contract workers. The employment practice deployed by the textile industry in Tamil Nadu is translating into captive or bonded labour. Adolescent girls from neighboring countryside were lured to work in large textile units in towns like Coimbatore-Tirupur cluster, Erode, Dindigul and Vedasanthur. These girls have to reside within the factory premises and work over 12 hours a day. Workers working hours stretched up to 16 hours or more in a day (including overtime). They found that the overtime is not paid at the premium rate

(double the wage). They had no written contract or appointment letter. No worker had been promoted. They have been working all seven days in a week for a month. There is no regular system of maternity leave in the company and they were also not aware of maternity leave. The first aid box has a collection of an expired and inadequate collection of medicines. No nurse or doctor ever visits the factory. There is no canteen in the factory. Air ventilation is poor within the factory. The drinking water in the factory is not clean and hygienic. Despite laws being in place, freedom of association and the right to collective bargaining remain a distant realization for the workers in textile industry.

Mohanasundaram (2010) conducted a study among the garment workers in Tirupur. The study showed that the workers worked one and half-a- shifts i.e., 12 hours. Under the Sumangali System the women workers were denied the final amount at the end of agreement period and they mostly worked in night shifts. They were also compelled to work in the owners / managers houses located inside the premises of the spinning units. The majority of girls said the bathroom and toilet facilities were very bad. The medical facilities offered at the work site were not at all satisfactory. They had signed / put their thumb impression on the agreements. Yet, no one seemed to have a copy of the same. On the treatment they received, in the work place, most of them said they suffered oral abuse.